

# Women's Foundation of Mississippi

## FINANCIAL STATEMENTS

Year ended December 31, 2018  
with summarized information for the  
year ended December 31, 2017



**CRI** CARR  
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INGRAM

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**Women's Foundation of Mississippi**  
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**December 31, 2018 and 2017**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Women's Foundation of Mississippi  
Jackson, Mississippi

We have audited the accompanying financial statements of Women's Foundation of Mississippi (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and changes in net assets, 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 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 Foundation of Mississippi 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.

## Report on Summarized Comparative Information

We have previously audited the Women's Foundation of Mississippi's 2017 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated July 19, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi  
August 7, 2019

## **Financial Statements**

**Women's Foundation of Mississippi**  
**Statements of Financial Position**

December 31,	2018	2017
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 522,859	\$ 315,452
Certificate of deposit	99,946	-
Grants and other receivables	129,667	500,822
Contributions receivable, current portion	29,582	46,745
Interest receivable	319	-
Prepaid expenses and other current assets	9,306	8,032
Investments	160,733	121,503
<b>Total current assets</b>	<b>952,412</b>	<b>992,554</b>
Furniture and equipment		
Furniture and equipment	72,401	68,736
Less accumulated depreciation	(42,724)	(23,072)
<b>Total furniture and equipment</b>	<b>29,677</b>	<b>45,664</b>
Other assets		
Contributions receivable, net of current portion	9,123	14,720
Investments	979,878	931,153
<b>Total other assets</b>	<b>989,001</b>	<b>945,873</b>
<b>Total assets</b>	<b>\$ 1,971,090</b>	<b>\$ 1,984,091</b>

*The accompanying notes are an integral part of these financial statements.*

**Women's Foundation of Mississippi  
Statements of Financial Position**

December 31,	2018	2017
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 14,220	\$ 14,773
Accrued liabilities	803	696
Refundable advance	50,000	-
Total current liabilities	65,023	15,469
Net assets		
Without donor restrictions	641,400	802,913
With donor restrictions	1,264,667	1,165,709
Total net assets	1,906,067	1,968,622
Total liabilities and net assets	\$ 1,971,090	\$ 1,984,091

*The accompanying notes are an integral part of these financial statements.*

## Women's Foundation of Mississippi Statements of Functional Expenses

*Year ended December 31, 2018 with summarized financial  
information for the year ended December 31, 2017*

	2018			2017 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>Operating Activities:</b>				
<b>Support, Revenues and Reclassifications</b>				
Contributions	\$ 94,172	\$ 6,038	\$ 100,210	\$ 116,175
Grants	-	522,344	522,344	1,161,000
Fundraising	30,693	-	30,693	22,388
In-kind contributions	7,894	-	7,894	13,238
Endowment contributions	-	200,000	200,000	200,000
Interest and dividends	-	64,570	64,570	41,642
Other	7,045	-	7,045	302
Net assets released from restrictions	521,599	(521,599)	-	-
<b>Total support and revenues</b>	<b>661,403</b>	<b>271,353</b>	<b>932,756</b>	<b>1,554,745</b>
<b>Expenses</b>				
Program services	959,261	-	959,261	1,078,180
General and administrative	167,076	-	167,076	177,012
Fundraising	106,346	-	106,346	135,537
<b>Total expenses</b>	<b>1,232,683</b>	<b>-</b>	<b>1,232,683</b>	<b>1,390,729</b>
Change in net assets from operations	(571,280)	271,353	(299,927)	164,016
<b>Nonoperating Activities:</b>				
Gain (loss) on investments	-	(172,395)	(172,395)	72,594
Other income	409,767	-	409,767	-
<b>Change in net assets</b>	<b>(161,513)</b>	<b>98,958</b>	<b>(62,555)</b>	<b>236,610</b>
Net assets, beginning of year	802,913	1,165,709	1,968,622	1,732,012
<b>Net assets, end of year</b>	<b>\$ 641,400</b>	<b>\$ 1,264,667</b>	<b>\$ 1,906,067</b>	<b>\$ 1,968,622</b>

*The accompanying notes are an integral part of these financial statements.*

## Women's Foundation of Mississippi Statements of Functional Expenses

*Year ended December 31, 2018 with summarized financial  
information for the year ended December 31, 2017*

	<b>2018</b>				2017
	Program Services	General & Administrative	Fundraising	Total	
Salaries	\$ 210,103	\$ 64,386	\$ 64,386	\$ 338,875	\$ 343,759
Employee benefits	18,645	5,713	5,713	30,071	38,285
Payroll taxes	15,833	4,852	4,852	25,537	25,998
	<b>244,581</b>	<b>74,951</b>	<b>74,951</b>	<b>394,483</b>	<b>408,042</b>
Accounting fees	-	46,970	-	46,970	44,515
Bad debt	-	-	1,165	1,165	1,700
Bank and payroll administration fees	-	14,081	-	14,081	5,328
Consulting, education and research	107,482	-	-	107,482	25,484
Depreciation	12,183	3,734	3,734	19,651	16,789
Dues and subscriptions	5,863	-	308	6,171	10,959
Events and meetings	49,826	3,114	9,343	62,283	34,441
Fact Not Fiction	89,027	-	-	89,027	142,255
Fundraising campaigns	-	-	4,311	4,311	1,861
Grants and sponsorships	381,760	-	-	381,760	590,100
Internship	8,000	-	-	8,000	10,663
Insurance	-	6,964	-	6,964	2,929
Legal fees	-	7,023	-	7,023	1,308
Marketing	5,016	-	1,673	6,689	9,058
Miscellaneous	334	-	-	334	50
Office expense	5,749	1,916	1,916	9,581	17,090
Parking	-	-	-	-	2,296
Postage and printing	1,171	391	391	1,953	5,361
Rent and utilities	16,200	5,400	5,400	27,000	19,733
Technology and website	20,259	2,532	2,532	25,323	16,229
Travel	11,810	-	622	12,432	24,538
	<b>714,680</b>	<b>92,125</b>	<b>31,395</b>	<b>838,200</b>	<b>982,687</b>
Total expenses	<b>\$ 959,261</b>	<b>\$ 167,076</b>	<b>\$ 106,346</b>	<b>\$ 1,232,683</b>	<b>\$ 1,390,729</b>

*The accompanying notes are an integral part of these financial statements.*

**Women's Foundation of Mississippi  
Statements of Cash Flows**

<i>Years ended December 31,</i>	<b>2018</b>	<b>2017</b>
<b>Operating activities</b>		
Change in net assets	\$ (62,555)	\$ 236,610
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	19,651	16,789
Bad debt expense	1,165	1,700
Realized and unrealized losses (gains) in investments	172,395	(72,594)
(Increase) decrease in operating assets:		
Grants and other receivables	371,155	(203,921)
Contributions receivable	21,595	53,098
Interest receivable	(319)	-
Prepaid expenses and other current assets	(1,274)	(2,516)
Increase (decrease) in operating liabilities:		
Accounts payable	(553)	(27,067)
Accrued liabilities	107	437
Refundable advance	50,000	(35,000)
<b>Net cash provided (used) by operating activities</b>	<b>571,367</b>	<b>(32,464)</b>
<b>Investing activities</b>		
Purchase of property and equipment	(3,664)	(43,974)
Purchase of certificate of deposit	(99,946)	-
Sales of investments	114,080	-
Purchase of investments	(374,430)	(271,630)
<b>Net cash used by investing activities</b>	<b>(363,960)</b>	<b>(315,604)</b>
<b>Net increase (decrease) in cash</b>	<b>207,407</b>	<b>(348,068)</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>315,452</b>	<b>663,520</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 522,859</b>	<b>\$ 315,452</b>

*The accompanying notes are an integral part of these financial statements.*

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Nature of Activities***

The mission of the Women's Foundation of Mississippi (the "Foundation") is economic security for women. The Foundation is committed to helping Mississippi's women and girls transcend our state's social and economic barriers. The Foundation works to support women and girls throughout the state, particularly those who are most vulnerable. We aggregate financial and other resources to offer grants to non-profits throughout the state, to conduct research relevant to women in our state, and to provide public education and awareness. By cultivating social change, we create long-term opportunity for personal stability and stronger families. The Foundation is funded primarily through contributions and grants from private foundations, individuals and corporations.

***Basis of Accounting and Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The financial position and activities of the Foundation are reported according to the following net asset classifications:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. The board of directors has discretionary control over these resources.

With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors that may or will be met, either by actions of the Foundation and/or the passage of time. Certain donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

***Measure of Operations***

The statement of activities reports all changes in net assets, including changes in net assets from operation activities and nonoperating activities. Operating activities consist of those items attributable to the Foundation's ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and those considered to be unusual or nonrecurring in nature.

***Use of Estimates***

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Cash and Cash Equivalents***

For the purposes of the financial statements, the Foundation considers all liquid investments having initial maturities of three months or less to be cash equivalents except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

***Contributions and Grants Receivable***

Unconditional promises to give are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional promises to give that are expected to be collected in future years are recorded at the net present value of their estimated cash flows. The discounts on those amounts are computed using risk-adjusted interest rates. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until such conditions are met.

Allowances are provided for amounts estimated to be uncollectible. Management evaluates the aging and past collection experience in evaluating the allowance.

***Investments***

Investments are measured at fair value. Investment income including realized and unrealized gains and losses and interest and dividends are recognized as income on the statement of activities. Interest is recorded when earned and dividends are accrued as of the ex-dividend date.

***Furniture and Equipment***

Furniture and equipment are recorded at cost net of accumulated depreciation. Depreciation of furniture and equipment is computed using the straight-line method over the useful lives of the assets, from three to seven years according to asset category. It is the policy of the Foundation to capitalize all fixed assets purchases with a minimum useful life of one year and minimum cost of \$500 and expense repairs and maintenance as incurred.

***Long-lived Assets***

Long-lived assets held and used by the Foundation are evaluated for impairment based upon market factors and operational considerations, including recoverability based upon expectations of non-discounted cash flows and operating income, whenever events or changes in circumstances indicate the carrying value of such assets may not be recoverable.

***Contributions***

Contributions are recorded as net assets without donor-restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

## Women's Foundation of Mississippi Notes to Financial Statements

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Donated Materials and Services***

Contributions of donated non-cash assets are recorded as contributions at their estimated fair value. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

#### ***Income Taxes***

The Foundation is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, the Foundation has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

The Foundation follows guidance under FASB Codification Subtopic for *Accounting for Uncertainty in Income Taxes*. Under that guidance, the Foundation may recognize the tax benefit from an uncertain tax position if it is more likely than not that a tax position will be sustained upon examination by taxing authorities based on the technical merits of the position. The Foundation believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax position that are material to the financial statements. The Foundation recognized any accrued interest and penalties related to unrecognized tax benefits and liabilities, if any. The Foundation's tax filings are generally no longer subject to examination by taxing authorities for tax filings made for 2015 or before.

#### ***Functional Allocation of Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Directly identifiable expenses are charged to programs, management and general, or fundraising. Expenses related to more than one functions are allocated based on estimates provided by management.

The expenses that are allocated include the following:

<b><i>Expense</i></b>	<b>Method of allocation</b>
Salaries, benefits, and payroll taxes	Time and Effort
Depreciation	Time and Effort
Rent, Utilities, and Parking	Time and Effort
Travel	Time and Effort

#### ***Joint Costs Allocated***

Certain joint costs are allocated among program services, management and general and fundraising based on activity as determined by management.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Advertising Cost**

Advertising costs are expensed as incurred. For the years ended December 31, 2018 and 2017, advertising expense total \$5,636 and \$1,296, respectively.

***Concentration of Credit Risk***

Financial instruments that potentially subject the Foundation to concentration of credit risk include cash and investments. The Foundation maintains its cash balances in various financial institutions. All interest and non-interest bearing accounts in each institution are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. From time to time, cash balances may exceed insured limits. The Foundation has not experienced, nor does it anticipate any losses with respect to such accounts.

At December 31, 2018 and 2017, grants receivables of \$100,000 and \$500,000 were due from a single grantor, respectively. During the year ended December 31, 2018 and 2017, approximately 45% and 80% of support revenues were received from two donors, respectively.

***Summarized Financial Information***

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's 2017 financial statements, from which the summarized information was derived.

***Recent Accounting Pronouncements adopted***

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*. ASU 2016-14 included how not-for-profit entities report net asset classes, expenses, investment return and liquidity in the financial statements. The Organization adopted these provisions during the year. Key elements of the ASU 2016-14 include: 1) reducing net asset classifications from three categories to two reporting net assets with donor restrictions and net assets without donor restrictions, 2) expanding disclosures about the nature and amount of any donor restrictions, 3) expanding disclosures on any board designations of net assets without donor restrictions and 4) classifying underwater donor-restricted endowments as net assets with donor restrictions. Additional disclosures, both qualitative and quantitative, are now required to communicate information useful in assessing liquidity within one year of the balance sheet date. Comparative financial statements and disclosures of prior year have been adjusted to apply these new requirements retrospectively. There was no effect on the previously reported net assets related to the adoption of the new accounting standard.

**Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year presentation.

**Women's Foundation of Mississippi**  
**Notes to Financial Statements**

**NOTE 2 - AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS**

The Foundation monitors liquidity required to meet its operating needs while also striving to maximize the investment of its available funds. The following represents the Foundation's financial assets at December 31, 2018 and 2017:

<i>December 31,</i>	<b>2018</b>	<b>2017</b>
<b>Financial assets at year end:</b>		
Cash and cash equivalents	\$ 522,859	\$ 315,452
Certificate of deposit	99,946	-
Contributions and grants receivable	168,372	562,287
Interest receivable	319	-
Investments	1,140,611	1,052,656
<b>Total financial assets</b>	<b>1,932,107</b>	<b>1,930,395</b>
<b>Less amounts not available to be used within one year:</b>		
Net assets with donor restrictions	1,264,667	1,165,709
<b>Financial assets available to meet general expenditures over the next twelve months</b>	<b>\$ 667,440</b>	<b>\$ 764,686</b>

In addition to the financial assets available to meet operating expenditures over the next twelve months, the Foundation anticipates collecting sufficient support to cover general expenditures not covered by donor-restricted resources.

**NOTE 3 - CONTRIBUTIONS RECEIVABLE**

Contributions receivable are as follows:

<i>December 31,</i>	<b>2018</b>	<b>2017</b>
Receivables due in less than a year	\$ 31,207	\$ 50,745
Receivables due in one to five years	9,426	15,400
	<b>40,633</b>	66,145
Less unamortized discount (rate of 5% and 1.75%)	(303)	(680)
	<b>40,330</b>	65,465
Less: allowance for doubtful accounts	(1,625)	(4,000)
<b>Receivable, net</b>	<b>\$ 38,705</b>	<b>\$ 61,465</b>

**Women's Foundation of Mississippi**  
**Notes to Financial Statements**

**NOTE 4 - INVESTMENTS**

Investments consist of the following:

<i>December 31,</i>	<b>2018</b>	<b>2017</b>
Money market accounts	\$ 25,994	\$ 200,333
Equity mutual funds	<b>203,818</b>	-
Treasury bond mutual funds	<b>27,830</b>	-
Bond mutual funds	<b>110,066</b>	-
Investment Pool - Community Foundation	<b>772,903</b>	852,323
<b>Total</b>	<b>\$ 1,140,611</b>	<b>\$ 1,052,656</b>

**NOTE 5 - FAIR VALUE MEASUREMENTS**

Under accounting guidance prescribed by the *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards Codification, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date, and is based on the entity's principal or most advantageous market for the specific asset or liability. The Topic establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The fair value hierarchy distinguishes three levels of inputs that may be utilized when measuring fair value, including level 1 inputs (using quoted prices in active markets for identical assets or liabilities), level 2 inputs (using inputs other than level 1 prices such as quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability), and level 3 inputs (unobservable inputs supported by little or no market activity based on the entity's own assumptions used to measure assets and liabilities). The classification of a financial asset or liability within the above hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

In accordance with ASC subtopic 820-10, *Fair Value Measurements*, certain assets that are measured at the net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in the following table are intended to permit reconciliation of the fair value hierarchy to the amounts present in the statement of financial position.

**Women's Foundation of Mississippi  
Notes to Financial Statements**

**NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)**

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2018 and 2017 are as follows:

<i>December 31,</i>	<b>2018</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money market accounts	\$ 25,994	\$ -	\$ -	\$ 25,994
Equity mutual funds	203,818	-	-	203,818
Treasury bond mutual funds	27,830	-	-	27,830
Bond mutual funds	110,066	-	-	110,066
	<b>367,708</b>	<b>-</b>	<b>-</b>	<b>367,708</b>
Funds measured at net asset value				<u>772,903</u>
Total				<u><b>\$ 1,140,611</b></u>

<i>December 31,</i>	<b>2017</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money market accounts	\$ 200,333	\$ -	\$ -	\$ 200,333
Funds measured at net asset value				<u>852,323</u>
Total				<u><b>\$ 1,052,656</b></u>

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient as December 31, 2018 and 2017.

<i>December 31,</i>	<b>2018</b>			
<b>Description</b>	<b>Fair value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Interest in investment pool of Community Foundation of Mississippi	772,903	N/A	Daily	None

**Women's Foundation of Mississippi  
Notes to Financial Statements**

**NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)**

<i>December 31,</i>	2017			
Description	Fair value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Interest in investment pool of Community Foundation of Mississippi	\$ 852,323	N/A	Daily	None

**NOTE 6 - ENDOWMENTS**

The Foundation's endowments consists of two funds established to support the activities of the Foundation consistent with the mission of the Women's Foundation of Mississippi as set forth in its governing documents. Distributions from the funds are made to or for the benefit of the Foundation consistent with charitable purposes and functions of the Foundation.

The Foundation follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which became effective July 1, 2012, as requiring the preservation of the original gift amount of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation determines funds to be held 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. The remaining portion of the donor restricted endowment funds are 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 UPMIFA.

The Foundation is in the process of formalizing its investment policy for endowment assets that attempts to provide the highest sustainable and consistent flow of funds to support the endowment activities and to protect the purchasing power of the principal of the endowed funds against the cumulative effects of inflation. Accordingly, the investments of the endowment shall be appropriately diversified to control risk while maximizing returns. Actual returns in a given year may vary from this amount dependent upon a combination of market conditions.

Appropriation from spending is determined based on endowment agreements in which a fixed percentage of invested balances become available for appropriation or in which a majority board vote is required annually for appropriation. In 2018, no amounts were appropriated from expenditure from underwater endowments.

**Women's Foundation of Mississippi**  
**Notes to Financial Statements**

**NOTE 6 - ENDOWMENTS (Continued)**

Changes in endowment fund net assets for the year ended December 31, 2018 and 2017 are as follows:

<i>Years ended December 31,</i>	<b>2018</b>	2017
Endowment net assets, beginning of year	\$ 931,153	\$ 586,929
Investment return		
Interest and dividends	64,570	41,642
Net appreciation (depreciation) in value	<b>(172,395)</b>	80,474
Total investment return	<b>(107,825)</b>	122,116
Contributions	<b>200,000</b>	230,000
Amounts appropriated for expenditure	<b>(43,450)</b>	(7,892)
<b>Endowment net assets, end of year</b>	<b>\$ 979,878</b>	<b>\$ 931,153</b>

From time to time, the fair value of assets associated with individual donor restricted endowments may fall below the level that donor requires the Foundation to retain as a fund of perpetual duration.

Deficiencies of this nature exist in one of the donor-restricted endowment fund which has an original gift value of \$400,000, a fair value of \$367,708, and resulting deficiency of \$32,292 as of December 31, 2018. The deficiency resulted from unfavorable market fluctuations that occurred in 2018.

**NOTE 7 - DESIGNATED FUND HELD BY OTHER ENTITIES**

Funds of approximately \$441,584 held and owned by the Community Foundation for Mississippi (CFM) are designated to benefit the Foundation. Funds are transferred to the Foundation based on CFM approval to benefit the operation and programs of the Women's Foundation of Mississippi. CFM has the right to unilaterally change such designations and therefore, such amounts are not included on the accompanying financial statements.

**Women's Foundation of Mississippi**  
**Notes to Financial Statements**

**NOTE 8 - IN-KIND CONTRIBUTIONS**

The Women's Foundation of Mississippi received in-kind contributions including event spacing, services, and rent donated by various individuals and businesses. The in-kind contributions were as follows:

<i>Years ended December 31,</i>	<b>2018</b>	<b>2017</b>
SMART party	\$ -	\$ 1,200
Women of Vision event	<b>1,600</b>	1,811
Thrive at Work	<b>3,385</b>	-
Board meetings	<b>1,500</b>	1,500
Printing	<b>1,409</b>	-
Retreat	-	194
Rent	-	8,533
<b>Total</b>	<b>\$ 7,894</b>	<b>\$ 13,238</b>

**NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes:

<i>December 31,</i>	<b>2018</b>	<b>2017</b>
Support of Foundation activities and programs - time restricted	\$ <b>612,171</b>	\$ 730,820
Fact Not Fiction	-	46,917
Community college initiative for women	<b>113,647</b>	164,402
Hiatt fund internship program	<b>17,838</b>	2,837
Women We Honor endowment	<b>367,707</b>	200,333
High quality reproductive health	<b>128,878</b>	-
Pledges - time restricted	<b>9,426</b>	15,400
Lanier teen Wellness Center	-	5,000
Jumpstart program	<b>15,000</b>	-
	<b>\$ 1,264,667</b>	<b>\$ 1,165,709</b>

**Women's Foundation of Mississippi**  
**Notes to Financial Statements**

**NOTE 10 - JOINT COSTS**

The Foundation held an event during 2018 and 2017 that resulted in the allocation of joint cost between programs and fundraising. The cost allocation for the event is as follows:

<i>Year ended December 31,</i>	2017		
	Program	Fundraising	Total
SMART Party	\$ 5,987	\$ 5,987	\$ 11,974
	\$ 5,987	\$ 5,987	\$ 11,974

**NOTE 11 - LEASES**

The Foundation leases office space and certain office equipment under long-term operating leases. The future minimum lease payments under operating leases are as follows:

<i>Year ending December 31,</i>	
2019	\$ 25,283
2020	17,283
2021	1,283
2022	855
	\$ 44,704

Rent expense for the years ended December 31, 2018 and 2017 was \$27,000 and \$11,200, respectively.

**NOTE 12 - EMPLOYEE BENEFIT PLAN**

During 2017, the Foundation adopted a 401(k) retirement plan covering all employees. Employees are eligible for participation when they have attained age 21 and completed one month of service. The Foundation at its sole discretion may make annual contributions to the plan. Employee deferrals are immediately vested, and employer contributions are vested over five-year period of service. No contributions were made to the plan by the Foundation for 2018 and 2017.

**NOTE 13 - OTHER INCOME**

During the year ended December 31, 2018, the Foundation received a settlement of \$409,767, net of related professional fees from its claim in the Deepwater Horizon Economic Settlement agreement. The revenue is reflected in other income in the nonoperating activities sections of the accompanying statement of activities.

**NOTE 14 - SUBSEQUENT EVENTS**

In accordance with the FASB Accounting Standards Codification Topic 855, Subsequent Events, we have evaluated subsequent events through August 7, 2019, which is the date these financial statements were available to be issued. All subsequent events requiring recognition have been incorporated into these financial statements.