

# Women's Foundation of Mississippi

## FINANCIAL STATEMENTS


December 31, 2019  
with summarized information for  
December 31, 2018



**CRI** CARR  
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INGRAM

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December 31, 2019 and 2018**

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# REPORT





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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, 2019, 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, 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 Women's Foundation of Mississippi's 2018 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated August 7, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, 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 10, 2020



# FINANCIAL STATEMENTS

## **Financial Statements**

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

| December 31,                                     | 2019                | 2018                |
|--|---------------------|---------------------|
| <b>Assets</b>                                    |                     |                     |
| Current assets                                   |                     |                     |
| Cash and cash equivalents                        | \$ 1,052,069        | \$ 522,859          |
| Certificate of deposit                           | 101,348             | 99,946              |
| Grants and other receivables                     | 107,022             | 129,667             |
| Contributions receivable, current portion        | 13,808              | 29,582              |
| Interest receivable                              | 906                 | 319                 |
| Prepaid expenses and other current assets        | 14,191              | 9,306               |
| Beneficial interest in assets held by others     | 202,914             | 160,733             |
| <b>Total current assets</b>                      | <b>1,492,258</b>    | <b>952,412</b>      |
| Furniture and equipment                          |                     |                     |
| Furniture and equipment                          | 74,768              | 72,401              |
| Less accumulated depreciation                    | (62,628)            | (42,724)            |
| <b>Total furniture and equipment</b>             | <b>12,140</b>       | <b>29,677</b>       |
| Other assets                                     |                     |                     |
| Contributions receivable, net of current portion | 988                 | 9,123               |
| Investments                                      | 434,815             | 367,707             |
| Beneficial interest in assets held by others     | 731,687             | 612,171             |
| <b>Total other assets</b>                        | <b>1,167,490</b>    | <b>989,001</b>      |
| <b>Total assets</b>                              | <b>\$ 2,671,888</b> | <b>\$ 1,971,090</b> |

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



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

| December 31,                            | 2019                | 2018                |
|---|---------------------|---------------------|
| <b>Liabilities and Net Assets</b>       |                     |                     |
| Current liabilities                     |                     |                     |
| Accounts payable                        | \$ 120,915          | \$ 14,220           |
| Accrued liabilities                     | 11,380              | 803                 |
| Deferred revenues                       | 4,980               | 50,000              |
| Total current liabilities               | 137,275             | 65,023              |
| Net assets                              |                     |                     |
| Without donor restrictions              | 1,084,919           | 641,400             |
| With donor restrictions                 | 1,449,694           | 1,264,667           |
| Total net assets                        | 2,534,613           | 1,906,067           |
| <b>Total liabilities and net assets</b> | <b>\$ 2,671,888</b> | <b>\$ 1,971,090</b> |

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

## Women's Foundation of Mississippi Statements of Activities and Changes in Net Assets

*Year ended December 31, 2019 with summarized financial  
information for the year ended December 31, 2018*

|   | 2019                          |                            |                     | 2018<br>Total       |
|---|-------------------------------|----------------------------|---------------------|---------------------|
|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |                     |
| <b>Operating Activities:</b>                |                               |                            |                     |                     |
| <b>Support and Revenues</b>                 |                               |                            |                     |                     |
| Contributions                               | \$ 107,446                    | \$ 25,000                  | \$ 132,446          | \$ 140,210          |
| Grants                                      | 906,104                       | 808,733                    | 1,714,837           | 482,344             |
| Fundraising                                 | 13,878                        | -                          | 13,878              | 30,693              |
| In-kind contributions                       | 19,370                        | -                          | 19,370              | 7,894               |
| Endowment contributions                     | -                             | -                          | -                   | 200,000             |
| Other                                       | 2,610                         | -                          | 2,610               | 7,045               |
| Net assets released from restrictions       | 892,641                       | (892,641)                  | -                   | -                   |
| <b>Total support and revenues</b>           | <b>1,942,049</b>              | <b>(58,908)</b>            | <b>1,883,141</b>    | <b>868,186</b>      |
| <b>Expenses</b>                             |                               |                            |                     |                     |
| Program services                            | 1,218,488                     | -                          | 1,218,488           | 959,261             |
| General and administrative                  | 157,704                       | -                          | 157,704             | 175,893             |
| Fundraising                                 | 134,896                       | -                          | 134,896             | 106,346             |
| <b>Total expenses</b>                       | <b>1,511,088</b>              | <b>-</b>                   | <b>1,511,088</b>    | <b>1,241,500</b>    |
| <b>Change in net assets from operations</b> | <b>430,961</b>                | <b>(58,908)</b>            | <b>372,053</b>      | <b>(373,314)</b>    |
| <b>Nonoperating Activities:</b>             |                               |                            |                     |                     |
| Interest and dividends                      | 2,918                         | 13,078                     | 15,996              | 13,763              |
| Gain (loss) on investments                  | -                             | 230,857                    | 230,857             | (112,771)           |
| Other income                                | 9,640                         | -                          | 9,640               | 409,767             |
| <b>Change in net assets</b>                 | <b>443,519</b>                | <b>185,027</b>             | <b>628,546</b>      | <b>(62,555)</b>     |
| Net assets, beginning of year               | 641,400                       | 1,264,667                  | 1,906,067           | 1,968,622           |
| <b>Net assets, end of year</b>              | <b>\$ 1,084,919</b>           | <b>\$ 1,449,694</b>        | <b>\$ 2,534,613</b> | <b>\$ 1,906,067</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, 2019 with summarized financial  
information for the year ended December 31, 2018

|                                      | 2019                                  |            |            |                       |              |                     |             |              |              | 2018                |
|--------------------------------------|---------------------------------------|------------|------------|-----------------------|--------------|---------------------|-------------|--------------|--------------|---------------------|
|                                      | Program Services                      |            |            |                       |              | Supporting Services |             |              |              | Summarized<br>Total |
|                                      | Community<br>Leadership and Education |            | Grant      | Fiscal<br>Sponsorship |              | General &           |             | Total        |              |                     |
|                                      | Development                           | Engagement | Making     | Project               | Subtotal     | Administrative      | Fundraising |              |              |                     |
| Salaries                             | \$ 72,595                             | \$ 51,853  | \$ 82,966  | \$ 16,825             | \$ 224,239   | \$ 68,719           | \$ 68,719   | \$ 361,677   | \$ 338,875   |                     |
| Employee benefits                    | 5,755                                 | 4,111      | 6,577      | 558                   | 17,001       | 5,210               | 5,210       | 27,421       | 30,071       |                     |
| Payroll taxes                        | 4,892                                 | 3,494      | 5,591      | 2,835                 | 16,812       | 5,152               | 5,152       | 27,116       | 25,537       |                     |
|                                      | 83,242                                | 59,458     | 95,134     | 20,218                | 258,052      | 79,081              | 79,081      | 416,214      | 394,483      |                     |
| Accounting fees                      | -                                     | -          | -          | -                     | -            | 18,620              | -           | 18,620       | 46,970       |                     |
| Bad debt                             | -                                     | -          | -          | -                     | -            | -                   | 207         | 207          | 1,165        |                     |
| Bank and payroll administration fees | 5,208                                 | 3,721      | 5,953      | 124                   | 15,006       | 4,598               | 4,598       | 24,202       | 22,898       |                     |
| Consulting, education and research   | 17,974                                | 12,838     | 20,542     | 342,596               | 393,950      | 20,734              | -           | 414,684      | 107,482      |                     |
| Depreciation                         | 4,319                                 | 3,085      | 4,936      | -                     | 12,340       | 3,782               | 3,782       | 19,904       | 19,651       |                     |
| Dues and subscriptions               | 1,854                                 | 1,324      | 2,118      | 1,257                 | 6,553        | -                   | -           | 6,553        | 6,171        |                     |
| Events and meetings                  | 21,926                                | 15,661     | 25,058     | 24,561                | 87,206       | 5,450               | 16,351      | 109,007      | 62,283       |                     |
| Fact Not Fiction                     | -                                     | 50,424     | -          | -                     | 50,424       | -                   | -           | 50,424       | 89,027       |                     |
| Fundraising campaigns                | -                                     | -          | -          | -                     | -            | -                   | 7,463       | 7,463        | 4,311        |                     |
| Grants and sponsorships              | 96,369                                | 68,835     | 110,136    | -                     | 275,340      | -                   | -           | 275,340      | 381,760      |                     |
| Internships                          | 16,000                                | -          | -          | -                     | 16,000       | -                   | -           | 16,000       | 8,000        |                     |
| Insurance                            | 863                                   | 617        | 986        | -                     | 2,466        | 2,467               | 2,467       | 7,400        | 6,964        |                     |
| Legal fees                           | 889                                   | 635        | 1,017      | 1,535                 | 4,076        | 8,150               | -           | 12,226       | 7,023        |                     |
| Marketing                            | 4,616                                 | 3,297      | 5,275      | -                     | 13,188       | -                   | 4,396       | 17,584       | 6,689        |                     |
| Miscellaneous                        | 27                                    | 19         | 31         | -                     | 77           | 77                  | 77          | 231          | 334          |                     |
| Office equipment expense             | 497                                   | 356        | 569        | -                     | 1,422        | 1,421               | 1,421       | 4,264        | -            |                     |
| Office expense                       | 1,261                                 | 901        | 1,442      | 5,673                 | 9,277        | 3,093               | 3,093       | 15,463       | 8,627        |                     |
| Postage and printing                 | 286                                   | 204        | 326        | 1,277                 | 2,093        | 698                 | 698         | 3,489        | 1,953        |                     |
| Rent and utilities                   | 5,880                                 | 4,200      | 6,720      | 4,800                 | 21,600       | 7,200               | 7,200       | 36,000       | 27,000       |                     |
| Staff Development                    | 508                                   | 362        | 580        | -                     | 1,450        | 444                 | 444         | 2,338        | 955          |                     |
| Technology and website               | 5,065                                 | 3,618      | 5,789      | 642                   | 15,114       | 1,889               | 1,889       | 18,892       | 25,323       |                     |
| Travel and conferences               | 7,756                                 | 5,540      | 8,863      | 10,695                | 32,854       | -                   | 1,729       | 34,583       | 12,432       |                     |
|                                      | 191,298                               | 175,637    | 200,341    | 393,160               | 960,436      | 78,623              | 55,815      | 1,094,874    | 847,018      |                     |
| Total expenses                       | \$ 274,540                            | \$ 235,095 | \$ 295,475 | \$ 413,378            | \$ 1,218,488 | \$ 157,704          | \$ 134,896  | \$ 1,511,088 | \$ 1,241,501 |                     |

*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>2019</b>         | <b>2018</b>       |
|---|---------------------|-------------------|
| <b>Operating activities</b>   |                     |                   |
| Change in net assets  | \$ 628,546          | \$ (62,555)       |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                     |                   |
| Depreciation expense  | 19,904              | 19,651            |
| Bad debt expense  | 207                 | 1,165             |
| Realized and unrealized losses (gains) in investments                                       | (230,857)           | 112,771           |
| Changes in operating assets and liabilities   |                     |                   |
| Grants and other receivables  | 22,645              | 371,155           |
| Contributions receivable  | 23,702              | 21,595            |
| Interest receivable   | (587)               | (319)             |
| Prepaid expenses and other current assets   | (4,885)             | (1,274)           |
| Accounts payable  | 106,695             | (553)             |
| Accrued liabilities   | 10,577              | 107               |
| Refundable advance  | (45,020)            | 50,000            |
| <b>Net cash provided by operating activities</b>  | <b>530,927</b>      | <b>511,743</b>    |
| <b>Investing activities</b>   |                     |                   |
| Purchase of property and equipment  | (2,367)             | (3,664)           |
| Purchase of certificate of deposit  | (1,402)             | (99,946)          |
| Sales of investments  | 135,726             | 114,080           |
| Purchase of investments   | (133,674)           | (314,806)         |
| <b>Net cash used by investing activities</b>  | <b>(1,717)</b>      | <b>(304,336)</b>  |
| <b>Net increase in cash and cash equivalents</b>  | <b>529,210</b>      | <b>207,407</b>    |
| <b>Cash and cash equivalents - beginning of year</b>  | <b>522,859</b>      | <b>315,452</b>    |
| <b>Cash and cash equivalents - end of year</b>  | <b>\$ 1,052,069</b> | <b>\$ 522,859</b> |

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

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

### **Note 1: DESCRIPTION OF THE ORGANIZATION**

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, government agencies, individuals and corporations.

### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Basis of Accounting and Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

#### ***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.

#### ***Comparative 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

#### ***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.

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

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Contributions and Grants Receivable***

Receivables are stated at unpaid balances, less an allowance for doubtful accounts. The Foundation provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of donors to meet their obligations. It is the Foundation's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Unconditional contributions are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Promises to give are recorded at their discounted net present value.

#### ***Investments***

The Foundation reports investments at fair value in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

#### ***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.

#### ***Net Assets***

The Foundation reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

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

### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

#### ***Revenues***

Revenues derived from cost-reimbursement grants, special events and other services are recognized when earned. Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

#### ***Donated Assets***

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

#### ***Donated Services***

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased if not provided by donation. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

#### ***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 program and supporting services. Expenses related to more than one function are allocated based on estimates provided by management.

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

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The expenses that are allocated include the following:

| <b><i>Expense</i></b>                 | <b><i>Method of allocation</i></b> |
|---------------------------------------|------------------------------------|
| Salaries, benefits, and payroll taxes | Time and Effort                    |
| Depreciation                          | Time and Effort                    |
| Rent, utilities, and parking          | Time and Effort                    |
| Travel                                | Time and Effort                    |

#### ***Advertising Cost***

Advertising costs are expensed as incurred. For the years ended December 31, 2019 and 2018, advertising expense total \$3,633 and \$5,636, respectively.

#### ***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 utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2019 and 2018, the Foundation has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements. The Foundation believes it is no longer subject to income tax examinations for years prior to 2016.

#### ***Reclassifications***

Certain reclassifications were made to prior year balances to conform with current year presentation.

#### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, August 10, 2020. See Note 16 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recent Accounting Pronouncements***

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This new guidance is effective for transactions in which the Foundation serves as a resource recipient for fiscal years beginning after December 15, 2018. Thus, on January 1, 2019 the Foundation applied the provisions of this ASU on a modified prospective basis. For transactions in which the Foundation serves as a resource provider, the guidance is effective for fiscal years beginning after December 15, 2019. The Foundation is evaluating the effect of the guidance for transactions as a resource provider on its financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance specifies that an entity should recognize revenue to depict 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. This ASU and its amendments will supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry specific guidance. For nonpublic entities, these amendments were to be effective for annual reporting periods beginning after December 15, 2018. In June 2020, the FASB issued ASU 2020-05 which extended required implementation dates to reporting periods beginning after December 15, 2019 for organizations that have not yet issued financial statements reflecting the adoption of ASU 2014-09. The Company is currently evaluating the impact of the guidance on its financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Company is currently evaluating the impact of the guidance on its financial statements.

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

**Note 3: 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 as of the statement of financial position date, reduced by amounts not available for general use within in one year of the statement of financial position date because of contractual or donor-imposed restrictions.

| <i>December 31,</i>   | <b>2019</b>         | <b>2018</b> |
|---|---------------------|-------------|
| <b>Financial assets at year end:</b>  |                     |             |
| Cash and cash equivalents   | \$ 1,052,069        | \$ 522,859  |
| Certificate of deposit  | 101,348             | 99,946      |
| Contributions and grants receivable   | 121,818             | 168,372     |
| Interest receivable   | 906                 | 319         |
| Investments   | 434,815             | 367,707     |
| Beneficial interest in assets held by others  | 934,601             | 772,904     |
| Total financial assets  | <b>2,645,557</b>    | 1,932,107   |
| <b>Less amounts not available for general expenditures within one year due to contractual or donor-imposed restrictions</b> |                     |             |
| Net assets with donor restrictions  | <b>1,449,694</b>    | 1,264,667   |
| <b>Financial assets available to meet general expenditures over the next twelve months</b>                                  |                     |             |
|   | <b>\$ 1,195,863</b> | \$ 667,440  |

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 4: CONTRIBUTIONS RECEIVABLE**

Contributions receivable are as follows:

| <i>December 31,</i>                             | <b>2019</b>      | <b>2018</b> |
|---|------------------|-------------|
| Receivables due in less than a year             | \$ 14,808        | \$ 31,207   |
| Receivables due in one to five years            | 1,018            | 9,426       |
|   | <b>15,826</b>    | 40,633      |
| Less unamortized discount (rate of 2.5% and 5%) | <b>(30)</b>      | (303)       |
|   | <b>15,796</b>    | 40,330      |
| Less: allowance for doubtful accounts           | <b>(1,000)</b>   | (1,625)     |
| Contribution receivable, net                    | <b>\$ 14,796</b> | \$ 38,705   |

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

**Note 5: INVESTMENTS**

Investments in marketable securities consist of the following:

| <i>December 31,</i>        | <b>2019</b>       | <b>2018</b>       |
|----------------------------|-------------------|-------------------|
| Money market accounts      | \$ 31,498         | \$ 25,993         |
| Equity mutual funds        | <b>254,220</b>    | 203,818           |
| Treasury bond mutual funds | <b>26,796</b>     | 27,830            |
| Bond mutual funds          | <b>122,301</b>    | 110,066           |
| <b>Total</b>               | <b>\$ 434,815</b> | <b>\$ 367,707</b> |

**Note 6: BENEFICIAL INTERESTS IN ASSETS HELD BY OTHERS**

The Foundation has transferred assets to the Community Foundation of Mississippi (the "Community Foundation") which holds the assets as an endowment component fund ("Fund") for the benefit of the Foundation. Variance power has been granted to the Community Foundation which allows the Community Foundation's board of trustees the power to use the Fund for other purposes in certain circumstances. At December 31, 2019 and 2018, the balance of the Fund totaled \$934,601 and \$772,904, respectively, and is reflected as beneficial interests in assets held by others in the accompanying statement of financial position. Of the Fund balance as of December 31, 2019 and 2018, \$202,914 and \$160,733 of the assets held by Community Foundation, respectively, were accumulated from prior release of restrictions and are available for withdrawal and operational use by the Foundation.

**Note 7: NET ASSETS**

A summary of net assets without donor restrictions follows:

| <i>December 31,</i>                          | <b>2019</b>         | <b>2018</b> |
|--|---------------------|-------------|
| <b>Net assets without donor restrictions</b> |                     |             |
| Undesignated                                 | <b>\$ 1,084,919</b> | \$ 641,400  |

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

**Note 7: NET ASSETS (Continued)**

A summary of net assets with donor restrictions follows:

| <i>December 31,</i>                       | <b>2019</b>         | <b>2018</b>         |
|---|---------------------|---------------------|
| <b>Net assets with donor restrictions</b> |                     |                     |
| Time restricted:                          |                     |                     |
| Endowments                                | \$ 731,687          | \$ 612,171          |
| Other contributions                       | 1,017               | 9,426               |
| Purpose restricted:                       |                     |                     |
| Endowments - Women We Honor               | 434,815             | 367,707             |
| Women's Policy Institute                  | 37,358              | -                   |
| Converge                                  | 244,817             | 128,878             |
| Community college initiative for women    | -                   | 113,647             |
| Hiatt fund internship program             | -                   | 17,838              |
| Jumpstart program                         | -                   | 15,000              |
| <b>Total with donor restrictions</b>      | <b>\$ 1,449,694</b> | <b>\$ 1,264,667</b> |
| <b>Total net assets</b>                   | <b>\$ 2,534,613</b> | <b>\$ 1,906,067</b> |

**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>2019</b>      | <b>2018</b>     |
|---------------------------------|------------------|-----------------|
| Women of Vision event           | \$ 2,775         | \$ 1,600        |
| Thrive at Work                  | 15,795           | 3,385           |
| Board meetings                  | 800              | 1,500           |
| Printing                        | -                | 1,409           |
| <b>Total</b>                    | <b>\$ 19,370</b> | <b>\$ 7,894</b> |

**Note 9: OTHER INCOME**

During the years ended December 31, 2019 and 2018, the Foundation received a settlement of \$9,640 and \$409,767, respectively related to its claim in the Deepwater Horizon Economic Settlement agreement. The revenue is reflected in other income in the nonoperating activities on the accompanying statements of activities.

**Note 10: 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. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Distributions from the funds are made to or for the benefit of the Foundation consistent with charitable purposes and functions of the Foundation.

For endowments held in perpetuity, 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 retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual 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 retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, 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 assets are invested in a well-diversified asset mix, which includes money markets funds, equity and debt mutual funds. The Foundation has adopted an investment policy for endowment assets that attempts to preserve and enhance the long-term growth-adjusted market value and purchasing power of its assets while providing sustainable annual support to the Foundation. The investment goal of the endowment assets held by the Foundation is to achieve a total return (income and appreciation) of 5% after inflation, over a full market cycle of 3 to 5 years. Actual returns in any given year may vary from this amount. Endowment assets held by the Community Foundation of Mississippi are subject to the investment policy of that organization.

The total amount spent from endowment funds held by the Foundation each year are based on spending allocations approved by the Board of the Foundation. Decisions relative to the expenditure from endowment funds are based on the durations and preservation of the endowment fund, purpose of the Foundation and endowment, general economic conditions, possible effect of inflation or deflation, expected return from the investments, other resources and alternatives to spending form the endowment fund and applicable investment policies. In the event an endowment is underwater, it is the policy of the Foundation to prohibit distributions from the endowment.

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

### Note 10: ENDOWMENTS (Continued)

For endowment assets held by the Community Foundation, withdrawals up to 5% of the three-year market value (determined on the last business day of the preceding year) average of the endowment fund is authorized for the Foundation's operating purpose.

From time to time, the fair value of assets associated with certain donor-restricted endowments may fall below the level that the donor or law requires the Foundation to retain as a fund of perpetual duration (underwater endowments). Deficiencies of this nature existed as of December 31, 2018 in one 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. In 2018, no amounts were appropriated for expenditure from underwater endowments. There were no underwater endowments held as of December 31, 2019.

Changes in endowment fund net assets for the year ended December 31, 2019 and 2018 are as follows:

| <i>Years ended December 31,</i>          | <b>2019</b>         | 2018              |
|--|---------------------|-------------------|
| Endowment net assets, beginning of year  | \$ 979,878          | \$ 931,153        |
| Investment return, net of related fees   | <b>228,805</b>      | (107,825)         |
| Contributions                            | -                   | 200,000           |
| Amounts appropriated for expenditure     | <b>(42,181)</b>     | (43,450)          |
| <b>Endowment net assets, end of year</b> | <b>\$ 1,166,502</b> | <b>\$ 979,878</b> |

### Note 11: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) at the most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

*Level 1:* Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

*Level 2:* Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
  - observable; or
  - can be corroborated by observable market data.

**Note 11: FAIR VALUE MEASUREMENTS (Continued)**

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

*Cash and money market funds:* Valued at the balance of account on measurement date.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

*Beneficial interest in assets held by others:* Valued, as a practical expedient, at the fair value of the Foundation's share of the investment pool at the measurement date using net asset value. As described in Note 6, certain amounts of the beneficial interest in assets held by others are not redeemable.

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

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

**Note 11: 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, 2019 and 2018 are as follows:

| <i>December 31,</i>  | <b>2019</b>       |                |                   |                     |
|--|-------------------|----------------|-------------------|---------------------|
|  | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b>    | <b>Total</b>        |
| Cash and money market accounts                             | \$ 31,498         | \$ -           | \$ -              | \$ 31,498           |
| Mutual funds   | 403,317           | -              | -                 | 403,317             |
| Beneficial interests in assets held by others              | -                 | -              | 731,687           | 731,687             |
|  | <b>434,815</b>    | <b>-</b>       | <b>731,687</b>    | <b>1,166,502</b>    |
| Beneficial interests in assets held by others (redeemable) |                   |                |                   | <b>202,914</b>      |
| <b>Total</b>   | <b>\$ 434,815</b> | <b>\$ -</b>    | <b>\$ 731,687</b> | <b>\$ 1,369,416</b> |

| <i>December 31,</i>  | <b>2018</b>       |                |                   |                     |
|--|-------------------|----------------|-------------------|---------------------|
|  | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b>    | <b>Total</b>        |
| Cash and money market accounts                             | \$ 25,993         | \$ -           | \$ -              | \$ 25,993           |
| Mutual funds   | 341,714           | -              | -                 | 341,714             |
| Beneficial interests in assets held by others              | -                 | -              | 612,171           | 612,171             |
|  | <b>367,707</b>    | <b>-</b>       | <b>612,171</b>    | <b>979,878</b>      |
| Beneficial interests in assets held by others (redeemable) |                   |                |                   | <b>160,733</b>      |
| <b>Total</b>   | <b>\$ 367,707</b> | <b>\$ -</b>    | <b>\$ 612,171</b> | <b>\$ 1,140,611</b> |

The following table represents a reconciliation of the activities for level 3 financial instruments:

| <i>Years ended December 31,</i>         | <b>2019</b>       | <b>2018</b>       |
|---|-------------------|-------------------|
| Balance at beginning of year            | \$ 612,171        | \$ 730,820        |
| Appreciation (depreciation) of fund     | 161,696           | (75,199)          |
| Reclassification to redeemable interest | (42,180)          | (43,450)          |
| <b>Balance at end of year</b>           | <b>\$ 731,687</b> | <b>\$ 612,171</b> |

Appreciation (depreciation) of Level 3 investments is included on the statements of activities as gain (loss) on investments.



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

### Note 11: FAIR VALUE MEASUREMENTS (Continued)

#### *Changes in Fair Value Levels*

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the year ended December 31, 2019, there were no significant transfers in or out of Levels 1, 2 or 3.

#### *Fair Value of Investments that Calculate Net Asset Value*

The following table summarizes information related to redeemable beneficial interests in assets held by others measured at fair value based on NAV per share as of December 31, 2019 and 2018, respectively.

| Year-End          | Fair Value | Unfunded<br>Commitments | Redemption<br>Frequency | Redemption<br>Notice Period |
|-------------------|------------|-------------------------|-------------------------|-----------------------------|
| December 31, 2019 | \$ 202,914 | \$ -                    | Monthly                 | None                        |
| December 31, 2018 | \$ 160,733 | \$ -                    | Monthly                 | None                        |

### Note 12: CONCENTRATION OF CREDIT RISKS

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. At December 31, 2019, deposit accounts held in excess of FDIC limits approximated \$576,000. The Foundation has not experienced, nor does it anticipate any losses with respect to such accounts.

At December 31, 2019, grants receivable of \$107,022 were from two grantors. At December 31, 2018, grants receivable of \$100,000 were due from a single grantor. During the year ended December 31, 2019 and 2018, grant income of approximately \$1,399,000 and \$350,000, respectively, was derived from two grantors.

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

### Note 13: LEASES COMMITMENTS

The Foundation leases office space and certain office equipment under long-term operating leases expiring in various years through 2022. The future minimum lease payments under operating leases are as follows:

| <i>Year ending December 31,</i>     |                  |
|-------------------------------------|------------------|
| 2020                                | \$ 17,283        |
| 2021                                | 1,283            |
| 2022                                | 855              |
| Total future minimum lease payments | <u>\$ 19,421</u> |

Rent expense for the years ended December 31, 2019 and 2018 was \$36,000 and \$27,000, respectively.

### Note 14: 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 2019 and 2018.

### Note 15: DESIGNATED FUND HELD BY OTHER ENTITIES

Funds of approximately \$509,000 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.

### Note 16: SUBSEQUENT EVENTS

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, broad domestic and international stock market indices have declined and the Foundation's fair value of investments has declined similarly. Such declines in the fair value of investments held by the Foundation may materially and adversely impact the Foundation's ability to achieve its investment objectives and therefore, its operational objectives. In addition, the extent to which these events will affect the amounts reported in future financial statements remains uncertain.