

Women's Sports Foundation

Independent Auditor's Report and Financial Statements

December 31, 2018 and 2017



Women's Sports Foundation

December 31, 2018 and 2017

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Independent Auditor's Report

Board of Directors
Women's Sports Foundation
New York, New York

We have audited the accompanying financial statements of Women's Sports Foundation, which comprise the statement of financial position as of December 31, 2018, 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, 2018, 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.

Emphasis of Matter

As described in *Note 2* to the financial statements, in 2018, Women's Sports Foundation adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Prior Year Audited by Other Auditors

The December 31, 2017 financial statements were audited by other auditors, and their report thereon, dated, May 4, 2018, expressed an unmodified opinion.

BKD, LLP

New York, New York
June 7, 2019

Women's Sports Foundation
Statements of Financial Position
December 31, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	\$ 1,430,885	\$ 1,901,985
Investments	2,469,412	2,516,574
Contributions receivable	1,892,945	2,248,473
Prepaid expenses and other assets	128,692	106,163
Property and equipment, net	201,380	68,425
Total assets	\$ 6,123,314	\$ 6,841,620
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 213,241	\$ 51,813
Grants payable	190,115	240,115
Deferred revenue	26,283	-
Deferred rent	33,161	28,441
Total liabilities	462,800	320,369
 Net Assets		
Without donor restrictions	1,980,324	2,330,266
With donor restrictions	3,680,190	4,190,985
Total net assets	5,660,514	6,521,251
Total liabilities and net assets	\$ 6,123,314	\$ 6,841,620

Women's Sports Foundation
Statement of Activities
Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support			
Contributions and grants	\$ 658,978	\$ 1,159,896	\$ 1,818,874
Contributions in-kind	222,905	-	222,905
Special event benefit, net of direct cost of \$375,023	1,527,597	-	1,527,597
Investment loss, net	(71,300)	(32,676)	(103,976)
Speakers fee	264,500	-	264,500
Miscellaneous income	1,055	-	1,055
Net assets released from restrictions	1,638,015	(1,638,015)	-
Total revenues and other support	4,241,750	(510,795)	3,730,955
Expenses			
Community impact	2,402,113	-	2,402,113
Advocacy	517,735	-	517,735
Research	512,420	-	512,420
Total program services	3,432,268	-	3,432,268
Management and general	569,793	-	569,793
Fundraising	589,631	-	589,631
Total supporting services	1,159,424	-	1,159,424
Total expenses	4,591,692	-	4,591,692
Change in Net Assets	(349,942)	(510,795)	(860,737)
Net Assets, Beginning of Year	2,330,266	4,190,985	6,521,251
Net Assets, End of Year	\$ 1,980,324	\$ 3,680,190	\$ 5,660,514

Women's Sports Foundation
Statement of Activities
Year Ended December 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support			
Contributions and grants	\$ 777,658	\$ 2,331,873	\$ 3,109,531
Contributions in-kind	269,615	-	269,615
Special event benefit, net of direct cost of \$352,559	992,908	-	992,908
Investment income - net	85,192	80,495	165,687
Speakers fee	389,100	-	389,100
Miscellaneous income	1,252	-	1,252
Net assets released from restrictions	<u>1,768,295</u>	<u>(1,768,295)</u>	<u>-</u>
Total revenues and other support	<u>4,284,020</u>	<u>644,073</u>	<u>4,928,093</u>
Expenses			
Community impact	2,006,019	-	2,006,019
Advocacy	446,981	-	446,981
Research	<u>235,734</u>	<u>-</u>	<u>235,734</u>
Total program services	<u>2,688,734</u>	<u>-</u>	<u>2,688,734</u>
Management and general	488,468	-	488,468
Fundraising	<u>417,659</u>	<u>-</u>	<u>417,659</u>
Total supporting services	<u>906,127</u>	<u>-</u>	<u>906,127</u>
Total expenses	<u>3,594,861</u>	<u>-</u>	<u>3,594,861</u>
Change in Net Assets	689,159	644,073	1,333,232
Net Assets, Beginning of Year	<u>1,641,107</u>	<u>3,546,912</u>	<u>5,188,019</u>
Net Assets, End of Year	<u>\$ 2,330,266</u>	<u>\$ 4,190,985</u>	<u>\$ 6,521,251</u>

Women's Sports Foundation
Statement of Functional Expenses
Year Ended December 31, 2018

	Program Services				Supporting Services		
	Community Impact	Advocacy	Research	Total	Management and General	Fund- Raising	Total
Salaries	\$ 702,182	\$ 243,897	\$ 194,040	\$ 1,140,119	\$ 185,177	\$ 249,500	\$ 1,574,796
Payroll taxes and employee benefits	120,921	41,127	32,484	194,532	31,924	42,809	269,265
Occupancy	92,980	31,624	24,978	149,582	24,548	32,918	207,048
Professional fees	350,296	90,588	214,735	655,619	246,146	132,655	1,034,420
Donated services	103,410	26,554	3,717	133,681	13,515	75,709	222,905
Production and printing	52,225	7,567	6,614	66,406	2,841	4,551	73,798
Communication and media	14,126	9,420	3,991	27,537	37,745	3,236	68,518
Grant expense	687,000	-	-	687,000	750	-	687,750
Insurance	11,985	4,076	3,219	19,280	3,164	4,243	26,687
Office supplies	18,548	4,307	2,695	25,550	1,629	2,393	29,572
Meeting and conferences	31,010	10,933	2,941	44,884	2,556	3,499	50,939
Travel and transportation	162,610	29,661	9,607	201,878	6,085	8,416	216,379
Telephone	16,211	5,292	4,301	25,804	3,907	5,245	34,956
Expensed equipment	2,550	1,131	989	4,670	594	878	6,142
Bad debt	-	-	-	-	1,578	-	1,578
Miscellaneous	25,849	8,489	5,797	40,135	4,922	20,037	65,094
Depreciation and amortization	10,210	3,069	2,312	15,591	2,712	3,542	21,845
Total expenses	\$ 2,402,113	\$ 517,735	\$ 512,420	\$ 3,432,268	\$ 569,793	\$ 589,631	\$ 4,591,692

Women's Sports Foundation
Statement of Functional Expenses
Year Ended December 31, 2017

	Program Services				Supporting Services		
	Community Impact	Advocacy	Research	Total	Management and General	Fund-Raising	Total
Salaries	\$ 485,299	\$ 138,538	\$ 65,985	\$ 689,822	\$ 170,451	\$ 110,080	\$ 970,353
Payroll taxes and employee benefits	75,876	21,486	9,158	106,520	27,843	18,464	152,827
Occupancy	128,529	24,229	11,363	164,121	34,569	28,621	227,311
Professional fees	373,308	226,470	139,966	739,744	133,183	193,892	1,066,819
Donated services	155,200	-	-	155,200	15,000	10,000	180,200
Production and printing	3,071	3,704	270	7,045	2,926	9,707	19,678
Communication and media	39,373	420	370	40,163	3,543	8,689	52,395
Grant expense	503,573	-	-	503,573	-	-	503,573
Insurance	12,488	4,253	3,954	20,695	2,751	465	23,911
Office supplies	3,334	1,252	330	4,916	1,565	9,484	15,965
Postage and shipping	2,598	879	8	3,485	4,869	1,642	9,996
Meeting and conferences	15,202	4,000	-	19,202	48	4,600	23,850
Travel and transportation	167,829	13,305	996	182,130	33,536	9,257	224,923
Telephone	12,171	3,477	1,848	17,496	6,610	5,161	29,267
Expensed equipment	2,490	-	-	2,490	3,144	60	5,694
Bad debt	-	-	-	-	21,708	-	21,708
Miscellaneous	16,622	2,106	288	19,016	22,710	4,154	45,880
Depreciation and amortization	9,056	2,862	1,198	13,116	4,012	3,383	20,511
Total expenses	\$ 2,006,019	\$ 446,981	\$ 235,734	\$ 2,688,734	\$ 488,468	\$ 417,659	\$ 3,594,861

Women's Sports Foundation
Statements of Cash Flows
Years Ended December 31, 2018 and 2017

	2018	2017
Operating Activities		
Change in net assets	\$ (860,737)	\$ 1,333,232
Items not requiring (providing) cash		
Depreciation and amortization	21,845	20,511
Bad debt expense	1,578	
Net realized and unrealized loss (gain) on investments	170,231	(139,792)
Donated investments	(57,182)	-
Changes in		
Contributions receivable	353,950	(807,438)
Accrued interest receivable	-	3,719
Prepaid expenses and other assets	(22,529)	53,652
Accounts payable and accrued expenses	161,428	(31,629)
Grants payable	(50,000)	(48,000)
Deferred revenue	26,283	-
Deferred rent	4,720	(694)
Net cash provided by (used in) operating activities	(250,413)	383,561
Investing Activities		
Purchases of investments	(164,695)	(858,377)
Proceeds from sales of investments	98,808	383,848
Purchase of property and equipment	(154,800)	(26,098)
Net cash used in investing activities	(220,687)	(500,627)
Net Decrease in Cash and Cash Equivalents	(471,100)	(117,066)
Cash and Cash Equivalents, Beginning of Year	1,901,985	2,019,051
Cash and Cash Equivalents, End of Year	\$ 1,430,885	\$ 1,901,985

Women's Sports Foundation

Notes to Financial Statements

December 31, 2018 and 2017

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

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 funded primarily by contributions, grants and special events.

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

Community Impact

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.

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.

Women's Sports Foundation

Notes to Financial Statements

December 31, 2018 and 2017

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."

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, expenses gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2018 and 2017, cash equivalents consisted primarily of money market accounts with brokers.

Women's Sports Foundation

Notes to Financial Statements

December 31, 2018 and 2017

At December 31, 2018, the Foundation's cash accounts exceeded federally insured limits by approximately \$1,308,000.

Investments and Net Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Foundation maintains investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated annually to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the investments accounts, as adjusted for additions to or deductions from those accounts.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Items with a cost of \$1,000 or greater and an estimated useful life of one year or greater are capitalized. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

Equipment	3-7 years
Furniture and fixtures	7 years
Leasehold improvements	4 1/2 years

Long-Lived Asset Impairment

The Foundation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2018 and 2017.

Deferred Revenue

Revenue from fees for future special events is deferred and recognized over the periods to which the fees relate.

Women's Sports Foundation

Notes to Financial Statements

December 31, 2018 and 2017

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.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions are subject to donor- or certain grantor- imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions

Contributions are provided to the Foundation either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Foundation overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

Women's Sports Foundation

Notes to Financial Statements

December 31, 2018 and 2017

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

In-Kind Contributions

In addition to receiving cash contributions, the Foundation receives in-kind contributions of services and merchandise from various donors. It is the policy of the Foundation to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by a like amount. For the years ended December 31, 2018 and 2017, \$222,905 and \$269,615, respectively, was received in in-kind contributions.

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 statements of activities.

Reclassifications

Certain reclassifications have been made to the 2017 financial statements to conform to the 2018 financial statement presentation. These reclassifications had no effect on the change in net assets.

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.

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income.

The Foundation files tax returns in the U.S. federal jurisdiction.

Women's Sports Foundation

Notes to Financial Statements

December 31, 2018 and 2017

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fund raising categories based on the direct allocation of the costs incurred for the programs or support services, and allocation of the salaries of each employee based on the amount of their time spent on the programs.

Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period ending date.

Subsequent Events

Subsequent events have been evaluated through June 7, 2019, which is the date the financial statements were available to be issued.

Note 2: Change in Accounting Principle

In 2018, the Foundation adopted ASU 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. A summary of the changes is as follows:

Statement of Financial Position

- The statement of financial position distinguishes between two new classes of net assets—those with donor-imposed restrictions and those without. This is a change from the previously required three classes of net assets—unrestricted, temporarily restricted and permanently restricted.

Statement of Activities

- Expenses are reported by both nature and function in one location.
- Investment income is shown net of external and direct internal investment expenses. Disclosure of the expenses netted against investment income is no longer required.

Notes to the Financial Statements

- Enhanced quantitative and qualitative disclosures provide additional information useful in assessing liquidity and cash flows available to meet operating expenses for one year from the date of the statement of financial position.

This change had no impact on previously reported total change in net assets.

Women's Sports Foundation

Notes to Financial Statements

December 31, 2018 and 2017

Note 3: Fair Value Measurements and Disclosures

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2018 and 2017:

	Fair Value	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2018				
Investments				
Equities				
Domestic	\$ 381,645	\$ 381,645	\$ -	\$ -
Fixed income				
Government obligations	613,039	-	613,039	-
Corporate bonds	312,126	-	312,126	-
Mutual funds	1,079,603	1,079,603	-	-
Total investments reported in the fair value hierarchy	2,386,413	1,461,248	925,165	-
Cash and cash equivalents	82,999	-	-	-
Total investments	\$ 2,469,412	\$ 1,461,248	\$ 925,165	\$ -

Women's Sports Foundation

Notes to Financial Statements

December 31, 2018 and 2017

	Fair Value	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2017				
Investments				
Equities				
Domestic	\$ 485,793	\$ 485,793	\$ -	\$ -
Fixed income				
Government obligations	525,937	-	525,937	-
Corporate bonds	399,426	-	399,426	-
Mutual funds	1,018,204	1,018,204	-	-
Alternative investments				
Hedge funds portfolio	1,579	-	1,579	-
Total investments reported in the fair value hierarchy	2,430,939	1,503,997	926,942	-
Cash and cash equivalents	85,635	-	-	-
Total investments	\$ 2,516,574	\$ 1,503,997	\$ 926,942	\$ -

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2018.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Women's Sports Foundation

Notes to Financial Statements

December 31, 2018 and 2017

Note 4: Contributions Receivable

Contributions receivable consisted of the following:

	2018	2017
	Without Donor Restrictions	Without Donor Restrictions
Due in one year	\$ 1,483,643	\$ 998,634
Due in two to five years	424,800	1,078,107
Thereafter	<u>-</u>	<u>206,456</u>
	1,908,443	2,283,197
Less discount to present value	<u>(15,498)</u>	<u>(34,724)</u>
	<u>\$ 1,892,945</u>	<u>\$ 2,248,473</u>

Discount rates ranged from 1.98% to 4.63% and from 1.20% to 4.63% for 2018 and 2017, respectively.

Note 5: Property and Equipment

	2018	2017
Equipment	\$ 51,043	\$ 64,850
Furniture and fixtures	154,301	29,424
Leasehold improvement	<u>382,193</u>	<u>338,463</u>
	587,537	432,737
Less accumulated depreciation and amortization	<u>(386,157)</u>	<u>(364,312)</u>
	<u>\$ 201,380</u>	<u>\$ 68,425</u>

Note 6: Operating Leases

The Foundation entered into a noncancelable lease agreement for their office space in New York City. The lease expires in March 2023.

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

Total rent expense was \$236,484 and \$215,225 for the years ended December 31, 2018 and December 31, 2017, respectively.

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Future minimum lease payments under operating leases are:

	<u>Office Space</u>	<u>Equipment</u>	<u>Total</u>
2019	\$ 227,327	\$ 41,729	\$ 269,056
2020	227,327	41,546	268,873
2021	227,327	37,608	264,935
2022	227,327	38,646	265,973
2023	<u>56,837</u>	<u>30,686</u>	<u>87,523</u>
	<u>\$ 966,145</u>	<u>\$ 190,215</u>	<u>\$ 1,156,360</u>

Note 7: Pension Plan

The Foundation has a defined contribution pension plan covering substantially all employees. 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. Pension expense was \$37,130 and \$20,064 for 2018 and 2017, respectively.

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.

Note 8: Net Assets

Net Assets Without Donor Restrictions

At December 31, 2018 and 2017, all net assets without donor restrictions are available to be used for operations.

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Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2018 and 2017 are restricted for the following purposes or periods:

	<u>2018</u>	<u>2017</u>
Subject to expenditure for specified purpose		
Community Impact	\$ 687,584	\$ 1,309,219
Advocacy	35,985	42,731
Research	-	30,822
	<u>723,569</u>	<u>1,382,772</u>
Subject to the passage of time		
Contributions receivable that are not restricted by donors but which are unavailable for expenditure until due	<u>1,872,891</u>	<u>1,781,050</u>
	<u>1,872,891</u>	<u>1,781,050</u>
Endowments		
Subject to appropriation and expenditure when a specified event appears		
Restricted by donors for		
Community Impact	68,418	95,599
Advocacy	6,900	23,152
Research	-	-
	<u>75,318</u>	<u>118,751</u>
Not subject to spending policy or appropriation		
Required to be maintained in perpetuity by donor	<u>1,008,412</u>	<u>908,412</u>
	<u>1,008,412</u>	<u>908,412</u>
	<u>\$ 3,680,190</u>	<u>\$ 4,190,985</u>

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Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2018</u>	<u>2017</u>
Expiration of time restrictions	\$ 757,245	\$ 860,749
Satisfaction of purpose restrictions		
Community Impact	811,014	731,755
Advocacy	28,933	105,051
Research	30,066	55,000
	<u>1,627,258</u>	<u>1,752,555</u>
Restricted purpose spending-rate distributions and appropriations		
Community Impact	9,089	15,740
Advocacy	1,668	-
Research	-	-
	<u>10,757</u>	<u>15,740</u>
	<u>\$ 1,638,015</u>	<u>\$ 1,768,295</u>

Note 9: Endowment

The Foundation's governing body is subject to the State of New York Prudent Management of Institutional Funds Act (NYPMIFA). As a result, the Foundation classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before being reclassified as net assets without donor restrictions.

Additionally, in accordance with NYPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Foundation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Foundation
7. Investment policies of the Foundation

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The Foundation's endowment consists of approximately 15 individual funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The composition of net assets by type of endowment fund at December 31, 2018 and 2017, was:

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 1,008,412	\$ 1,008,412
Accumulated investment gains	-	75,318	75,318
Total	\$ -	\$ 1,083,730	\$ 1,083,730
	2017		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 908,412	\$ 908,412
Accumulated investment gains	-	118,751	118,751
Total	\$ -	\$ 1,027,163	\$ 1,027,163

Change in endowment net assets for the years ended December 31, 2018 and 2017 were:

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 1,027,163	\$ 1,027,163
Investment return, net	-	(32,676)	(32,676)
Contributions	-	100,000	100,000
Appropriation of endowment assets for expenditures	-	(10,757)	(10,757)
Endowment net assets, end of year	\$ -	\$ 1,083,730	\$ 1,083,730

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	2017		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 937,408	\$ 937,408
Investment return, net	-	80,495	80,495
Contributions	-	25,000	25,000
Appropriation of endowment assets for expenditures	-	(15,740)	(15,740)
Endowment net assets, end of year	\$ -	\$ 1,027,163	\$ 1,027,163

Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the Foundation must hold in perpetuity or for donor-specified periods. The Foundation expects its endowment funds to provide an average rate of return of approximately 5 percent annually over time. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation has a spending policy of appropriating for expenditure each year 5 percent of its endowment fund's average fair value over the prior 3 years through the year end preceding the year in which expenditure is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 6 percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Underwater Endowments

The governing body of the Foundation has interpreted NYPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of

- a) the original value of initial and subsequent gift amounts donated to the fund and

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- b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

The Foundation has interpreted NYPMIFA to permit not spending from underwater funds in accordance with the prudent measures required under the law.

At December 31, 2018 and 2017, the Foundation has no underwater funds.

Note 10: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2018 and 2017, comprise the following:

	<u>2018</u>	<u>2017</u>
Financial assets at year end		
Cash and cash equivalents	\$ 1,430,885	\$ 1,901,985
Investments	2,469,412	2,516,574
Contributions receivable due within one year	<u>1,483,643</u>	<u>998,634</u>
Total financial assets	5,383,940	5,417,193
(Less) restrictions		
Donor-imposed restrictions	<u>(3,680,190)</u>	<u>(4,190,985)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,703,750</u>	<u>\$ 1,226,208</u>

The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Foundation has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 30 days' operating expenses. The Foundation has a policy to target a year-end balance of reserves of unrestricted, undesignated net assets to meet 30 to 45 days of expected expenditures. To achieve these targets, the Foundation forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the years ended December 31, 2018 and 2017, the level of liquidity and reserves was managed within the policy requirements.

Note 11: Related Party Transactions

The Foundation received a speaker's fee of \$6,000 and \$125,000 in 2018 and 2017, respectively, 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.

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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 in 2018 and 2017 while promoting the Foundation.

Note 12: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Investments

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit 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 and that such change could materially affect the amounts reported in the accompanying statements of financial position.

Note 13: Future Changes in Accounting Principles

Revenue Recognition

The Financial Accounting Standards Board amended its standards related to revenue recognition. This amendment replaces all existing revenue recognition guidance and provides a single, comprehensive revenue recognition model for all contracts with customers. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of the time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The amendment also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments and assets recognized from costs incurred to fulfill a contract. The standard allows either full or modified retrospective adoption effective for annual periods beginning after December 15, 2018, for nonpublic entities, and any interim periods within annual reporting periods that begin after December 15, 2019. The Foundation is in the process of evaluating the impact the amendment will have on the financial statements.

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Accounting for Leases

The Financial Accounting Standards Board amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the balance sheet as both a right-of-use asset and a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2019, and any interim periods within annual reporting periods that begin after December 15, 2020. The Foundation is evaluating the impact the standard will have on the financial statements; however, the standard is expected to have a material impact on the financial statements due to the recognition of additional assets and liabilities for operating leases.