

WOMEN'S SPORTS FOUNDATION

**FINANCIAL STATEMENTS
AND AUDITOR'S REPORT**

DECEMBER 31, 2017

WOMEN'S SPORTS FOUNDATION

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Independent Auditor's Report

**Board of Directors
Women's Sports Foundation**

Report on the Financial Statements

We have audited the accompanying financial statements of Women's Sports Foundation, which comprise the balance sheet as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women's Sports Foundation as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the December 31, 2016 financial statements of Women's Sports Foundation and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 6, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Loeb & Troper LLP

May 4, 2018

WOMEN'S SPORTS FOUNDATION

BALANCE SHEET

DECEMBER 31, 2017

(With Summarized Financial Information
for December 31, 2016)

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 1,901,985	\$ 2,019,051
Investments (Note 3)	2,516,574	1,902,253
Contributions receivable (Note 4)	2,248,473	1,441,035
Accrued interest receivable		3,719
Prepaid expenses and other assets	106,163	159,815
Property and equipment - net (Note 5)	<u>68,425</u>	<u>62,838</u>
Total assets	<u>\$ 6,841,620</u>	<u>\$ 5,588,711</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 51,813	\$ 83,442
Grants payable (Note 6)	240,115	288,115
Deferred rent (Note 9)	<u>28,441</u>	<u>29,135</u>
Total liabilities	<u>320,369</u>	<u>400,692</u>
Net assets (Exhibit B)		
Unrestricted	2,330,266	1,641,107
Temporarily restricted (Note 7)	3,282,573	2,663,500
Permanently restricted (Note 8)	<u>908,412</u>	<u>883,412</u>
Total net assets	<u>6,521,251</u>	<u>5,188,019</u>
Total liabilities and net assets	<u>\$ 6,841,620</u>	<u>\$ 5,588,711</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

WOMEN'S SPORTS FOUNDATION

EXHIBIT B

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2017
(With Summarized Financial Information
for the Year Ended December 31, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	
				<u>2017</u>	<u>2016</u>
Revenues and other support					
Contributions and grants	\$ 777,658	\$ 2,306,873	\$ 25,000	\$ 3,109,531	\$ 2,804,396
Contributions in-kind	269,615			269,615	406,204
Special event benefit	\$ 1,345,467				
Direct cost of special event	<u>(352,559)</u>			992,908	772,350
Investment income (loss) - net (Note 3)	85,192	80,495		165,687	(2,433)
Speakers fee	389,100			389,100	52,500
Miscellaneous income	1,252			1,252	1,844
Net assets released from restrictions (Note 7)	<u>1,768,295</u>	<u>(1,768,295)</u>			
Total revenues and other support	<u>4,284,020</u>	<u>619,073</u>	<u>25,000</u>	<u>4,928,093</u>	<u>4,034,861</u>
Expenses (Exhibit C)					
Program services					
Participation	333,201			333,201	410,672
Education	1,025,124			1,025,124	988,744
Advocacy	446,981			446,981	249,058
Research	235,734			235,734	120,975
Leadership	<u>647,694</u>			<u>647,694</u>	<u>179,223</u>
Total program services	<u>2,688,734</u>			<u>2,688,734</u>	<u>1,948,672</u>

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WOMEN'S SPORTS FOUNDATION

EXHIBIT B

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STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2017
(With Summarized Financial Information
for the Year Ended December 31, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	
				<u>2017</u>	<u>2016</u>
Expenses (Exhibit C) (continued)					
Supporting services					
Management and general	\$ 488,468			\$ 488,468	\$ 543,257
Fundraising	417,659			417,659	292,185
	<u>906,127</u>			<u>906,127</u>	<u>835,442</u>
Total supporting services					
	<u>3,594,861</u>			<u>3,594,861</u>	<u>2,784,114</u>
Change in net assets (Exhibit D)	689,159	\$ 619,073	\$ 25,000	1,333,232	<u>1,250,747</u>
Net assets - beginning of year, as previously stated					4,257,887
Restatement (Note 12)					<u>(320,615)</u>
Net assets - beginning of year, restated	<u>1,641,107</u>	<u>2,663,500</u>	<u>883,412</u>	<u>5,188,019</u>	<u>3,937,272</u>
Net assets - end of year (Exhibit A)	<u>\$ 2,330,266</u>	<u>\$ 3,282,573</u>	<u>\$ 908,412</u>	<u>\$ 6,521,251</u>	<u>\$ 5,188,019</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

WOMEN'S SPORTS FOUNDATION

EXHIBIT C

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2017
 (With Summarized Financial Information
 for the Year Ended December 31, 2016)

	Program Services						Supporting Services			Total	
	Participation	Education	Advocacy	Research	Leadership	Total	Management and General	Fund-Raising	Total	2017	2016
Salaries	\$ 27,190	\$ 326,151	\$ 138,538	\$ 65,985	\$ 131,958	\$ 689,822	\$ 170,451	\$ 110,080	\$ 280,531	\$ 970,353	\$ 655,328
Payroll taxes and employee benefits	4,788	50,922	21,486	9,158	20,166	106,520	27,843	18,464	46,307	152,827	113,561
Occupancy (Note 9)	4,979	46,770	24,229	11,363	76,780	164,121	34,569	28,621	63,190	227,311	146,802
Professional fees	15,628	125,864	226,470	139,966	231,816	739,744	133,183	193,892	327,075	1,066,819	636,394
Donated services	70,000	66,000			19,200	155,200	15,000	10,000	25,000	180,200	394,075
Investment expense							24,034		24,034	24,034	13,021
Production and printing	59	220	3,704	270	2,792	7,045	2,926	9,707	12,633	19,678	40,392
Communication and media		37,814	420	370	1,559	40,163	3,543	8,689	12,232	52,395	64,272
Grant expense	194,458	307,615			1,500	503,573				503,573	445,116
Insurance	208	8,250	4,253	3,954	4,030	20,695	2,751	465	3,216	23,911	21,539
Office supplies	89	1,693	1,252	330	1,552	4,916	1,565	9,484	11,049	15,965	15,243
Postage and shipping	179	2,023	879	8	396	3,485	4,869	1,642	6,511	9,996	11,942
Meeting and conferences		5,273	4,000		9,929	19,202	48	4,600	4,648	23,850	7,024
Travel and transportation	3,934	24,638	13,305	996	139,257	182,130	33,536	9,257	42,793	224,923	126,646
Telephone	273	8,614	3,477	1,848	3,284	17,496	6,610	5,161	11,771	29,267	25,254
Expensed equipment		2,390			100	2,490	3,144	60	3,204	5,694	30,627
Bad debt							21,708		21,708	21,708	
Miscellaneous	10,760	5,129	2,106	288	733	19,016	22,710	4,154	26,864	45,880	39,586
Depreciation and amortization	656	5,758	2,862	1,198	2,642	13,116	4,012	3,383	7,395	20,511	10,313
Total expenses	333,201	1,025,124	446,981	235,734	647,694	2,688,734	512,502	417,659	930,161	3,618,895	2,797,135
Less expenses deducted directly on the statement of activities											
Investment expense							(24,034)		(24,034)	(24,034)	(13,021)
Total expenses reported by function on the statement of activities (Exhibit B)	\$ 333,201	\$ 1,025,124	\$ 446,981	\$ 235,734	\$ 647,694	\$ 2,688,734	\$ 488,468	\$ 417,659	\$ 906,127	\$ 3,594,861	\$ 2,784,114

See independent auditor's report.

The accompanying notes are an integral part of these statements.

WOMEN'S SPORTS FOUNDATION

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets (Exhibit B)	\$ 1,333,232	\$ 1,250,747
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	20,511	10,313
Net realized and unrealized loss (gain) on investments	(139,792)	23,170
Decrease (increase) in assets		
Contributions receivable	(807,438)	(331,673)
Accrued interest receivable	3,719	(3,719)
Prepaid expenses and other assets	53,652	1,384
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(31,629)	(31,540)
Grants payable	(48,000)	(176,000)
Deferred rent	(694)	26,601
	<u>383,561</u>	<u>769,283</u>
Cash flows from investing activities		
Purchases of investments	(858,377)	(1,607,038)
Proceeds from sales of investments	383,848	858,553
Fixed asset acquisitions	(26,098)	(52,503)
	<u>(500,627)</u>	<u>(800,988)</u>
Net change in cash and cash equivalents	(117,066)	(31,705)
Cash and cash equivalents - beginning of year	<u>2,019,051</u>	<u>2,050,756</u>
Cash and cash equivalents - end of year	<u>\$ 1,901,985</u>	<u>\$ 2,019,051</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

WOMEN'S SPORTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 - NATURE OF ENTITY

Women's Sports Foundation (the "Foundation") is a leading authority on the participation of women and girls in sports and is dedicated to creating leaders by ensuring girls safe and equitable access to sports. The Foundation conducts national, evidence-based research, advocates for equality, shapes public attitudes and policy about women's sports to ensure equal opportunity, cultivates leadership and builds support for grassroots organizations to promote active and healthy lifestyles for underserved girls. The Foundation seeks to achieve gender equality and inclusivity in physical activity and sport so that all can access the foundational benefits provided through athletics on and off the field. Over the past 43 years, the Foundation has produced 45 research studies, provided more than \$80 million in cash and curriculum grants to organizations nationally and served more than 1.8 million girls nationwide. The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation is funded primarily by contributions, grants and special events.

The following is a summary of programs provided by the Foundation:

- **Participation** - Over the past 43 years, the Foundation has provided more than \$80 million in cash and curriculum grants to organizations nationally and served more than 1.8 million girls nationwide, with a focus on girls living in under-resourced communities. Through the Foundation's three signature participation programs, GoGirlGo! Education curriculum, Sports 4 Life's Program and Travel & Training Fund, the Foundation helps sedentary girls to become more active, provides increased access for girls to participate in quality youth developmental sports programs and helps elite athletes address financial obstacles that can impede their ability to compete.
- **Education** - The Foundation annually responds to thousands of requests for information from female athletes, parents, coaches, the media and the general public, and distributes educational information each year. Key to the Foundation's public education efforts includes the delivery of research-based facts and messages about the benefits of girls playing sports, and being active and the higher health risks they encounter when they do not.

WOMEN'S SPORTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 - NATURE OF ENTITY (continued)

- **Advocacy** - The Foundation has been serving as the collective voice for girls and women since its inception. The Foundation's advocacy efforts focus on gender equity, access and opportunity for underserved girls and leadership through sport for all women so that they can achieve their personal potential on the playing fields, in the classroom, in the community and in the workplace. The Foundation's annual blue ribbon conference of advocacy experts, Sports Advocacy Network ("SAN") works with policymakers, collegiate level coaches, administrators, national governing bodies, as well as community leaders. The Foundation is the founder of the annual National Girls and Women in Sport Day ("NGWSD") celebrating girls' and women's achievements in benefits from sport. Now in its thirty-second year, NGWSD is celebrated every February on Capitol Hill, with administration agencies and in all 50 states, with more than 400 local and school led events to commemorate this day.
- **Research** - The Foundation conducts research on issues related to gender equality and the benefit of sports/fitness for individuals of all abilities. More than 40 research studies have been conducted over the past four decades. The Foundation is considered the leading expert and "go-to" resource in this arena, working with thousands of national and local organizations, from the public and private sectors, to fuel effective planning, advocacy and programming. Partners have included the National Women's Law Center, The Aspen Institute's Project Play, Laureus Foundation, Center for Research on Physical Activity, Sport & Health ("CRPASH") housed at D'Youville College, the University of Michigan, among others. The Foundation's latest report, "Teen Sport in America: Health, Education, Social Engagement and Diversity" examines youth sports and the intersection of risk and protective factors that influence young people's health behaviors, social outcomes and educational achievement. The Foundation is also preparing to launch a new study funded by Dick's Sporting Goods Foundation, "Sports Participation and Positive Youth Development."
- **Leadership** - The Foundation's Athlete Leadership Connection ("ALC") is a day-long conference designed to foster leadership in collegiate and champion athletes and to help them successfully transition from active competition to their next professional career. With action-driven panels and dynamic workshops led by business and sports professionals, the Foundation is building on the leadership model already set in motion through athletic participation. Candid Conversations, an extension of the ALC, reaches hundreds of female student-athletes on college campuses around the country to empower and educate them on how to harness the power of their sport for career success.

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WOMEN'S SPORTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The financial statements are prepared on the accrual basis of accounting.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents - Cash equivalents include certain investments in highly liquid instruments with original maturities of three months or less.

Investments - Investments are recorded at fair value. Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based on the markets' fluctuations, and that such changes could affect the amounts reported in the Foundation's financial statements.

Contributions receivable - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the present value of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Allowance for doubtful accounts - The Foundation determines whether an allowance for uncollectibles should be provided for contributions receivable. Such estimates are based on management's assessment of the aged basis of its receivables, current economic conditions, subsequent receipts and historical information. Contributions receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. No allowance for doubtful accounts was determined necessary as of December 31, 2017.

Fixed assets - Fixed assets are recorded at cost. Items with a cost of \$1,000 or greater and an estimated useful life of one year or greater are capitalized. Depreciation and amortization are provided on the straight-line basis over the estimated useful lives of the assets.

Unrestricted net assets - Unrestricted net assets include funds having no restriction as to use or purpose imposed by donors.

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WOMEN'S SPORTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Temporarily and permanently restricted net assets - Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Foundation in perpetuity.

Contributions and grants - Unconditional contributions and grants are reported at fair value at the date the contribution or grant is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional allocation of expenses - The costs of providing the Foundation's programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

In-kind contributions - In-kind contributions, including services and merchandise, are recorded at fair value at the date of donation. Donated services are recognized as revenue if the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and typically need to be purchased if not provided by donation. Revenue and expenses include donated rent of \$56,513 and donated goods and services of \$213,102.

Special events - The Foundation conducts special events in which a portion of the gross proceeds paid by the participants represents payment for the direct cost of the benefits received by the participants at the events. All proceeds received are recorded as special events revenues in the accompanying statement of activities.

Speaker's fee - Fees are earned and recorded when services are provided.

Rent expense - Operating lease expense has been recorded on the straight-line basis over the life of the lease. Deferred rent, when material, is recorded for the difference between the fixed payment and the rent expense.

Grants payable - Grants payable are recorded as a liability and related expense when the Board of Trustees approves the grant. Unless material, the Foundation does not discount commitments to be paid later than one year to present value.

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WOMEN'S SPORTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Summarized financial information - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2016 from which the summarized information was derived.

Fair Value Measurements

Fair Value Measurements establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below. Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access. Level 2 inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 as compared to those used at December 31, 2016.

Equities - Valued at the closing price reported on the active market on which the individual securities are traded.

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WOMEN'S SPORTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

Government obligations - Valued at the closing price reported on the active market on which the individual securities are traded or using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar securities, the security is valued under a discounted cash flows approach that maximizes observable inputs such as current yields of similar instruments but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

Corporate bonds - Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar securities, the security is valued under a discounted cash flows approach that maximizes observable inputs such as current yields of similar instruments but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

Closed-ended funds - Valued at the closing price reported on the active market on which the individual securities are traded.

Hedge funds portfolio - The investment is recorded at fair value based upon the cash liquidation value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

See Note 3 for the table which sets forth by level, within the fair value hierarchy, the assets at fair value as of December 31, 2017.

Reclassification - In order to conform to the 2017 presentation, certain 2016 revenues were reclassified.

Uncertainty in income taxes - The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2014 and subsequent remain subject to examination by applicable taxing authorities.

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WOMEN'S SPORTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent events - Subsequent events have been evaluated through May 4, 2018, which is the date the financial statements were available to be issued.

NOTE 3 - INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of December 31, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Equities			
Domestic	\$ <u>485,793</u>		\$ <u>485,793</u>
Fixed income			
Government obligations		\$ 525,937	525,937
Corporate bonds		<u>399,426</u>	<u>399,426</u>
Total fixed income		<u>925,363</u>	<u>925,363</u>
Closed-end funds	<u>1,018,204</u>		<u>1,018,204</u>
Alternative investments			
Hedge funds portfolio		<u>1,579</u>	<u>1,579</u>
Total investments reported on the fair value hierarchy	\$ <u>1,503,997</u>	\$ <u>926,942</u>	2,430,939
Cash and cash equivalents			<u>85,635</u>
Total investments			\$ <u>2,516,574</u>

Investment income for the year ended December 31, 2017 consisted of:

Interest and dividends	\$ 49,929
Realized gains	1,994
Unrealized gains	137,798
Investment fees	<u>(24,034)</u>
	\$ <u>165,687</u>

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WOMEN'S SPORTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Unconditional contributions receivable in more than one year are discounted to present value at 4%.

Due in 1 year	\$ 998,634
Due in 2-5 years	1,078,107
Thereafter	<u>206,456</u>
	2,283,197
Less discount to present value	<u>(34,724)</u>
	<u>\$ 2,248,473</u>

NOTE 5 - FIXED ASSETS

		<u>Estimated Useful Lives</u>
Equipment	\$ 68,132	3-7 years
Furniture and fixtures	26,142	7 years
Leasehold improvement	<u>338,463</u>	Fully depreciated
	432,737	
Less accumulated depreciation and amortization	<u>(364,312)</u>	
	<u>\$ 68,425</u>	

NOTE 6 - GRANTS PAYABLE

Grants payable as of December 31, 2017 are payable as follows:

Due in 1 year	\$ 50,000
Due in 2-5 years	<u>217,500</u>
	267,500
Less discount to present value (4%)	<u>(27,385)</u>
	<u>\$ 240,115</u>

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WOMEN'S SPORTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Participation	\$ 918,953
Education	448,327
Advocacy	65,883
Research	30,822
Leadership	37,538
Time restrictions	<u>1,781,050</u>
	<u>\$ 3,282,573</u>

During 2017, net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

Participation	\$ 296,474
Education	441,201
Advocacy	105,051
Research	55,000
Leadership	9,820
Time restrictions	<u>860,749</u>
	<u>\$ 1,768,295</u>

NOTE 8 - ENDOWMENT FUNDS

General

The Foundation's permanently restricted net assets consist of endowment fund assets to be held in perpetuity. The income from the assets can be used to support the purpose of the Foundation's participation, education, advocacy, and leadership programs.

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

WOMEN'S SPORTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 8 - ENDOWMENT FUNDS (continued)

Interpretation of Relevant Law

The Foundation has interpreted the New York Prudent Management of Institutional Funds Act (“NYPMIFA”) as requiring the maintenance of the purchasing power of the endowment assets. NYPMIFA moves away from the “historic dollar value” standard, and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. The Foundation is governed by the NYPMIFA spending policy, which establishes a standard maximum prudent spending limit of 7% of the average of its previous five years’ balance. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standards of prudence prescribed by NYPMIFA.

The amounts appropriated for expenditure are based on the endowment spending rate. The spending rate is approved by the Board as part of the Foundation’s operating budget. The Foundation appropriated \$15,740 for the year ended December 31, 2017.

Return Objectives, Strategies Employed and Spending Policy

The objective of the Foundation is to maintain the principal endowment funds at the original amount designated by the donor while generating investment return to fund program objectives. The investment policy to achieve this objective is to invest in fixed-income securities, equity securities, and money market securities based on an asset allocation with the objective of capital appreciation.

Investment income in relation to the endowment funds is recorded as temporarily restricted income and released from restriction upon expenditure for the program for which the endowment fund was established.

Funds with Deficiencies

The Foundation has no funds with deficiencies.

WOMEN'S SPORTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 8 - ENDOWMENT FUNDS (continued)

Endowment Net Asset Composition by Type of Fund as of December 31, 2017

The endowment net asset composition is:

	Temporarily Restricted	Permanently Restricted	Total
Participation	\$ 76,811	\$ 615,000	\$ 691,811
Education	2,221	15,000	17,221
Advocacy	23,152	156,382	179,534
Leadership	<u>16,567</u>	<u>122,030</u>	<u>138,597</u>
Total	<u>\$ 118,751</u>	<u>\$ 908,412</u>	<u>\$ 1,027,163</u>

Changes in Endowment Net Assets for the Year Ended December 31, 2017

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 53,996	\$ 883,412	\$ 937,408
Contributions		25,000	25,000
Dividends and interest	20,929		20,929
Investment gains	59,566		59,566
Appropriations	<u>(15,740)</u>		<u>(15,740)</u>
Endowment net assets, end of year	<u>\$ 118,751</u>	<u>\$ 908,412</u>	<u>\$ 1,027,163</u>

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WOMEN'S SPORTS FOUNDATION
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DECEMBER 31, 2017

NOTE 9 - LEASE COMMITMENTS

- A. The County of Nassau, New York has provided the Foundation with use of facilities owned by Nassau County for a period of twenty years (which expired in 2013). A rental agreement on a portion of these facilities was extended through 2018. The arrangement is cancellable, at any time, upon the mutual consent of Nassau County and the Foundation. In exchange for the use of the facility, the Foundation has agreed to provide, as its resources and the annual activities allow, promotional, developmental, interpretative and consulting services regarding sports fitness and athletics programs and events, in Nassau County, and to help develop and attract sports programs and sports organizations for the benefit of Nassau County, its residents and economy. As a result, contributed rent has not been recorded in the accompanying financial statements.
- B. The Foundation entered into a noncancelable lease agreement for their office space in New York City. The lease expires in March 2020. Rent is being expensed on the straight-line method over the term of the lease.

In addition, the Foundation is obligated under various lease agreements for the use of equipment through 2020.

Total rent expense in 2017 was \$198,184 and deferred rent at December 31, 2017 was \$28,441.

Future minimum lease payments are as follows:

	<u>Office Space</u>	<u>Equipment</u>	<u>Total</u>
2018	\$ 104,731	\$ 22,508	\$ 127,239
2019	107,349	21,471	128,820
2020	<u>17,965</u>	<u>15,948</u>	<u>33,913</u>
	<u>\$ 230,045</u>	<u>\$ 59,927</u>	<u>\$ 289,972</u>

NOTE 10 - CONCENTRATIONS

Financial instruments which potentially subject the organization to a concentration of credit risk are cash accounts with financial institutions in excess of FDIC insurance limits.

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WOMEN'S SPORTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 11 - PENSION PLAN

The Foundation has a defined contribution pension plan. The plan is non-contributory by the employees. The Foundation makes discretionary contributions to the plan. Employees are 100% vested into the plan after two years of services. The Foundation offers its employees a voluntary tax deferred annuity plan under Section 403(b) of the Internal Revenue Code. The Foundation does not make contributions to this plan. Pension expense for year ended December 31, 2017 was \$20,064.

NOTE 12 - RESTATEMENT

On October 9, 2012, the Foundation made a grant to an unrelated organization for \$500,000. The grant was not recorded as a payable in the year granted. The Foundation restated their opening unrestricted net assets to properly reflect the liability of \$320,615 as of January 1, 2016.

NOTE 13 - RELATED PARTY TRANSACTIONS

- The Foundation received a speaker's fee of \$125,000 from an unrelated organization that was subsequently paid to a corporation owned by a Board member for services rendered by that Board member to the Foundation.
- The Foundation annually appoints a sport figure as the Board President. The Foundation provides the President an \$18,000 annual stipend for speaking, travel and other related services while promoting the Foundation.