

FINANCIAL STATEMENTS FOR THE YEARS ENDED

JUNE 30, 2021 AND 2020

With Independent Auditor's Report Thereon

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of The Atlanta Women's Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Atlanta Women's Foundation, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

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

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

individually or in the aggregate, they would influence judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Atlanta Women's Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Atlanta Women's Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

A handwritten signature in blue ink, appearing to read "Fred & K of LLC".

Morrow, Georgia
January 24, 2022

THE ATLANTA WOMEN'S FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

| ASSETS | | |
|--|---------------------|---------------------|
| | 2021 | 2020 |
| ASSETS | | |
| Cash and cash equivalents | \$ 1,856,737 | \$ 1,216,274 |
| Investments | 2,979,420 | 2,333,261 |
| Unconditional promises to give, net | 332,663 | 532,162 |
| Other receivables | - | 94,527 |
| Property and equipment, net | 33,715 | 40,188 |
| Prepaid expenses | 26,683 | 33,191 |
| TOTAL ASSETS | \$ 5,229,218 | \$ 4,249,603 |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES | | |
| Accounts payable and accrued expenses | \$ 21,858 | \$ 18,204 |
| Grants payable | 300,000 | - |
| Deferred rent | 1,960 | 11,928 |
| Deferred revenue | 79,724 | 6,000 |
| TOTAL LIABILITIES | 403,542 | 36,132 |
| NET ASSETS | | |
| Without donor restrictions | 1,782,587 | 1,485,084 |
| With donor restrictions | | |
| Restricted by purpose or time | 1,140,442 | 825,740 |
| Restricted in perpetuity | 1,902,647 | 1,902,647 |
| Total net assets with donor restrictions | 3,043,089 | 2,728,387 |
| TOTAL NET ASSETS | 4,825,676 | 4,213,471 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 5,229,218 | \$ 4,249,603 |

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

THE ATLANTA WOMEN'S FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(with comparative totals for 2020)

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> | <u>2020 Total</u> |
|---|---|--|---------------------|-----------------------|
| SUPPORT AND REVENUES | | | | |
| Contributions, events and campaigns | | | | |
| Annual campaign | \$ 484,395 | \$ 25,000 | \$ 509,395 | \$ 999,180 |
| Event income, net of cost of direct benefit to donors of \$15,853 and \$250,117, respectively | 1,228,131 | - | 1,228,131 | 929,028 |
| Other | <u>16,042</u> | <u>-</u> | <u>16,042</u> | <u>81,838</u> |
| Total contributions, events, and campaigns | 1,728,568 | 25,000 | 1,753,568 | 2,010,046 |
| PPP loan forgiveness | 110,158 | - | 110,158 | 92,600 |
| Investment income | 1,043 | 652,159 | 653,202 | 56,162 |
| Community Foundation endowment fund income | 66,906 | - | 66,906 | 67,313 |
| Reclassifications and satisfactions of restrictions | <u>362,457</u> | <u>(362,457)</u> | <u>-</u> | <u>-</u> |
| Total support, revenue and reclassifications | 2,269,132 | 314,702 | 2,583,834 | 2,226,121 |
| EXPENSES | | | | |
| Program services | 1,324,270 | - | 1,324,270 | 1,051,280 |
| Supporting services | | | | |
| Management and general expenses | 259,635 | - | 259,635 | 194,160 |
| Fundraising expenses | <u>387,724</u> | <u>-</u> | <u>387,724</u> | <u>432,314</u> |
| Total supporting services | <u>647,359</u> | <u>-</u> | <u>647,359</u> | <u>626,474</u> |
| Total expenses | <u>1,971,629</u> | <u>-</u> | <u>1,971,629</u> | <u>1,677,754</u> |
| CHANGE IN NET ASSETS | 297,503 | 314,702 | 612,205 | 548,367 |
| NET ASSETS AT BEGINNING OF YEAR | <u>1,485,084</u> | <u>2,728,387</u> | <u>4,213,471</u> | <u>3,665,104</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 1,782,587</u> | <u>\$ 3,043,089</u> | <u>\$ 4,825,676</u> | <u>\$ 4,213,471</u> |

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

THE ATLANTA WOMEN'S FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---|--|---------------------|
| SUPPORT AND REVENUES | | | |
| Contributions, events and campaigns | | | |
| Annual campaign | \$ 644,180 | \$ 355,000 | \$ 999,180 |
| Event income, net of cost of direct benefit to donors of \$250,117 | 929,028 | - | 929,028 |
| Other | <u>81,838</u> | <u>-</u> | <u>81,838</u> |
| Total contributions, events, and campaigns | 1,655,046 | 355,000 | 2,010,046 |
| PPP loan forgiveness | 92,600 | - | 92,600 |
| Investment income | 7,082 | 49,080 | 56,162 |
| Community Foundation endowment fund income | 67,313 | - | 67,313 |
| Reclassifications and satisfactions of restrictions | <u>45,438</u> | <u>(45,438)</u> | <u>-</u> |
| Total support, revenue and reclassifications | 1,867,479 | 358,642 | 2,226,121 |
| EXPENSES | | | |
| Program services | 1,051,280 | - | 1,051,280 |
| Supporting services | | | |
| Management and general expenses | 194,160 | - | 194,160 |
| Fundraising expenses | <u>432,314</u> | <u>-</u> | <u>432,314</u> |
| Total supporting services | <u>626,474</u> | <u>-</u> | <u>626,474</u> |
| Total expenses | <u>1,677,754</u> | <u>-</u> | <u>1,677,754</u> |
| CHANGE IN NET ASSETS | 189,725 | 358,642 | 548,367 |
| NET ASSETS AT BEGINNING OF YEAR | <u>1,295,359</u> | <u>2,369,745</u> | <u>3,665,104</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 1,485,084</u> | <u>\$ 2,728,387</u> | <u>\$ 4,213,471</u> |

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

THE ATLANTA WOMEN'S FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

| | <u>Program activities</u> | | <u>Management and general</u> | | <u>Fundraising</u> | | <u>Totals</u> | |
|---------------------------|----------------------------|----------------------------|-------------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Grants awarded | \$ 897,000 | \$ 547,473 | \$ - | \$ - | \$ - | \$ - | \$ 897,000 | \$ 547,473 |
| Personnel costs | 286,292 | 308,106 | 183,520 | 128,378 | 264,270 | 205,404 | 734,082 | 641,888 |
| Professional fees | 36,961 | 69,058 | 22,078 | 17,961 | 31,792 | 32,005 | 90,831 | 119,024 |
| Rent and utilities | 30,473 | 41,113 | 19,534 | 17,131 | 28,129 | 27,409 | 78,136 | 85,653 |
| Event expense | 27,741 | 8,650 | 6,741 | 960 | 23,554 | 119,498 | 58,036 | 129,108 |
| Office expense | 10,859 | 14,414 | 6,961 | 5,750 | 10,022 | 9,759 | 27,842 | 29,923 |
| Other | 11,087 | 26,882 | 5,509 | 9,154 | 7,935 | 14,517 | 24,531 | 50,553 |
| Bank and credit card fees | 8,748 | 10,567 | 5,607 | 4,403 | 8,075 | 7,045 | 22,430 | 22,015 |
| IT services | 5,423 | 5,689 | 3,476 | 2,370 | 5,005 | 3,792 | 13,904 | 11,851 |
| Marketing | 5,286 | 14,493 | 3,388 | 6,039 | 4,880 | 9,662 | 13,554 | 30,194 |
| Depreciation | <u>4,400</u> | <u>4,835</u> | <u>2,821</u> | <u>2,014</u> | <u>4,062</u> | <u>3,223</u> | <u>11,283</u> | <u>10,072</u> |
| TOTAL EXPENSES | <u>\$ 1,324,270</u> | <u>\$ 1,051,280</u> | <u>\$ 259,635</u> | <u>\$ 194,160</u> | <u>\$ 387,724</u> | <u>\$ 432,314</u> | <u>\$ 1,971,629</u> | <u>\$ 1,677,754</u> |

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

THE ATLANTA WOMEN'S FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

| | 2021 | 2020 |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 612,205 | \$ 548,367 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation | 11,283 | 10,072 |
| Unrealized gain on investments | (632,296) | (21,475) |
| Decrease (Increase) in: | | |
| Unconditional promises to give | 199,499 | 43,895 |
| Community Foundation receivable | - | 67,194 |
| Other receivables | 94,527 | (94,527) |
| Prepaid expenses | 6,508 | 71,159 |
| Increase (Decrease) in: | | |
| Accounts payable and accrued liabilities | 3,654 | (20,557) |
| Grants payable | 300,000 | (510,000) |
| Deferred rent | (9,968) | (7,634) |
| Deferred revenue | <u>73,724</u> | <u>(101,500)</u> |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | 659,136 | (15,006) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of investments | (13,863) | (78,125) |
| Purchase of fixed assets | <u>(4,810)</u> | <u>(4,081)</u> |
| NET CASH USED IN INVESTING ACTIVITIES | <u>(18,673)</u> | <u>(82,206)</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 640,463 | (97,212) |
| CASH AND CASH EQUIVALENTS BEGINNING OF YEARS | <u>1,216,274</u> | <u>1,313,486</u> |
| CASH AND CASH EQUIVALENTS END OF YEARS | <u>\$ 1,856,737</u> | <u>\$ 1,216,274</u> |

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

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. ORGANIZATION

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

A portion of the Atlanta Women’s Fund’s net assets, which accumulated within The Community Foundation (totaling \$1,050,063), was transferred to the Foundation in 1998. The net assets that remained at The Community Foundation were used to establish an endowment fund for the Foundation. The Foundation receives five percent of the endowment income on an annual basis, which totaled \$66,906 and \$67,313 for the years ended June 30, 2021 and 2020, respectively. The balances in the endowment fund at The Community Foundation at June 30, 2021 and 2020 were approximately \$1,684,000 and \$1,342,000, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of presentation

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

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 objective of the organization. These net assets may be used at the discretion of the Foundation’s management and the board of directors.

Net assets with donor restrictions – net assets subject to stipulations imposed by donors and grantors. All donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time.

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Accounting for contributions

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

The Foundation values promises to give in accordance with FASB ASC 820, Fair Value Measurements and Disclosures. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are recorded at the present value of their net realizable value, using interest rates applicable to the years in which the promises are received to discount the amounts. The Foundation used a risk adjusted discount rate for the years ended June 30, 2021 and 2020. An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year end.

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

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

Event income

Special events consist primarily of ticket sales and sponsorships. The Atlanta Women's Foundation, Inc. records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Performance obligations related to special events are transferred to the customer at a point in time, and is recognized at the conclusion of the event. Special event contributions are conditional promises to give and are not recognized as revenue in the financial statements until the event takes place. Advance payments of \$79,724 and \$6,000 are included as deferred revenue on the statement of financial position for the years ended June 30, 2021 and 2020, respectively.

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and cash equivalents

For financial statement purposes, highly liquid investments with original maturities of three months or less when purchased are reported as cash and cash equivalents. The carrying value of cash and cash equivalents approximate fair value because of the short maturities of those financial instruments. Cash equivalents had balances of \$1,089,032 and \$688,260 as of June 30, 2021 and 2020, respectively.

Investments

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

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

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

Property and equipment

Property and equipment are capitalized at cost. It is the Foundation's policy to capitalize expenditures for these items in excess of \$1,000. Lesser amounts are expensed. Property and equipment are being depreciated over estimated useful lives of five using a straight-line method.

Functional allocation of expenses

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

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Contributed services

Contributed services are recognized if they create or enhance nonfinancial assets or if they require specialized skills and would typically be purchased if not provided by donation. Contributed services meeting these criteria for the years ended June 30, 2021 and 2020 were not significant.

Estimates

Management of the Foundation makes estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with GAAP. Actual results could differ from these estimates.

Income taxes

The Atlanta Women's Foundation, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is only subject to federal or state income taxes on specific types of income from activities that are unrelated to its exempt purpose. The Foundation had no income from unrelated activities and has no income taxes due as of June 30, 2021 and 2020.

The Atlanta Women's Foundation, Inc.'s application of ASC 740 regarding uncertain tax positions had no effect on its financial position as management believes the Foundation has no material unrecognized income tax benefits, including any potential risk of loss of its not-for-profit tax status. The Foundation would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as income tax expense. The Foundation is no longer subject to examination by federal, state or local tax authorities for periods before 2018.

Adopted accounting standard

In May 2014, the Financial Accounting Standards Board Issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). This standard, along with all subsequent amendments to the ASU (collectively, ASC 606), creates a single framework for recognizing revenue from contracts with customers that fall within its scope of exchange transactions. The Foundation adopted this standard on July 1, 2020. The adoption of this ASU did not have a material impact on the financial statements of .

Upcoming accounting guidance

FASB issued ASU 2016-02, *Leases (Topic 842)*, which will require organizations to recognize assets and liabilities on the balance sheet for the rights and obligations created by the leases. A lessee will be required to recognize assets and liabilities for leases with terms that exceed twelve months. The standard will also require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. ASU No.

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Upcoming accounting guidance - continued

2020-05 delayed the application of the new leases standard for one year. As a result, the leases standard is effective for The Atlanta Women's Foundation, Inc.'s fiscal year ended June 30, 2023. Early application is permitted.

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures for Contributed Nonfinancial Assets*. This ASU will clarify the presentation and disclosure of contributed nonfinancial assets, including land, buildings, and other items. The Update does not change existing recognition and measurement requirements for contributed nonfinancial assets. This ASU is effective for The Atlanta Women's Foundation, Inc.'s fiscal year ended June 30, 2023. Retrospective basis is used for implementation.

The Foundation is currently evaluating the impact of the adoptions for both standards on the financial statements.

Endowment

The Board of Directors (the Board) determined that in accordance with FASB ASC 958-205, *Presentation of Financial Statements*, the majority of the Foundation's net assets with donor restrictions in perpetuity met the definition of endowment funds. See note 8.

Grants payable

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

Financial instruments

Financial instruments, primarily cash, receivables, investments and payables, are reported at values which the Foundation believes are not significantly different from fair values. Deposit accounts at each of the institutions are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2021 and 2020, the Foundation exceeded the FDIC insured limit by approximately \$350,000 and \$219,000, respectively.

The financial instruments shown as assets in the statements of financial position are traditional in nature. The carrying value of cash and cash equivalents and all other financial instruments, including receivables, approximate their fair value.

Subsequent events

Subsequent events have been evaluated through January 24, 2022, which is the date the financial statements were available to be issued.

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

3. AVAILABILITY AND LIQUIDITY

The following represents the Foundation's financial assets at June 30, 2021, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

| | |
|--|---------------------|
| Financial assets: | |
| Cash | \$ 1,856,737 |
| Investments | 2,979,420 |
| Pledges and contributions receivable | <u>332,663</u> |
| Financial assets, at year-end | <u>5,168,820</u> |
| Less assets unavailable for general expenditures within one year: | |
| Net assets with donor restrictions or time restrictions | 1,075,315 |
| Net assets restricted in perpetuity | <u>1,902,647</u> |
| Financial assets available to meet general expenditures over the next year | <u>\$ 2,190,858</u> |

The Foundation's goal is generally to maintain financial assets to meet 6 months of operating expenses. As part of its liquidity plan, the Foundation keeps a portion of cash reserves in a money market account.

4. LEASE COMMITMENTS

The Foundation has obligations under various non-cancelable operating leases for office space and equipment. Future minimum lease payments for the years ending June 30 are as follows:

| | |
|--|-------------------|
| <u>For the Year Ending June 30,</u> | |
| 2022 | \$ 70,534 |
| 2023 | 77,593 |
| 2024 | 79,459 |
| 2025 | 80,838 |
| 2026 | 81,234 |
| Thereafter | <u>138,893</u> |
| Total | <u>\$ 528,551</u> |

Rental expense under operating leases for the years ended June 30, 2021 and 2020 amounted to approximately \$82,388 and \$91,582, respectively. The lease for office space is subject to escalation based on increases in building operating expenses.

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

5. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2021 and 2020 consisted of the following:

| | <u>2021</u> | <u>2020</u> |
|-------------------------------|------------------|------------------|
| Office equipment | \$ 8,890 | \$ 4,081 |
| Furniture and equipment | 44,433 | 44,433 |
| Leasehold improvements | 4,145 | 4,145 |
| Less accumulated depreciation | <u>(23,753)</u> | <u>(12,471)</u> |
| | <u>\$ 33,715</u> | <u>\$ 40,188</u> |

6. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at June 30, 2021 are receivable as follows:

| | |
|--------------------------------------|-------------------|
| 2022 | \$ 138,090 |
| 2023 | 15,000 |
| 2024 | 15,000 |
| 2025 | 15,000 |
| 2026 | 15,000 |
| Thereafter | <u>149,445</u> |
| Total unconditional promises to give | 347,535 |
| Less: Discount | <u>(14,872)</u> |
| Total | <u>\$ 332,663</u> |

7. INVESTMENTS

The Foundation's investments are managed by an investment company and are valued at quoted market prices in an active market. The Foundation's investments at June 30, 2021 and 2020 are comprised of the following:

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| Cash equivalents | \$ 35,422 | \$ 64,100 |
| Bonds | - | 1,421,963 |
| Mutual funds | 1,880,631 | - |
| Equities | <u>1,063,367</u> | <u>847,198</u> |
| Total investments measured at fair value | <u>\$ 2,979,420</u> | <u>\$ 2,333,261</u> |

Investments income for the years ended June 30, 2021 and 2020 is composed of:

| | <u>2021</u> | <u>2020</u> |
|---|-------------------|------------------|
| Interest and dividend income | \$ 48,736 | \$ 57,903 |
| Net realized and unrealized gain on investments | 632,296 | 21,475 |
| Brokerage fees | <u>(27,830)</u> | <u>(23,216)</u> |
| Total investments income | <u>\$ 653,202</u> | <u>\$ 56,162</u> |

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

8. NET ASSETS

Endowment

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

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

Endowment Investment and Spending Policies

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

Women with Vision II Endowment

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

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

8. NET ASSETS - continued

Possibility Award Endowment

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

Endowment net asset composition by type of fund as of June 30, 2021 is as follows:

| | <u>With Donor Restrictions</u> | | |
|--------------------------------|---------------------------------|---|--|
| | <u>Original Gift Amount</u> | <u>Accumulated Gains (Losses) and Other</u> | <u>Total With Donor Restrictions</u> |
| Women with Vision II Endowment | \$ 1,702,647 | \$ 914,521 | \$ 2,617,168 |
| Possibility Award Endowment | <u>200,000</u> | <u>160,794</u> | <u>360,794</u> |
| Total Funds | <u>\$ 1,902,647</u> | <u>\$ 1,075,315</u> | <u>\$ 2,977,962</u> |

Endowment net asset composition by type of fund as of June 30, 2020 is as follows:

| | <u>With Donor Restrictions</u> | | |
|--------------------------------|---------------------------------|---|--|
| | <u>Original Gift Amount</u> | <u>Accumulated Gains (Losses) and Other</u> | <u>Total With Donor Restrictions</u> |
| Women with Vision II Endowment | \$ 1,702,647 | \$ 338,294 | \$ 2,040,941 |
| Possibility Award Endowment | <u>200,000</u> | <u>90,863</u> | <u>290,863</u> |
| Total Funds | <u>\$ 1,902,647</u> | <u>\$ 429,157</u> | <u>\$ 2,331,804</u> |

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

| | <u>With Donor Restrictions</u> | | |
|-----------------------------------|---------------------------------|---|--|
| | <u>Original Gift Amount</u> | <u>Accumulated Gains (Losses) and Other</u> | <u>Total With Donor Restrictions</u> |
| Endowment net assets July 1, 2020 | \$ 1,902,647 | \$ 429,157 | \$ 2,331,804 |
| Net appreciation | <u>-</u> | <u>646,158</u> | <u>646,158</u> |
| Total Funds | <u>\$ 1,902,647</u> | <u>\$ 1,075,315</u> | <u>\$ 2,977,962</u> |

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

8. NET ASSETS - continued

Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purposes at June 30, 2021 and 2020. Net assets with donor restrictions were as follows for the years ended June 30, 2021 and 2020:

| | 2021 | 2020 |
|---|--------------|--------------|
| Subject to expenditures for specific purpose: | | |
| Endowment earnings | \$ 1,075,316 | \$ 429,157 |
| Health and Wellbeing Program | 25,700 | 25,700 |
| Rebuilding Women | 25,000 | - |
| Women’s Community Leadership Alliance | 14,426 | 14,426 |
| Economic Empowerment | - | 200,000 |
| Women’s Pathway to Success Program | - | 130,000 |
| Veteran’s initiative | - | 25,000 |
| Donor advised funds | - | 1,457 |
| | \$ 1,140,442 | \$ 825,740 |
| | | |
| | 2021 | 2020 |
| Subject to restriction in perpetuity: | | |
| Women with Vision II Endowment | \$ 1,702,647 | \$ 1,702,647 |
| Possibility Award Endowment | 200,000 | 200,000 |
| | 1,902,647 | 1,902,647 |
| Total Net Assets with donor restrictions | \$ 3,043,089 | \$ 2,728,387 |

Net assets with donor restrictions released from restrictions during the years ended June 30, 2021 and 2020 were as follows:

| | 2021 | 2020 |
|------------------------------------|------------|-----------|
| Economic Empowerment | \$ 200,000 | \$ - |
| Women’s Pathway to Success Program | 130,000 | 40,000 |
| Veteran’s initiative | 25,000 | - |
| Endowment earnings | 6,000 | 5,404 |
| Donor advised funds | 1,457 | 34 |
| | \$ 362,457 | \$ 45,438 |

Women’s Community Leadership Alliance (WCLA)

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

THE ATLANTA WOMEN'S FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

9. RETIREMENT PLAN

The Foundation has a 401(k) plan in which all regular, full-time employees are eligible to participate after completing one year of service. Under the plan, employees may elect to defer a portion of their salary within Internal Revenue Service limits. In addition, the plan provides for a discretionary profit-sharing contribution. In 2021 and 2020, the Foundation made a discretionary contribution of \$23,569 and \$17,730, respectively.

10. PAYCHECK PROTECTION PROGRAM

In fiscal year 2020, The Foundation was granted a \$92,600 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Foundation initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Foundation has recognized \$92,600 as grant revenue for the year ended June 30, 2020. The revenue is included as PPP loan forgiveness in the statement of activities for the year ended June 30, 2020.

In fiscal year 2021, The Foundation was granted a \$110,158 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Foundation initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Foundation has recognized \$110,158 as grant revenue for the year ended June 30, 2021. The revenue is included as PPP loan forgiveness in the statement of activities for the year ended June 30, 2021.

11. COMMITMENT AND CONTINGENCY

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Foundation is closely monitoring its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Foundation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the Foundation's donors, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Foundation's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.