

THE ATLANTA WOMEN'S FOUNDATION, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

THE ATLANTA WOMEN'S FOUNDATION, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Atlanta Women's Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Atlanta Women's Foundation, Inc. (the Foundation), which comprise the statement of financial position as of June 30, 2019, 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.

Auditors' 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 of 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2019 and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2018 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated January 15, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Warren Averett, LLC

Atlanta, Georgia
January 6, 2020

THE ATLANTA WOMEN'S FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

ASSETS		
	2019	2018
Cash and cash equivalents	\$ 1,313,486	\$ 1,243,262
Prepaid assets	104,350	71,148
Unconditional promises to give, net	576,057	966,009
Community Foundation receivable	67,194	-
Property and equipment, net	46,179	2,525
Investments	2,233,661	2,122,558
TOTAL ASSETS	\$ 4,340,927	\$ 4,405,502
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 38,761	\$ 22,737
Grants payable	510,000	575,000
Deferred rent	19,562	24,929
Deferred revenue	107,500	101,500
TOTAL LIABILITIES	675,823	724,166
NET ASSETS		
Without donor restrictions	1,295,359	917,603
With donor restrictions		
Restricted by purpose or time	467,098	861,086
Restricted in perpetuity	1,902,647	1,902,647
Total net assets with donor restrictions	2,369,745	2,763,733
TOTAL NET ASSETS	3,665,104	3,681,336
TOTAL LIABILITIES AND NET ASSETS	\$ 4,340,927	\$ 4,405,502

See notes to the financial statements.

THE ATLANTA WOMEN'S FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(with comparative totals for 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Contributions, events and campaigns				
Annual Campaign	\$ 531,260	\$ 115,000	\$ 646,260	\$ 1,416,545
Event income net of cost of direct benefit to donors of \$265,494 and \$205,146 respectively	1,250,598	-	1,250,598	990,213
Senior Women's Project	-	19,200	19,200	26,500
Other	88,963	-	88,963	34,100
Total contributions, events and campaigns	1,870,821	134,200	2,005,021	2,467,358
Investment income	-	122,987	122,987	124,032
Community Foundation endowment fund income	67,194	-	67,194	65,945
Reclassifications and satisfaction of restrictions	651,175	(651,175)	-	-
Total support, revenue and reclassifications	2,589,190	(393,988)	2,195,202	2,657,335
EXPENSES				
Program expenses	1,581,526	-	1,581,526	1,040,391
Management and general expenses	309,588	-	309,588	195,709
Fundraising expenses	320,320	-	320,320	279,454
Total expenses	2,211,434	-	2,211,434	1,515,554
CHANGES IN NET ASSETS	377,756	(393,988)	(16,232)	1,141,781
NET ASSETS AT:				
BEGINNING OF YEAR	917,603	2,763,733	3,681,336	2,539,555
END OF YEAR	\$ 1,295,359	\$ 2,369,745	\$ 3,665,104	\$ 3,681,336

See notes to the financial statements.

**THE ATLANTA WOMEN'S FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	
Salaries and wages	\$ 173,254	\$ 122,179	\$ 175,944	\$ 471,377
Payroll taxes and benefits	34,247	55,616	34,779	124,642
Total personnel costs	207,501	177,795	210,723	596,019
Grants awarded	1,182,500	-	-	1,182,500
Rent and utilities	29,999	21,088	30,275	81,362
Office expense	16,103	9,866	14,937	40,906
Other	10,603	15,058	5,605	31,266
Depreciation	-	780	-	780
Marketing	1,805	2,726	10,781	15,312
Professional fees	29,273	46,450	7,438	83,161
Bank and credit card fees	-	24,189	-	24,189
Event expense	103,643	465	40,561	144,669
IT services	99	11,171	-	11,270
	<u>\$ 1,581,526</u>	<u>\$ 309,588</u>	<u>\$ 320,320</u>	<u>\$ 2,211,434</u>

See notes to the financial statements.

THE ATLANTA WOMEN'S FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (16,232)	\$ 1,141,781
Adjustments to reconcile changes in net assets to cash provided by operating activities		
Depreciation	780	777
Unrealized gains on investments	(21,632)	(46,744)
Realized gains on sale of investments	(64,531)	(52,493)
Capitalization of donated property and equipment	(44,434)	-
(Increase) decrease in:		
Unconditional promises to give	389,952	(469,883)
Community Foundation receivable	(67,194)	-
Prepaid assets	(33,202)	(44,834)
Increase (decrease) in:		
Accounts payable and accrued liabilities	16,024	(2,230)
Grants payable	(65,000)	(25,000)
Deferred rent	(5,367)	(3,171)
Deferred revenue	6,000	(163,000)
Net cash provided by operating activities	<u>95,164</u>	<u>335,203</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments	<u>(24,940)</u>	<u>43,183</u>
Net cash (used in) provided by investing activities	<u>(24,940)</u>	<u>43,183</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	70,224	378,386
CASH AND CASH EQUIVALENTS:		
AT BEGINNING OF YEAR	<u>1,243,262</u>	<u>864,876</u>
AT END OF YEAR	<u><u>\$ 1,313,486</u></u>	<u><u>\$ 1,243,262</u></u>

See notes to the financial statements.

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

1. ORGANIZATION

The Atlanta Women's Foundation, Inc. (the Foundation), formerly the Atlanta Women's Fund of The Community Foundation for Greater Atlanta, Inc. (The Community Foundation), incorporated as a separate nonprofit organization in the state of Georgia in April 1998. Operations began in July 1998. The Foundation's mission is to be a catalyst for change in the lives of women and girls. The Foundation's support comes primarily from contributions. The Foundation, on behalf of its donors, invests in the work of community-based non-profit organizations that benefit women and girls. Specifically, that investment moves women and girls in the Atlanta community toward economic self-sufficiency by helping to eliminate generational poverty.

A portion of the Atlanta Women's Fund's net assets, which accumulated within The Community Foundation (totaling \$1,050,063), was transferred to the Foundation in 1998. The net assets that remained at The Community Foundation were used to establish an endowment fund for the Foundation. The Foundation receives five percent of the endowment income on an annual basis, which totaled \$67,194 and \$65,945 for the years ended June 30, 2019 and 2018, respectively. The balances in the endowment fund at The Community Foundation at June 30, 2019 and 2018 were approximately \$1,499,000 and \$1,447,000, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Pronouncement

In August 2016 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14-*Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which made several improvements to current financial reporting for not-for-profits. The guidance was effective for the Foundation's annual financial statements for the year ended June 30, 2019. The changes in the ASU were applied on a retrospective basis, which means that all financial statements presented reflected the changes and the effect was disclosed for each period presented. The standard does not require the presentation of the statement of functional expenses for 2018.

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities at year-end. Net assets, revenues, expenses, gains, and losses are recorded based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or passage of time as well as net assets subject to donor-imposed stipulations that the Foundation maintain them in perpetuity. Earnings from the Foundation's net assets held in perpetuity are restricted by donors to provide a permanent source of income.

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounting for Contributions

Contributions are recorded and presented in accordance with FASB Accounting Standards Codification (ASC) 958-605, *Not-for-Profit Entities Revenue Recognition*. Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Unconditional promises to give are recorded as received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated by the donor for specific purposes or for use in a future period are reported as an increase to net assets with donor restrictions. Noncash contributions are recorded at amounts that approximate their fair value at the date received.

The Foundation values promises to give in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are recorded at the present value of their net realizable value, using interest rates applicable to the years in which the promises are received to discount the amounts. The Foundation used a risk adjusted discount rate for the years ended June 30, 2019 and 2018. An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year end.

Restrictions on contributions expire when a purpose or time restriction is accomplished. Upon satisfaction, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the accompanying statement of activities as net assets released from restrictions. Net assets with donor restrictions include the principal amount of contributions accepted with the stipulation from the donors that the principal be maintained in perpetuity.

Restricted contributions received in the same year in which the restrictions are met are recorded as an increase in restricted support at the time of receipt and as net assets released from restrictions upon satisfaction of the donor restriction.

Contributed Services

Contributed services are recognized if they create or enhance nonfinancial assets or if they require specialized skills and would typically be purchased if not provided by donation. Contributed services meeting these criteria for the years ended June 30, 2019 and 2018 were not significant.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Investments

Investments are carried at fair value in accordance with FASB ASC 958-320 *Investments – Debt and Equity Securities for Not-for-Profit Organizations*. Under FASB ASC 820 measurements are disclosed by level within the fair value hierarchy.

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are not observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Level 3 investments include situations where there is little, if any, market activity for the investments. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

All of the Foundation's investments are Level 1 investments.

Endowment

The Board of Directors (the Board) determined that in accordance with FASB ASC 958-205, *Presentation of Financial Statements*, the majority of the Foundation's net assets with donor restrictions in perpetuity met the definition of endowment funds. See Note 6.

Property and Equipment

The Foundation capitalizes all expenditures for property, furniture, fixtures, and equipment in excess of \$1,000. Property and equipment are recorded at cost or at fair value, if donated; and are depreciated using straight-line methods over their estimated useful lives.

Deferred Revenue

Deferred revenue represents sponsorships for events and campaigns and fees for programs to be held in the subsequent year.

Grants Payable

Grants are recorded as expenses when they are approved by the Board.

Financial Instruments

Financial instruments, primarily cash, receivables, investments and payables, are reported at values which the Foundation believes are not significantly different from fair values. Deposit accounts at each of the institutions are insured up to \$250,000, by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2019 and 2018 the Foundation exceeded the FDIC insured limit by \$775,000 and \$625,000, respectively.

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Functional Allocation of Expenses

The costs of providing the Foundation's programs and supporting services have been summarized on a functional basis in the statement of activities and functional expenses. Accordingly, personnel costs have been allocated among the programs and supporting services benefited based on estimates of time and effort, and occupancy costs have been allocated on the basis of the function of the personnel using the space involved.

Comparative Information

The amounts shown for the year ended June 30, 2018 in the accompanying financial statements are included to provide a comparison with 2019 and present summarized totals only. Accordingly, the 2018 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Tax Status

The Foundation is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (IRC) and is classified as an organization which is not a private foundation under Section 509(a) of the IRC. The Foundation qualifies for the charitable contribution deduction.

Concentrations

At June 30, 2019 and 2018, approximately 82% and 79% of unconditional promises to give were attributable to three and two donors, respectively. During the year ended June 30, 2018, 41% of total support and revenue was attributed to one donor.

Reclassifications

Certain 2018 amounts have been reclassified to conform to the 2019 presentation. These reclassifications had no effect on net assets as previously reported.

Recently Issued Accounting Standards

In May 2014 the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* superseding the guidance in former ACS 605, *Revenue Recognition*. It requires entities to recognize revenue based on the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance will be effective for fiscal year ending June 30, 2020 for the Foundation. The Foundation does not expect the adoption to have a material impact on the financial statements.

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

In June 2018 the FASB issued ASU 2018-08 *Not-for-Profit Entities (Topic 958-605)* clarifying the accounting guidance for contributions received and contributions made to further improve the scope and the accounting guidance for revenue recognition, to assist entities distinguishing between contributions (non-reciprocal) and exchange (reciprocal) transactions and to determine whether a contribution is conditional. The effective date of the amendment is fiscal year ending June 30, 2020. The Foundation does not expect the adoption to have a material impact on the financial statements.

In February 2016 the FASB issued ASU 2016-02, *Leases*, to increase transparency and improve comparability by requiring entities to recognize assets and liabilities on the statements of financial position for all leases, with certain exceptions. In addition, through improved disclosure requirements, the standard update will enable users of financial statements to further understand the amount, timing, and uncertainty of cash flows arising from leases. This standard update allows for a modified retrospective application. The new guidance will be effective for the Foundation for the fiscal year ending June 30, 2022; however, early adoption is permitted. Entities are allowed to apply the modified retrospective approach: (1) retrospectively to each prior reporting period presented in the financial statements with the cumulative-effect adjustment recognized at the beginning of the earliest comparative period presented; or (2) retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment. Management is currently evaluating the impact of adopting ASU 2016-02 on the Board's financial position, results of activities, cash flows and related disclosures.

Events Occurring After Report Date

Management has evaluated events and transactions that occurred between June 30, 2019 and January 6, 2020, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

3. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at June 30, 2019 are receivable as follows:

<u>For the Year Ending June 30,</u>	
2020	\$ 255,016
2021	80,000
2022	<u>246,702</u>
Total unconditional promises to give	581,718
Less: Discount to net present value	<u>(5,661)</u>
Net unconditional promises to give	<u><u>\$ 576,057</u></u>

Pledges receivable with due dates extending beyond one year are discounted using U.S. Treasury security rates for similar term investments. The applicable rate at June 30, 2019 and 2018 was 1%.

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

4. INVESTMENTS

The Foundation's investments are managed by an investment company and are valued at quoted market prices in an active market. The Foundation's investments at June 30, 2019 and 2018 are comprised of the following:

	<u>2019</u>	<u>2018</u>
Cash equivalents	\$ 1,457	\$ 11,453
Mutual funds	1,305,475	1,183,108
Bonds	85,547	86,863
Equities	<u>841,182</u>	<u>841,134</u>
Total investments measured at fair value	<u>\$ 2,233,661</u>	<u>\$ 2,122,558</u>

Investment income for the years ended June 30, 2019 and 2018 is composed of:

	<u>2019</u>	<u>2018</u>
Interest and dividend income	\$ 57,087	\$ 46,619
Net realized gain on investments	64,531	52,493
Unrealized gain on investments	21,632	46,744
Brokerage fees	<u>(20,263)</u>	<u>(21,824)</u>
	<u>\$ 122,987</u>	<u>\$ 124,032</u>

5. PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	<u>2019</u>	<u>2018</u>
Office equipment and software	\$ 148,338	\$ 148,338
Furniture and fixtures	56,706	12,273
Leasehold improvements	<u>4,145</u>	<u>4,145</u>
	209,189	164,756
Less accumulated depreciation	<u>(163,010)</u>	<u>(162,231)</u>
Net property and equipment	<u>\$ 46,179</u>	<u>\$ 2,525</u>

Depreciation expense of \$780 and \$777 was recorded for the years ended June 30, 2019 and 2018, respectively.

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

6. RESTRICTIONS ON NET ASSETS

Endowment

The Board of the Foundation has interpreted Georgia's adoption of the Uniform Prudent Management of Institutional Funds Act (GPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by GPMIFA.

In accordance with GPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Endowment Investment and Spending Policies

The Foundation has adopted investment and spending policies, approved by the Board, for endowment funds that will be invested on a total return concept. Income is reinvested and realized appreciation and income are available for spending subject to restrictions imposed by individual donors, Georgia law and the investment policy. Under the spending policy, appropriation of funds may be made annually or quarterly by the Board of an amount up to 5% per annum of the average fair value of the endowment determined as a 12 quarter rolling average. The Board requires that the securities held in the fund represent a cross section of the economy and as such have set asset allocation targets within the investment policy. In order to achieve a prudent level of diversification, the securities of any one company or government agency will not exceed 10% of the total fund and no more than 25% will be invested in any one industry.

Women with Vision II Endowment

Net assets with donor restrictions in perpetuity are primarily contributions received from the Foundation's Women with Vision II campaign which are specifically restricted for use as the corpus in an endowment fund.

Possibility Award Endowment

During the year ended June 30, 2007, the Foundation received a contribution of \$200,000 from a donor to be used to establish a permanent endowment of which the proceeds will be used to support the Possibility Award at a \$10,000 level on an annual basis in perpetuity. The Foundation will fund any shortfall so that the award will continue annually.

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

6. RESTRICTIONS ON NET ASSETS – CONTINUED

Endowment net asset composition by type of fund as of June 30, 2019 is as follows:

	With Donor Restrictions		
	Original Gift Amount	Accumulated Gains (Losses) and Other	Total with Donor Restrictions
Women with Vision II Endowment	\$ 1,702,647	\$ 287,806	\$ 1,990,453
Possibility Award Endowment	200,000	97,677	297,677
Total funds	<u>\$ 1,902,647</u>	<u>\$ 385,483</u>	<u>\$ 2,288,130</u>

Endowment net asset composition by type of fund as of June 30, 2018 is as follows:

	With Donor Restrictions		
	Original Gift Amount	Accumulated Gains (Losses) and Other	Total with Donor Restrictions
Women with Vision II Endowment	\$ 1,702,647	\$ 183,630	\$ 1,886,277
Possibility Award Endowment	200,000	85,044	285,044
Total funds	<u>\$ 1,902,647</u>	<u>\$ 268,674</u>	<u>\$ 2,171,321</u>

Changes in endowment net assets for the year ended June 30, 2019 are as follows:

	With Donor Restrictions		
	Original Gift Amount	Accumulated Gains (Losses) and Other	Total with Donor Restrictions
Endowment net assets January 1, 2019	\$ 1,902,647	\$ 268,674	\$ 2,171,321
Investment loss, net	-	(20,263)	(20,263)
Net appreciation	-	137,072	137,072
Endowment net assets December 31, 2019	<u>\$ 1,902,647</u>	<u>\$ 385,483</u>	<u>\$ 2,288,130</u>

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

6. RESTRICTIONS ON NET ASSETS – CONTINUED

Changes in endowment net assets for the year ended June 30, 2018 are as follows:

	With Donor Restrictions		
	Original Gift Amount	Accumulated Gains (Losses) and Other	Total with Donor Restrictions
Endowment net assets January 1, 2018	\$ 1,902,647	\$ 364,760	\$ 2,267,407
Investment loss, net	-	(22,045)	(22,045)
Net appreciation	-	146,074	146,074
Appropriated for grant making	-	(220,115)	(220,115)
Endowment net assets December 31, 2018	<u>\$ 1,902,647</u>	<u>\$ 268,674</u>	<u>\$ 2,171,321</u>

Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purposes at June 30, 2019 and 2018:

	2019	2018
Subject to expenditures for specific purpose:		
Economic Empowerment	\$ -	\$ 500,000
Endowment earnings	385,483	268,674
Women's Pathway to Success Program	40,000	40,000
Health and Wellbeing Program	25,700	26,500
Women's Community Leadership Alliance (WCLA) Program	14,426	14,426
Donor advised funds	1,489	11,486
	<u>467,098</u>	<u>861,086</u>
Subject to restriction in perpetuity:		
Women with Vision II Endowment	1,702,647	1,702,647
Possibility Award Endowment	200,000	200,000
	<u>1,902,647</u>	<u>1,902,647</u>
	<u>\$ 2,369,745</u>	<u>\$ 2,763,733</u>

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

6. RESTRICTIONS ON NET ASSETS – CONTINUED

Net assets with donor restrictions released from restrictions during the year ended June 30, 2019, were as follows:

	2019
Economic Empowerment	\$ 500,000
Women's Pathway to Success Program	40,000
Health and Wellbeing Program	101,175
Donor advised funds	10,000
	<hr/>
	\$ 651,175
	<hr/>

Women's Community Leadership Alliance (WCLA)

Leaders of Atlanta Women's Foundation, Jewish Federation of Greater Atlanta, Junior League of Atlanta and United Way of Greater Atlanta formed a partnership to educate and mobilize our community around generational poverty, through raising awareness, sponsoring a pilot program, and advocating with policy makers and opinion leaders.

Donor Advised Funds

In December of 1999, the Foundation received a contribution of \$11,549 from a donor to be used to establish a donor advised fund. The name of the fund is the Elijie Fund. The purpose was to further the charitable, educational, religious, and/or scientific purposes of the Foundation. The donor may request for the funds be used for specific purposes or programs as long as they are consistent with the purposes of the Foundation. During the year ended June 30, 2019, the donor requested a \$10,000 grant for teen education.

7. LEASE COMMITMENTS

The Foundation has obligations under various non-cancelable operating leases for office space and equipment. The office lease allowed for deferral of rent payments for five months beginning April 1, 2016. Future minimum lease payments for the years ending June 30 are as follows:

For the Year Ending June 30,

2020	\$ 81,941
2021	84,275
2022	16,284

Rental expense under operating leases for the years ended June 30, 2019 and 2018 amounted to approximately \$86,000 and \$80,000, respectively. The lease for office space is subject to escalation based on increases in building operating expenses.

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8. ALLOCATION OF JOINT COSTS

In 2019 the Foundation incurred joint costs of \$414,724 for events that included developing volunteers and program support, as well as fundraising activities. Of these costs, 27% was allocated to fundraising expense and 73% was allocated to program expenses.

In 2018 the Foundation incurred joint costs of \$343,401 for events that included developing volunteers and program support, as well as fundraising activities. Of these costs, 29% was allocated to fundraising expense and 71% was allocated to other program related expenses.

9. RETIREMENT PLAN

The Foundation has a 401(k) plan in which all regular, full-time employees are eligible to participate after completing one year of service. Under the plan, employees may elect to defer a portion of their salary within Internal Revenue Service limits. In addition, the plan provides for a discretionary profit-sharing contribution. In 2019 and 2018, the Foundation made a discretionary contribution of \$23,569 and \$17,730, respectively.

10. LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Foundation's financial assets as of June 30, 2019 and 2018, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, perpetual endowments and accumulated earnings net of appropriations within one year.

	<u>2019</u>	<u>2018</u>
Financial assets:		
Cash and cash equivalents	\$ 1,313,486	\$ 1,243,262
Unconditional promises to give, net	576,057	966,009
Community Foundation receivable	67,194	-
Investments	<u>2,233,661</u>	<u>2,122,558</u>
Financial assets, at year-end	4,190,398	4,331,829
Less: Assets unavailable for general expenditures within one year:		
Net assets with donor purpose or time restrictions	467,098	861,086
Net assets restricted in perpetuity	<u>1,902,647</u>	<u>1,902,647</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,820,653</u>	<u>\$ 1,568,096</u>

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10. LIQUIDITY AND FUNDS AVAILABLE – CONTINUED

The Foundation is substantially supported by contributions. Because a donor's restrictions requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to donors. The Foundation's endowment funds consist of donor-restricted endowments. Income from the donor-restricted endowment is restricted for investment purposes with income to provide a permanent source of income. Therefore, certain financial assets may not be available for general expenditures within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.