

# **Women's Sports Foundation**

Independent Auditor's Report and Financial Statements (Revised)

December 31, 2021 and 2020

**Women’s Sports Foundation**  
**December 31, 2021 and 2020**

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## Independent Auditor's Report

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

### ***Opinion***

We have audited the financial statements of Women's Sports Foundation, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flow for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Women's Sports Foundation as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Women's Sports Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Emphasis of Matter***

As discussed in *Note 1* to the financial statements, the 2021 financial statements have been revised to correct a clerical error. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Women's Sports Foundation's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Women's Sports Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Women's Sports Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**FORVIS,LLP**

New York, New York  
October 18, 2022

**Women's Sports Foundation**  
**Statements of Financial Position**  
**December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 623,214	\$ 869,913
Investments	3,267,940	3,169,089
Contributions receivable	2,781,223	2,859,637
Prepaid expenses and other assets	136,413	82,687
Property and equipment, net	179,575	362,785
Total assets	\$ 6,988,365	\$ 7,344,111
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 480,039	\$ 373,239
Conditional grant	-	334,989
Grants payable	366,165	300,899
Deferred rent	25,540	38,112
Total liabilities	871,744	1,047,239
<b>Net Assets</b>		
Without donor restrictions	1,698,461	1,176,595
With donor restrictions	4,418,160	5,120,277
Total net assets	6,116,621	6,296,872
Total liabilities and net assets	\$ 6,988,365	\$ 7,344,111

**Women's Sports Foundation**  
**Statement of Activities (Revised)**  
**Year Ended December 31, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Operating Revenues and Other Support</b>			
Contributions and grants	\$ 3,127,513	\$ 1,757,363	\$ 4,884,876
Contributions in-kind	176,118	-	176,118
Special event benefit, net of direct cost of \$145,885	1,061,864	-	1,061,864
Investment income, net	216,982	105,988	322,970
Miscellaneous income	1,895	-	1,895
Net assets released from restrictions	<u>2,565,468</u>	<u>(2,565,468)</u>	<u>-</u>
Total operating revenues and other support	<u>7,149,840</u>	<u>(702,117)</u>	<u>6,447,723</u>
<b>Operating Expenses</b>			
Program services			
Community impact	3,582,452	-	3,582,452
Advocacy	887,312	-	887,312
Research	<u>408,450</u>	<u>-</u>	<u>408,450</u>
Total program services	<u>4,878,214</u>	<u>-</u>	<u>4,878,214</u>
Supporting services			
Management and general	612,881	-	612,881
Fundraising	<u>831,783</u>	<u>-</u>	<u>831,783</u>
Total supporting services	<u>1,444,664</u>	<u>-</u>	<u>1,444,664</u>
Total operating expenses	<u>6,322,878</u>	<u>-</u>	<u>6,322,878</u>
<b>Change in Net Assets from Operations</b>	826,962	(702,117)	124,845
<b>Nonoperating revenues and expenses</b>			
Nonoperating grant	<u>(305,096)</u>	<u>-</u>	<u>(305,096)</u>
<b>Change in Net Assets</b>	521,866	(702,117)	(180,251)
<b>Net Assets, Beginning of Year</b>	<u>1,176,595</u>	<u>5,120,277</u>	<u>6,296,872</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,698,461</u>	<u>\$ 4,418,160</u>	<u>\$ 6,116,621</u>

# Women's Sports Foundation

## Statement of Activities

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenues and Other Support</b>			
Contributions and grants	\$ 1,338,318	\$ 2,919,034	\$ 4,257,352
Contributions in-kind	111,182	-	111,182
Special event benefit, net of direct cost of \$113,085	1,002,417	-	1,002,417
Investment income, net	67,267	45,219	112,486
Miscellaneous income	5,370	-	5,370
Net assets released from restrictions	1,866,392	(1,866,392)	-
Total operating revenues and other support	4,390,946	1,097,861	5,488,807
<b>Operating Expenses</b>			
Program services			
Community impact	2,445,142	-	2,445,142
Advocacy	910,493	-	910,493
Research	480,377	-	480,377
Total program services	3,836,012	-	3,836,012
Supporting services			
Management and general	458,806	-	458,806
Fundraising	591,065	-	591,065
Total supporting services	1,049,871	-	1,049,871
Total operating expenses	4,885,883	-	4,885,883
<b>Change in Net Assets</b>	(494,937)	1,097,861	602,924
<b>Net Assets, Beginning of Year</b>	1,671,532	4,022,416	5,693,948
<b>Net Assets, End of Year</b>	\$ 1,176,595	\$ 5,120,277	\$ 6,296,872

**Women's Sports Foundation**  
**Statement of Functional Expenses (Revised)**  
**Year Ended December 31, 2021**

	Program Services				Supporting Services			Total
	Community Impact	Advocacy	Research	Total	Management and General	Fundraising	Direct Cost of Special Events	
Salaries	\$ 1,083,827	\$ 422,830	\$ 212,173	\$ 1,718,830	\$ 138,680	\$ 235,977	\$ -	\$ 2,093,487
Payroll taxes and employee benefits	158,373	83,488	53,944	295,805	35,259	59,996	-	391,060
Occupancy	147,117	45,925	29,674	222,716	19,395	33,003	-	275,114
Professional fees	303,772	58,394	54,632	416,798	353,259	438,269	-	1,208,326
Donated services	170,548	1,999	1,291	173,838	844	1,436	-	176,118
Production and printing	26,404	13,300	8,289	47,993	5,418	9,219	-	62,630
Communication and media	21,165	11,724	4,910	37,799	31,070	5,461	-	74,330
Grant expense	1,809,554	180,731	-	1,990,285	-	-	-	1,990,285
Insurance	9,958	5,250	3,392	18,600	2,217	3,773	-	24,590
Office supplies	3,397	1,516	979	5,892	640	1,089	-	7,621
Meetings and conferences	6,487	3,419	2,209	12,115	1,444	2,457	-	16,016
Travel and transportation	49,534	7,220	3,816	60,570	2,494	4,244	-	67,308
Venue rental and event productions	-	-	-	-	-	-	145,885	145,885
Telephone	14,774	7,788	5,032	27,594	3,289	5,597	-	36,480
Bad debt	-	-	-	-	500	-	-	500
Miscellaneous	7,777	4,264	2,610	14,651	1,706	2,902	-	19,259
Depreciation and amortization	74,861	39,464	25,499	139,824	16,666	28,360	-	184,850
Total expenses	3,887,548	887,312	408,450	5,183,310	612,881	831,783	145,885	6,773,859
Less expenses deducted directly from revenues								
Non operating grant	(305,096)	-	-	(305,096)	-	-	-	(305,096)
Direct cost of special events	-	-	-	-	-	-	(145,885)	(145,885)
Total expenses reported by function on the statements of activities	<u>\$ 3,582,452</u>	<u>\$ 887,312</u>	<u>\$ 408,450</u>	<u>\$ 4,878,214</u>	<u>\$ 612,881</u>	<u>\$ 831,783</u>	<u>\$ -</u>	<u>\$ 6,322,878</u>

**Women's Sports Foundation**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2020**

	Program Services				Supporting Services			Total
	Community Impact	Advocacy	Research	Total	Management and General	Fundraising	Direct Cost of Special Events	
Salaries	\$ 984,717	\$ 438,676	\$ 234,055	\$ 1,657,448	\$ 163,836	\$ 247,032	\$ -	\$ 2,068,316
Payroll taxes and employee benefits	147,110	77,112	51,033	275,255	35,722	53,862	-	364,839
Occupancy	125,550	56,340	37,286	219,176	26,100	39,353	-	284,629
Professional fees	369,614	43,255	85,710	498,579	133,987	184,548	-	817,114
Donated services	46,769	25,235	14,218	86,222	9,953	15,007	-	111,182
Production and printing	22,246	8,989	15,034	46,269	4,014	6,052	-	56,335
Communication and media	19,252	7,557	2,554	29,363	29,645	2,695	-	61,703
Grant expense	598,000	179,292	-	777,292	-	-	-	777,292
Insurance	5,761	3,020	1,999	10,780	1,399	2,109	-	14,288
Office supplies	3,451	2,135	1,194	6,780	836	1,260	-	8,876
Meetings and conferences	3,601	1,887	1,249	6,737	874	1,318	-	8,929
Travel and transportation	15,613	15,826	2,331	33,770	1,489	2,245	-	37,504
Venue rental and event productions	-	-	-	-	-	-	113,085	113,085
Telephone	14,560	7,632	5,051	27,243	3,535	5,331	-	36,109
Expensed equipment	1,449	759	502	2,710	352	530	-	3,592
Bad debt	-	-	-	-	27,351	-	-	27,351
Miscellaneous	11,798	3,124	1,918	16,840	1,343	2,025	-	20,208
Depreciation and amortization	75,651	39,654	26,243	141,548	18,370	27,698	-	187,616
Total expenses	2,445,142	910,493	480,377	3,836,012	458,806	591,065	113,085	4,998,968
Less expenses deducted directly from revenues								
Direct cost of special events	-	-	-	-	-	-	(113,085)	(113,085)
Total expenses reported by function on the statements of activities	<u>\$ 2,445,142</u>	<u>\$ 910,493</u>	<u>\$ 480,377</u>	<u>\$ 3,836,012</u>	<u>\$ 458,806</u>	<u>\$ 591,065</u>	<u>\$ -</u>	<u>\$ 4,885,883</u>

**Women's Sports Foundation**  
**Statements of Cash Flows**  
**Years Ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Operating Activities</b>		
Change in net assets	\$ (180,251)	\$ 602,924
Items not requiring (providing) operating cash flows		
Depreciation and amortization	184,850	187,616
Bad debt expense	500	27,351
Net realized and unrealized gain on investments	(230,521)	(49,096)
Changes in		
Contributions receivable	77,914	(825,039)
Prepaid expenses and other assets	(53,726)	31,018
Accounts payable and accrued expenses	106,800	97,168
Conditional grant	(334,989)	334,989
Grants payable	65,266	(80,883)
Deferred revenue	-	(38,250)
Deferred rent	(12,572)	(5,650)
	(376,729)	282,148
Net cash provided by (used in) operating activities		
<b>Investing Activities</b>		
Purchases of investments	(213,145)	(807,348)
Proceeds from sales of investments	344,815	609,695
Purchase of property and equipment	(1,640)	(1,697)
	130,030	(199,350)
Net cash provided by (used in) investing activities		
<b>Net Change in Cash and Cash Equivalents</b>	(246,699)	82,798
<b>Cash and Cash Equivalents, Beginning of Year</b>	869,913	787,115
<b>Cash and Cash Equivalents, End of Year</b>	\$ 623,214	\$ 869,913

# Women's Sports Foundation

## Notes to Financial Statements

December 31, 2021 and 2020

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

#### *Nature of Operations*

Women's Sports Foundation (the Foundation) exists to enable girls and women to reach their potential in sport and life. We are an ally, an advocate, and a catalyst. Founded by Billie Jean King in 1974, we strengthen and expand participation and leadership opportunities through research, advocacy, community programming, and a wide variety of collaborative partnerships. The Foundation has positively shaped the lives of millions of youth, high school and collegiate student-athletes, elite athletes, and coaches. We're building a future where every girl and woman can #KeepPlaying and unlock the lifelong benefits of sport participation. All girls. All women. All sports. To learn more about the Foundation, please visit [www.WomensSportsFoundation.org](http://www.WomensSportsFoundation.org).

Over the past 47 years, the Foundation invested \$100 million into impact efforts. The Foundation is funded primarily by contributions, grants, and special events.

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

#### *Community Impact: Create the Change*

Engagement and retention of girls in sport is a top priority. This is particularly critical because girls drop out of sport during adolescence at twice the rate of boys. Moreover, in communities where there are multiple barriers to participation (*i.e.*, limited resources, transportation and financial obstacles, cultural and language barriers, among others), girls are far less likely to play. The Foundation provide tools and technical assistance to support coaches, parents, administrators, and community leaders to strengthen recruitment, engagement, and quality of programming for girls.

The centerpiece of our community impact work is the Foundation's Sports 4 Life program with its founding partner espnW that helps increase participation and retention of African American, Hispanic, and Native American girls, ages 11-18, in developmental youth sports programs. To date, the Foundation has awarded more than \$1,700,000 in grants to 170 community-based organizations around the country, touching the lives of over 69,000 girls. In 2021, the Foundation launched We Play Interactive™, a digital resource and community for coaches and program leaders who work with girls (replacing its award-winning curriculum, "GoGirlGo!" that has reached over one million girls). Through We Play Interactive, girls elevate their voices, tap into their power, and discover the joy that comes from physical activity and sport. The Foundation's Travel & Training Fund is a national program that provides accomplished female athletes with funding to reduce financial obstacles and put training and competitive goals within reach. Since 1984, the Foundation awarded over \$2.4 Million in grants to more than 1,500 athletes. The Foundation's Athlete Ambassador Program engages elite athletes as role models for the girls we serve. The ambassadors attend the Foundation's national events or are paired with the Foundation's community partners in their local communities to share inspiring personal stories, offer clinics focused on health, leadership and responsibility and provide motivation for girls to see themselves as athletes, regardless of their level of play. The Foundation's Athlete Leadership Connection is designed by athletes for athletes and uses leadership development and career training as a springboard for success off the field of play.

# Women's Sports Foundation

## Notes to Financial Statements

December 31, 2021 and 2020

### *Advocacy: Shape the Future*

The Foundation has been serving as the collective voice for girls and women since its inception. Protecting Title IX, promoting gender equity and empowering others to take action is the cornerstone of the Foundation's work. In partnership with others, the Foundation works throughout the year to advocate at the national, state and grassroots levels for gender equality focusing on developmental youth and high school sports as well as collegiate and elite athletics. The Foundation is particularly dedicated to the needs of underserved girls, including girls of color, those with disabilities, members of the LGBTQ+ community and girls living in low socioeconomic communities with limited resources. The Foundation's advocacy efforts include promoting leadership opportunities for women and addressing gender bias and discrimination in all areas of sport through public policy, coalition building, improved access, opportunity, and public education.

We advocate for equal access to sports through enforcement of Title IX and other policies shaping legislation and opportunity in schools and communities. At the grassroots level, we educate the public about policies and tactics to attain gender equity in sports and empower them to take action. At the national level, the Foundation is viewed as the authority on gender equity through sports while ensuring intersectional voices are amplified. We promote increased presence and visibility of female role models in women's sports. The National Girls and Women in Sports Day powered by the Women's Sports Foundation, for over 35 years celebrates the extraordinary achievements of women in sports every February on Capitol Hill and in all 50 states with more than 400 local grassroots events. Additionally, the Foundation established Tara VanDerveer Fund for the Advancement of Women in Coaching and Scott Pioli & Family Fund for Women Football Coaches and Scouts providing mentorship and support for aspiring female coaches.

### *Research: Understand the Facts*

Research serves as a springboard for all of our work. The Foundation has maintained a comprehensive agenda of signature research projects publishing over 50 research reports to date. Our evidence-based public interest research on girls and women in sports and physical activity anchors all of our policy outreach and fuels our initiatives. It fosters public discourse on the vital importance of sport participation to the health and well-being of girls, diversity and inclusiveness in sport, and leadership opportunities for women. Data combined with experiences on the ground help to identify best practices and inform our programming. The Foundation conducts rigorous evaluation to assess impact against clearly defined benchmarks.

Recently conducted research includes: *Teen Sport in America, Part II: Her Participation Matters*, examining new data that identifies the health, academic and psychological benefits that teen girls obtain on a sport-by-sport basis; *Beyond X's and O's*, revealing gender disparities within collegiate coaching; *Coaching Through a Gender Lens: Maximizing Girls' Play and Potential*, examining the intersection between girls' development and sport experience with coaching strategies and practice; and *Keeping Girls in the Game: Factors that Influence Sport Participation*, one of the first studies of its kind to systematically examine processes influencing youth entry, retention and dropout from sports.

### ***Basis of Accounting***

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

# **Women's Sports Foundation**

## **Notes to Financial Statements**

**December 31, 2021 and 2020**

### ***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. On December 31, 2021 and 2020, cash equivalents consisted primarily of money market accounts with brokers.

Uninvested cash and cash equivalents included in investment accounts, including endowment accounts, are not considered to be cash and cash equivalents.

On December 31, 2021, the Foundation's cash accounts exceeded federally insured limits by approximately \$360,000.

### ***Investments and Net Investment Return***

The Foundation measures securities 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 investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment return that is initially restricted by donor stipulation and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction. 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 pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly 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 pooled 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 and amortization. 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.

# Women's Sports Foundation

## Notes to Financial Statements

December 31, 2021 and 2020

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Equipment	3-7 years
Furniture and fixtures	7 years
Leasehold improvements	4 1/2 years
Website	3 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, 2021 and 2020.

### ***Grants Payable***

Grants payable are recorded as a liability and related expense when the Board of Trustees approves the grant.

### ***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.

# Women's Sports Foundation

## Notes to Financial Statements

December 31, 2021 and 2020

### 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.

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.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

### 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, 2021 and 2020, \$176,118 and \$111,182, respectively, was received in in-kind contributions.

# **Women's Sports Foundation**

## **Notes to Financial Statements**

**December 31, 2021 and 2020**

### ***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.

### ***Rent Expense***

Operating lease expense has been recorded on the straight-line basis over the life of the lease. Deferred rent 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.

### ***Change in Net Assets from Operations***

Change in net assets from operations includes all revenue and expenses except for nonoperating grant.

### ***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 fundraising 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.

### ***Revision***

The 2021 statement of functional expenses and statement of activities have been revised for a clerical error to adjust the advocacy and research program expenses that were transposed. This error resulted in no impact to net assets.

# Women's Sports Foundation

## Notes to Financial Statements

December 31, 2021 and 2020

### Note 2: 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 tables present 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 on December 31, 2021 and 2020:

	Total	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)
<b>December 31, 2021</b>				
Investments				
Equities				
Domestic	\$ 612,549	\$ 612,549	\$ -	\$ -
Fixed income				
Government obligations	540,660	-	540,660	-
Corporate bonds	246,615	237,525	9,090	-
Mutual funds	1,835,471	1,835,471	-	-
Total investments reported in the fair value hierarchy	3,235,295	<u>\$ 2,685,545</u>	<u>\$ 549,750</u>	<u>\$ -</u>
Cash and cash equivalents	32,645			
Total investments	<u>\$ 3,267,940</u>			

# Women's Sports Foundation

## Notes to Financial Statements

December 31, 2021 and 2020

	Total	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)
<b>December 31, 2020</b>				
Investments				
Equities				
Domestic	\$ 478,925	\$ 478,925	\$ -	\$ -
Fixed income				
Government obligations	516,703	516,703	-	-
Corporate bonds	281,250	281,250	-	-
Mutual funds	1,407,184	1,407,184	-	-
Total investments reported in the fair value hierarchy	2,684,062	\$ 2,684,062	\$ -	\$ -
Cash and cash equivalents	485,027			
Total investments	<u>\$ 3,169,089</u>			

The 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 years ended December 31, 2021 and 2020.

### **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.

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## Notes to Financial Statements

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### Note 3: Contributions Receivable

Contributions receivable consisted of the following:

	<u>2021</u>	<u>2020</u>
Due in one year	\$ 1,924,603	\$ 1,685,113
Due in two to five years	<u>866,500</u>	<u>1,183,900</u>
	2,791,103	2,869,013
Less discount to present value	<u>(9,880)</u>	<u>(9,376)</u>
	<u><u>\$ 2,781,223</u></u>	<u><u>\$ 2,859,637</u></u>

Discount rates ranged from 0.13% to 4.63% for 2021 and 2020.

### Note 4: Property and Equipment

	<u>2021</u>	<u>2020</u>
Equipment	\$ 51,043	\$ 51,043
Furniture and fixtures	157,638	155,998
Leasehold improvement	392,274	392,274
Website	<u>426,550</u>	<u>426,550</u>
	1,027,505	1,025,865
Less accumulated depreciation and amortization	<u>(847,930)</u>	<u>(663,080)</u>
	<u><u>\$ 179,575</u></u>	<u><u>\$ 362,785</u></u>

### Note 5: Conditional Grants

The Foundation received a Paycheck Protection Program (PPP) loan established by the *Coronavirus Aid, Relief, and Economic Security Act* and has elected to account for the funding as a conditional contribution by applying Accounting Standards Codification (ASC) Topic 958-605, *Revenue Recognition*. Revenue is recognized when conditions are met, which include meeting FTE and salary reduction requirements, and incurring eligible expenditures. On May 7, 2020, the Foundation received a grant in the amount of \$334,989. The Foundation received forgiveness of the \$334,989 on January 27, 2021 and the amount was recognized as revenue.

On February 5, 2021, the Foundation received a second grant in the amount of \$337,639 pursuant to the PPP. The Foundation received forgiveness of the \$337,639 on December 22, 2021 and the amount was recognized as revenue.

# Women's Sports Foundation

## Notes to Financial Statements

December 31, 2021 and 2020

### 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 2025.

Total rent expense was \$248,448 and \$252,408 for the years ended December 31, 2021 and 2020, respectively.

Future minimum lease payments under operating leases are:

	<u>Office Space</u>	<u>Equipment</u>	<u>Total</u>
2022	\$ 247,180	\$ 49,022	\$ 296,202
2023	62,709	42,577	105,286
2024	-	12,736	12,736
2025	-	4,284	4,284
	<u>\$ 309,889</u>	<u>\$ 108,619</u>	<u>\$ 418,508</u>

### Note 7: Revenue from Contracts with Special Events Attendees

#### *Special Events Revenue*

Revenue from special events is reported at the amount that reflects the consideration to which the Foundation expects to be entitled in exchange for the direct cost of the benefits received by the participant at the event.

#### *Performance Obligations and Transaction Price Allocated to Remaining Performance Obligations*

Performance obligations are determined based on the nature of the services provided by the Foundation.

Revenue for performance obligations satisfied over time is generally recognized over the duration of the related special event.

#### *Transaction Price*

The Foundation determines the transaction price based on standard charges for goods and services provided.

For the years ended December 31, 2021 and 2020, the Foundation recognized revenue of \$30,835 and \$24,880, respectively, from goods and services that transfer to the attendee over time.

# **Women's Sports Foundation**

## **Notes to Financial Statements**

**December 31, 2021 and 2020**

### **Note 8: 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 \$86,732 and \$78,385 for 2021 and 2020, 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.

# Women's Sports Foundation

## Notes to Financial Statements

December 31, 2021 and 2020

### Note 9: Net Assets

#### *Net Assets With Donor Restrictions*

Net assets with donor restrictions on December 31, 2021 and 2020 are restricted for the following purposes or periods:

	<b>2021</b>	<b>2020</b>
Subject to expenditure for specified purpose		
Community Impact	\$ 416,119	\$ 1,290,785
Advocacy	332,376	303,614
Contributions receivable, the proceeds of which have been restricted by donors for:		
Community Impact	1,940,624	2,083,368
Advocacy	79,948	195,094
	<u>2,769,067</u>	<u>3,872,861</u>
Subject to the passage of time		
Contributions receivable that are not restricted by donors but which are unavailable for expenditure until due	446,300	46,300
	<u>446,300</u>	<u>46,300</u>
Endowments		
Subject to appropriation and expenditure when a specified event occurs		
Restricted by donors for:		
Community Impact	194,659	171,846
Advocacy	29,722	20,858
	<u>224,381</u>	<u>192,704</u>
Not subject to spending policy or appropriation		
Required to be maintained in perpetuity by donor	978,412	1,008,412
	<u>978,412</u>	<u>1,008,412</u>
	<u>\$ 4,418,160</u>	<u>\$ 5,120,277</u>

# Women's Sports Foundation

## Notes to Financial Statements

December 31, 2021 and 2020

### ***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>2021</u>	<u>2020</u>
Expiration of time restrictions	\$ 100,000	\$ 19,000
Satisfaction of purpose restrictions		
Community Impact	2,122,120	1,536,912
Advocacy	<u>269,037</u>	<u>295,667</u>
	<u>2,491,157</u>	<u>1,851,579</u>
Restricted purpose spending-rate distributions and appropriations		
Community Impact	66,492	9,694
Advocacy	<u>7,819</u>	<u>5,119</u>
	<u>74,311</u>	<u>14,813</u>
	<u>\$ 2,565,468</u>	<u>\$ 1,866,392</u>

### **Note 10: 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

# Women's Sports Foundation

## Notes to Financial Statements

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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 on December 31, 2021 and 2020 was:

	<u>2021</u>
	<u>With Donor</u>
	<u>Restrictions</u>
Donor-restricted endowment funds	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 978,412
Accumulated investment gains	224,381
Total	<u>\$ 1,202,793</u>
	<u>2020</u>
	<u>With Donor</u>
	<u>Restrictions</u>
Donor-restricted endowment funds	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 1,008,412
Accumulated investment gains	192,704
Total	<u>\$ 1,201,116</u>

Change in endowment net assets for the years ended December 31, 2021 and 2020 were:

	<u>2021</u>
	<u>With Donor</u>
	<u>Restrictions</u>
Endowment net assets, beginning of year	\$ 1,201,116
Investment return, net	105,988
Change in donor restrictions	(30,000)
Appropriation of endowment assets for expenditures	(74,311)
Endowment net assets, end of year	<u>\$ 1,202,793</u>

# Women's Sports Foundation

## Notes to Financial Statements

December 31, 2021 and 2020

	<u>2020</u>
	<u>With Donor</u>
	<u>Restrictions</u>
Endowment net assets, beginning of year	\$ 1,170,710
Investment return, net	45,219
Appropriation of endowment assets for expenditures	<u>(14,813)</u>
Endowment net assets, end of year	<u>\$ 1,201,116</u>

### ***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% 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% of its endowment fund's average fair value over the prior three 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 5% 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
- 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.

# Women's Sports Foundation

## Notes to Financial Statements

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

On December 31, 2021 and 2020, the Foundation has no underwater funds.

### Note 11: 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, 2021 and 2020, comprise the following:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 623,214	\$ 869,913
Investments	3,267,940	3,169,089
Contributions receivable	<u>2,781,223</u>	<u>2,859,637</u>
Total financial assets	6,672,377	6,898,639
Less donor-imposed restrictions	<u>(4,418,160)</u>	<u>(5,120,277)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,254,217</u>	<u>\$ 1,778,362</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 net assets without donor restrictions 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, 2021 and 2020, the level of liquidity and reserves was managed within the policy requirements.

### Note 12: Related-Party Transactions

The Foundation annually appoints an elite athlete as the Board President. The Foundation provided the President an \$18,000 annual stipend for speaking, travel, and other related services in 2021 and 2020 while promoting the Foundation.

# Women's Sports Foundation

## Notes to Financial Statements

December 31, 2021 and 2020

### Note 13: Significant Estimates and Concentrations

GAAP require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

#### ***Contributions Receivable***

On December 31, 2021 and 2020, the Foundation had contributions receivable of approximately 84% from four donors and 73% from two donors, respectively.

#### ***Contributions***

During the years ended December 31, 2021 and 2020, the Foundation received approximately 32% of contributions from two donors and 46% of contributions from one donor, respectively.

#### ***Special Events***

During the years ended December 31, 2021 and 2020, the Foundation received approximately 15% and 23% of revenue from one special event, respectively.

#### ***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 14: Subsequent Events

Subsequent events have been evaluated through October 18, 2022, which is the date the financial statements were available to be issued.

# Women's Sports Foundation

## Notes to Financial Statements

December 31, 2021 and 2020

### Note 15: Future Changes in Accounting Principles

#### ***Accounting for Leases***

The Financial Accounting Standards Board (FASB) 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 statement of financial position 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, 2022, and any interim periods within annual reporting periods that begin after December 15, 2023. 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.

#### ***Contributed Nonfinancial Assets***

On September 17, 2020, FASB issued Accounting Standards Update (ASU) 2020-07, Topic 958: *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The standard requires contributed nonfinancial assets to be presented on a separate line item in the statement of activities, segregated apart from contributions of cash and other financial assets. Additionally, disclosure requirements have been amended to require a disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets, as well as specific disclosure requirements for each category recognized. The amendments in this update should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The Foundation is evaluating the impact the standard will have on the financial statements; however, the standard is expected to have an impact on the detail of disclosures in the notes to the financial statements.