

Audited Financial Statements
**THE INTERNATIONAL WOMEN'S
MEDIA FOUNDATION**
June 30, 2017

The International Women's Media Foundation

Contents

<i>Independent Auditor's Report</i>	1
<i>Financial Statements</i>	
Statements of financial position	2
Statements of activities	3
Statements of cash flows	4
Notes to the financial statements	5 - 15

T A T E



T R Y O N

A Professional Corporation

Certified Public

Accountants

and Consultants

Independent Auditor's Report

To the Board of Directors
The International Women's Media Foundation

We have audited the accompanying financial statements of The International Women's Media Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation'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 Foundation'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 The International Women's Media Foundation as of June 30, 2017 and 2016, 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.

Washington, DC
November 21, 2017

.....
2021 L STREET, NW
.....
SUITE 400
.....
WASHINGTON, DC
20036
.....
TELEPHONE
202/293-2200
.....
FACSIMILE
202/293-2208
.....

The International Women's Media Foundation

Statements of Financial Position

<i>June 30,</i>	2017	2016
Assets		
Cash and cash equivalents	\$ 137,326	\$ 100,261
Investments	9,334,159	12,207,870
Pledges receivable	155,650	828,272
Prepaid expense and other assets	216,876	116,721
Property and equipment	61,248	66,076
Total assets	\$ 9,905,259	\$ 13,319,200
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 194,197	\$ 236,203
Deferred rent and lease incentive	61,939	84,194
Deferred revenue	450	8,110
Total liabilities	256,586	328,507
Commitments and contingencies	-	-
Net Assets		
Unrestricted (deficit)	(732,146)	(618,921)
Temporarily restricted	8,981,093	12,209,888
Permanently restricted	1,399,726	1,399,726
Total net assets	9,648,673	12,990,693
Total liabilities and net assets	\$ 9,905,259	\$ 13,319,200

The International Women's Media Foundation

Statements of Activities

Year Ended June 30,	2017	2016
Unrestricted activities		
Revenue and support		
Courage Awards	\$ 555,690	\$ 1,284,842
Other contributions	88,926	264,001
Rental income from sublease	4,800	7,200
	649,416	1,556,043
Net assets released from restriction	3,685,965	2,200,491
Total revenue and support	4,335,381	3,756,534
Expense		
Program services		
Training and research	2,977,074	2,820,532
Courage Awards	655,122	674,692
Total program services	3,632,196	3,495,224
Supporting services		
General and administrative	522,477	417,351
Fundraising	371,880	475,113
Total supporting services	894,357	892,464
Total expense	4,526,553	4,387,688
Change in unrestricted net assets from operations	(191,172)	(631,154)
Investment income	77,947	8,667
Change in unrestricted net assets	(113,225)	(622,487)
Temporarily restricted activities		
Other contributions	283,455	5,391,099
Courage Awards	146,250	790,500
Investment income	27,465	45,856
Net assets released from restriction	(3,685,965)	(2,200,491)
Change in temporarily restricted net assets	(3,228,795)	4,026,964
Change in net assets	(3,342,020)	3,404,477
Net assets, beginning of year	12,990,693	9,586,216
Net assets, end of year	\$ 9,648,673	\$ 12,990,693

See notes to the financial statements.

The International Women's Media Foundation

Statements of Cash Flows

Year Ended June 30,	2017	2016
Cash flows from operating activities		
Change in net assets	\$ (3,342,020)	\$ 3,404,477
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	18,955	20,077
Bad debt expense	15,000	682
Net loss (gain) on investments	595	(38,935)
Changes in assets and liabilities:		
Pledges receivable	657,622	(810,660)
Prepaid expense and other assets	(100,155)	23,434
Accounts payable and accrued expenses	(42,006)	(311,078)
Deferred rent and lease incentive	(22,255)	(18,304)
Deferred revenue	(7,660)	8,110
Total adjustments	520,096	(1,126,674)
Net cash (used in) provided by operating activities	(2,821,924)	2,277,803
Cash flows from investing activities		
Proceeds from sales and maturities of investments	3,131,095	2,786,512
Purchases of investments	(257,979)	(4,960,982)
Purchases of property and equipment	(14,127)	(34,353)
Net cash provided by (used in) investing activities	2,858,989	(2,208,823)
Net increase in cash and cash equivalents	37,065	68,980
Cash and cash equivalents, beginning of year	100,261	31,281
Cash and cash equivalents, end of year	\$ 137,326	\$ 100,261

The International Women's Media Foundation

Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: The International Women's Media Foundation (the Foundation) was organized as a nonprofit corporation in 1989 in accordance with the laws of the State of Delaware. The Foundation is dedicated to strengthening the role of women journalists worldwide. The media is not truly free and representative without the equal voice of women. Since 1990, The Foundation has celebrated the courage of women journalists who overcome threats and oppression to report and bear witness to global issues. Through its programs and grants, they empower women journalists with the training, opportunities, and support to become leaders in the news industry.

Income taxes: The Foundation is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as other than a private foundation within the meaning of Section 509(a)(1) of the Internal Revenue Code.

Basis of accounting: The accompanying financial statements have been prepared on the accrual basis of accounting. Revenue, other than contributions, is recognized when earned and expense is recognized when the obligation is incurred.

Use of estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from estimates.

Cash and cash equivalents: The Foundation includes operating cash, which is a demand deposit account, within cash and cash equivalents. From time to time, the Foundation holds cash and cash equivalents within the operating account which may be related to donor restricted funds. Furthermore, cash and cash equivalents and certificates of deposit intended for long-term investing purposes are included in investments.

Pledges receivable: Pledges receivable consist of unconditional promises to give from donors which have been recorded at net realizable value since they are expected to be collected within the next year. Management has reviewed the status of the pledges receivable for collectability. Each balance is assessed based on management's knowledge of and relationship with the donors and the age of the receivable balance. As a result of these reviews, pledges receivable deemed to be uncollectible are charged directly to bad debt expense. Pledges receivable balances were deemed to be collectible at June 30, 2017 and 2016. Management believes that the use of the direct write-off method approximates the results that would be presented if an allowance for doubtful pledges had been recorded.

Deferred revenue: Deferred revenue consists of the value of special events revenue received in advance related to the Courage Awards that has been attributed to direct benefit to donors. The revenue will be recognized in the year the related special events occur.

Contributions: Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending upon the existence and/or nature of donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, as applicable. Within temporarily restricted net assets, amounts are reclassified to unrestricted net assets as purpose restrictions are satisfied or when time restrictions expire. Temporarily restricted support for which restrictions are met within the same period as the contributions are received, are recorded as unrestricted contributions.

The International Women's Media Foundation

Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Program services: Program services descriptions are as follows:

Training and research: The Foundation sponsors training programs and a major research project as described below.

Participants in the Foundation's training programs become highly skilled investigative journalists. They earn promotions and awards as a result of the reporting skills acquired through the Foundation's training programs and bring positive change to their newsrooms. The Foundation's reporting fellows become specialists through exposure to a wide variety of experts and they produce high-quality, in-depth reporting on issues of global importance through a gendered perspective.

The African Great Lakes local program fellowships are designed to support journalists in Rwanda, Uganda, Tanzania, the Democratic Republic of Congo, Central African Republic, and South Sudan through training and professional development opportunities that take place over the course of a year-long fellowship led by in country trainers. The training consists of year-long programs in each of the six countries of focus mentioned above, with some variation based on feasibility and need. Journalists that are selected to participate in these programs will receive training and support from experts in media and country-specific thematic areas. Support may include workshops, field reporting exercises, and individual reporting stipends.

Courage Awards: Since 1990, the Courage in Journalism Award honors women journalists who set themselves apart by their extraordinary bravery, and the Lifetime Achievement Award is given in recognition of media industry pioneers who kick down barriers to equality and justice. Since 1990, the Foundation has honored more than 100 women journalists from 54 countries.

Supporting services: Supporting services descriptions are as follows:

General and administrative: The general and administrative service includes expenditures related to administrative functions, such as maintaining the office space, and managing the financial and governance responsibilities of the Foundation.

Fundraising: The fundraising service includes expenditures that encourage and secure financial support for the Foundation.

Functional allocation of expenses: The costs of providing various program and supporting services have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Reclassifications: Certain accounts relating to the prior year have been reclassified to conform to the current year presentation with no effect on previously reported net income. In particular, 2016 temporarily restricted contributions totaling \$47,776 were reclassified to unrestricted contributions and 2016 investment fees totaling \$4,878 were reclassified from net assets released from restrictions to investment income.

Measure of operations: The Foundation does not include investment return in the change in unrestricted net assets from operations.

The International Women's Media Foundation

Notes to the Financial Statements

B. CONCENTRATIONS

Credit risk: The Foundation maintains cash and cash equivalents and certificates of deposit with various financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. Government. The uninsured portions of these accounts are backed solely by the assets of the underlying institution. Therefore, the failure of an underlying institution could result in financial loss to the Foundation. However, the Foundation has not experienced losses on these balances in the past, and management believes the risk of loss, if any, to be insignificant. Furthermore, the Foundation invests in a bank deposit program and certificates of deposit to maximize available FDIC insurance coverage by diversifying deposits across a range of institutions. Thus, the Foundation minimizes its risk of loss by taking advantage of higher FDIC insurance coverage than would be available through a single institution.

Market risk: The Foundation's investments include equity and fixed income securities which may be exposed to market and credit risks. Therefore, the Foundation's investments in equity and fixed income securities may be subject to significant fluctuations in fair value. As a result, amounts reported in the accompanying financial statements may not be reflective of their value during subsequent periods.

C. INVESTMENTS

In accordance with generally accepted accounting principles, the Foundation uses the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes;

Level 2 – Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace, such as yield curves or other market data;

Level 3 – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts.

Investments valued using Level 1 inputs, include mutual funds and equity securities, the fair values of which were based on quoted prices for identical assets in active markets.

Investments valued using Level 2 inputs, include government bonds and corporate bonds, the fair values of which were valued by pricing vendors using outside data. In determining the fair value of the investments, the pricing vendors use a market approach to obtain pricing spreads based on the credit risk of the issuer, maturity, current yield, and other terms and conditions of each security. Management believes the estimated fair values to be a reasonable approximation of the exit price for these investments.

Investments recorded at cost, such as cash and cash equivalents and certificates of deposit, are not required to be classified in one of the Levels prescribed by the fair value hierarchy.

The International Women's Media Foundation

Notes to the Financial Statements

C. INVESTMENTS - CONTINUED

Investments consisted of the following at June 30,:

2017	Total	Level 1	Level 2	Level 3
Investments, at fair value				
Government bonds	\$ 243,780	\$ -	\$ 243,780	\$ -
Corporate bonds	120,307	-	120,307	-
Mutual funds - fixed income	286,059	286,059	-	-
Common stocks	853,050	853,050	-	-
	<u>1,503,196</u>	<u>\$ 1,139,109</u>	<u>\$ 364,087</u>	<u>\$ -</u>
Investments, at cost				
Cash and cash equivalents	18,164			
Certificates of deposit	<u>7,812,799</u>			
	<u>\$ 9,334,159</u>			
2016	Total	Level 1	Level 2	Level 3
Investments, at fair value				
Government bonds	\$ 110,932	\$ -	\$ 110,932	\$ -
Corporate bonds	79,798	-	79,798	-
Mutual funds - fixed income	282,343	282,343	-	-
Common stocks	869,922	869,922	-	-
	<u>1,342,995</u>	<u>\$ 1,152,265</u>	<u>\$ 190,730</u>	<u>\$ -</u>
Investments, at cost				
Cash and cash equivalents	10,652,081			
Certificates of deposit	<u>212,794</u>			
	<u>\$ 12,207,870</u>			

The Foundation has two endowment funds which are described in Note F. In relation to the endowment funds, operating cash and investments included donor restricted funds totaling \$1,385,054 and \$1,407,589 at June 30, 2017 and 2016, respectively.

The International Women's Media Foundation

Notes to the Financial Statements

C. INVESTMENTS - CONTINUED

Investment income consisted of the following for the years ended June 30,:

2017	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 64,690	\$ 57,227	\$ 121,917
Net (loss) gain on investments	13,287	(13,882)	(595)
Investment fees	(30)	(15,880)	(15,910)
	\$ 77,947	\$ 27,465	\$ 105,412

2016	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 12,099	\$ 5,363	\$ 17,462
Net gain (loss) on investments	(2,587)	41,522	38,935
Investment fees	(845)	(1,029)	(1,874)
	\$ 8,667	\$ 45,856	\$ 54,523

D. PROPERTY AND EQUIPMENT

Acquisitions of property and equipment greater than \$1,000 are recorded at cost and depreciated or amortized using the straight-line method over the following estimated useful lives: website – 3 years; furniture and equipment – 3 to 7 years; and leasehold improvements – over the lesser of the remaining term of the office lease or the estimated useful life of the improvements.

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

	2017	2016
Website	\$ 253,103	\$ 253,103
Furniture and equipment	50,144	41,735
Leasehold improvements	116,045	116,045
	419,292	410,883
Less accumulated depreciation and amortization	(358,044)	(344,807)
	\$ 61,248	\$ 66,076

The International Women's Media Foundation

Notes to the Financial Statements

E. NET ASSETS

Unrestricted net assets: Unrestricted net assets include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation.

The Foundation reported a deficit in unrestricted net assets of \$732,146 and \$618,921 at June 30, 2017 and 2016, respectively. The budget for the year ending June 30, 2018 was developed with the intent to eliminate the deficit that had been approved in the budget related to the year ended June 30, 2017. The Foundation expects the deficit in unrestricted net assets to return to a surplus position during the year ending June 30, 2018. Management will continue to monitor actual results versus the approved budget.

Temporarily restricted net assets: Temporarily restricted net assets include those net assets whose use by the Foundation has been donor restricted by either specific purpose or implied time restrictions. Net assets are released from restrictions either due to the satisfaction of a purpose restriction or as a result of the expiration of a time restriction.

Temporarily restricted net assets consisted of the following as of and for the year ended June 30, 2017:

	Beginning Balance	Support	Releases	Ending Balance
Buffett - Adelante	\$ 4,354,280	\$ -	\$ (940,298)	\$ 3,413,982
Buffett - The Fund for Women Journalists	3,223,983	-	(312,989)	2,910,994
Buffett - Africa Great Lakes	3,450,008	-	(1,106,733)	2,343,275
Courage Awards Events (time restriction)	790,500	146,250	(790,500)	146,250
Elizabeth Neuffer Fellowship	95,302	36,859	(61,688)	70,473
TSS Investigative Reporting grants	50,000	122,500	(129,911)	42,589
Emergency Fund	84,493	104,096	(155,802)	32,787
Time restricted - without purpose	-	20,000	-	20,000
Endowments	11,322	27,465	(38,044)	743
Ford Foundation - Restricted	150,000	-	(150,000)	-
	\$ 12,209,888	\$ 457,170	\$ (3,685,965)	\$ 8,981,093

The International Women's Media Foundation

Notes to the Financial Statements

E. NET ASSETS - CONTINUED

Temporarily restricted net assets consisted of the following as of and for the year ended June 30, 2016:

	Beginning Balance	Support	Releases	Ending Balance
Buffett - Adelante	\$ -	\$ 5,000,000	\$ (645,720)	\$ 4,354,280
Buffett - Africa Great Lakes	4,318,808	-	(868,800)	3,450,008
Buffett - The Fund for Women Journalists	3,628,468	-	(404,485)	3,223,983
Courage Awards Events (time restriction)	35,000	790,500	(35,000)	790,500
Elizabeth Neuffer Fellowship	103,651	46,972	(55,321)	95,302
TSS Investigative Reporting grants	-	50,000	-	50,000
Ford Foundation - Restricted	-	150,000	-	150,000
Emergency Fund	95,589	89,127	(100,223)	84,493
Endowments	142	45,856	(34,676)	11,322
Google Hackathon	1,266	-	(1,266)	-
UNESCO - Journalist Safety	-	55,000	(55,000)	-
	\$ 8,182,924	\$ 6,227,455	\$ (2,200,491)	\$ 12,209,888

Permanently restricted net assets: Permanently restricted net assets include gifts which are required by donors to be held in perpetuity and are more fully described in Note F.

F. ENDOWMENTS

The Foundation's endowments include two donor-restricted endowment funds which have been classified within permanently restricted net assets. 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.

Courage Awards: The Courage in Journalism Awards (Courage Awards) fund provides awards of \$5,000 for up to four recipients annually. The total amount of annual awards may not exceed \$20,000. Investment income from the fund is classified as temporarily restricted until appropriated for spending on awards. In any given year, if the investment income exceeds \$20,000, the excess funds may be used for the direct costs associated with administration of the awards, but for no other purpose.

Niedringhaus: The Anja Niedringhaus Courage in Photojournalism Award (Niedringhaus) fund provides an annual award to recognize the leadership of individual photojournalists working in conflict areas. The award recipients will be recommended by the Foundation's Awards Committee.

The International Women's Media Foundation

Notes to the Financial Statements

F. ENDOWMENTS – CONTINUED

Interpretation of Relevant Law

The Board of Directors has interpreted Delaware's Uniform Prudent Management of Institutional Funds Act of (UPMIFA) such that the law underlies the Foundation's net asset classification of donor-restricted endowment funds as requiring the preservation of the fair value of the original gift. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, and (2) the original value of subsequent gifts to the permanent endowment. Absent explicit direction from the donor regarding the classification of investment income from the permanently restricted endowments, investment income is recorded in temporarily restricted activities until appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for the underlying endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that achieve constant growth of the endowment funds. Actual returns in any given year may vary from that objective.

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, the Foundation relies on an earnings and safety of principal strategy in which investment returns are achieved primarily through current yield (interest and dividends). The Foundation targets a diversified asset allocation that places more emphasis on fixed income securities than equity securities to achieve its long-term return objectives while remaining within prudent risk constraints.

Spending Policy

The central objective of the Foundation's spending policy is to preserve the purchasing power of the Foundation's endowment funds while simultaneously providing awards and fellowships. The Foundation's endowments each have a specified dollar limit on the amount that can be spent each year.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor originally contributed as an endowment fund to the Foundation. In accordance with generally accepted accounting principles, deficiencies of this nature have been reported within unrestricted net assets. Due to continued appropriations as deemed prudent by the Board of Directors, the Courage Awards endowment fund has reported a deficiency in unrestricted net assets totaling \$15,415 and \$3,459 at June 30, 2017 and 2016, respectively.

The International Women's Media Foundation

Notes to the Financial Statements

F. ENDOWMENTS - CONTINUED

Endowment funds consisted of the following at June 30,:

2017	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Niedringhaus	\$ -	\$ 743	\$ 1,000,000	\$ 1,000,743
Courage Awards	(15,415)	-	399,726	384,311
	\$ (15,415)	\$ 743	\$ 1,399,726	\$ 1,385,054

2016	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Niedringhaus	\$ -	\$ 11,322	\$ 1,000,000	\$ 1,011,322
Courage Awards	(3,459)	-	399,726	396,267
	\$ (3,459)	\$ 11,322	\$ 1,399,726	\$ 1,407,589

Changes in endowment net assets consisted of the following for the year ended June 30, 2017:

2017	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds, July 1, 2016	\$ (3,459)	\$ 11,322	\$ 1,399,726	\$ 1,407,589
Net investment return				
Interest and dividends	-	57,227	-	57,227
Net loss on investments	-	(13,882)	-	(13,882)
Investment fees	-	(15,880)	-	(15,880)
	-	27,465	-	27,465
Appropriations	(11,956)	(38,044)	-	(50,000)
Endowment funds, June 30, 2017	\$ (15,415)	\$ 743	\$ 1,399,726	\$ 1,385,054

Changes in endowment net assets consisted of the following for the year ended June 30, 2016:

2016	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds, June 30, 2015	\$ (4,878)	\$ 142	\$ 1,399,726	\$ 1,394,990
Net investment return				
Interest and dividends	4,878	5,363	-	10,241
Net gain on investments	-	41,522	-	41,522
Investment fees	-	(1,029)	-	(1,029)
	-	45,856	-	50,734
Appropriations	(3,459)	(34,676)	-	(38,135)
Endowment funds, June 30, 2016	\$ (3,459)	\$ 11,322	\$ 1,399,726	\$ 1,407,589

The International Women's Media Foundation

Notes to the Financial Statements

G. SPECIAL EVENTS

The Courage in Journalism Awards (Courage), which are held every October in New York and Los Angeles, are considered special events. In October 2017, Courage was also held in the District of Columbia.

Special events revenue represents both a contribution and an exchange transaction as payment for the direct benefits provided to the attendees at the events. The fair value of meals and entertainment provided at the events are considered direct benefits to attendees and have been reported in program services expense at actual cost which totaled \$98,470 and \$89,800 during the years ended June 30, 2017 and 2016, respectively.

The Foundation allocates joint costs relating to its special events which are held to raise support for the Foundation's mission. The special events include an educational aspect for participants because the events raise awareness about the courage of women journalists who overcome threats and oppression to speak out on global issues. Therefore, costs which are not related to fundraising have also been included in program services expense.

Special events consisted of the following for the years ended June 30,:

	2017	2016
Courage Awards		
Contribution revenue	\$ 701,940	\$ 2,075,342
Exchange revenue	98,470	89,800
	<u>800,410</u>	<u>2,165,142</u>
Courage Awards		
Program services		
Direct and indirect costs	633,099	651,497
Joint fundraising costs	22,023	23,195
Fundraising	228,232	342,034
	<u>883,354</u>	<u>1,016,726</u>
	<u>\$ (82,944)</u>	<u>\$ 1,148,416</u>

H. IN-KIND CONTRIBUTIONS

Donated services, such as pro bono legal services, are recognized as contributions and expense in accordance with generally accepted accounting principles (GAAP). In order to meet the criteria for recognition in the financial statements, contributions of in-kind services must (a) create or enhance non-financial assets or (b) require specialized skills, be performed by people with those skills, and would otherwise be purchased by the Foundation. Donated legal services totaled \$28,111 and \$46,373 for the years ended June 30, 2017 and 2016, respectively.

I. RETIREMENT PLAN

The Foundation has a 401(k) defined contribution savings plan (the Plan) available to all eligible employees. Upon completion of one year of service, participants' contributions, up to a maximum of 4% of their base compensation, are matched 100% by the Foundation. The Foundation's contributions to the Plan totaled \$16,814 and \$15,317 for the years ended June 30, 2017 and 2016, respectively.

The International Women's Media Foundation

Notes to the Financial Statements

J. COMMITMENTS AND CONTINGENCIES

Office lease: The Foundation has an operating lease for office space which expires August 2019. The office lease contains an abatement of the first three months of rent related to the extended term of the lease and an escalation clause which adjusts annual base rentals. The lease also contains a pass-through clause relating to real estate taxes and operating expenses, which are not included in base rentals. In addition, the lease provided a tenant improvement allowance of \$97,650 which will be amortized over the life of the lease.

Generally accepted accounting principles (GAAP) require that the cost of the build-out be capitalized within property and equipment and amortized over the term of the lease. GAAP also requires that the lease incentive along with the abatement and scheduled rent increases resulting from the escalation of base rentals be recorded as a liability and amortized ratably over the term of the lease so as to record rent expense on a straight-line basis over the term of the lease. The deferred rent and lease incentive liability totaled \$61,939 and \$84,194 at June 30, 2017 and 2016, respectively.

Rent expense related to the office lease totaled \$151,759 and \$153,085 for the years ended June 30, 2017 and 2016, respectively.

Future minimum cash basis rent payments as required by the office lease are as follows:

Year Ending June 30,	Amount
2018	\$ 166,300
2019	170,500
2020	<u>28,500</u>
	<u>\$ 365,300</u>

Sublease: The Foundation also subleases a portion of its office space to two tenants in accordance with month to month sublease agreements. Rental income related to the subleases totaled \$4,800 and \$7,200 for the years ended June 30, 2017 and 2016, respectively.

Employment letter of agreement: The Foundation has a letter of agreement with a key employee. Under the terms of the letter of agreement, should employment be terminated without cause, the Foundation would be obligated to pay severance, as described in the letter of agreement.

Hotel contracts: The Foundation has agreements with various hotels to provide meeting facilities and room accommodations for meetings and events held through 2019. The agreements contain various attrition clauses whereby the Foundation may be liable for liquidated damages in the event of cancellation or lower than anticipated attendance.

K. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 21, 2017, which is the date the financial statements were available to be issued.

During September 2017, the Foundation's Board of Directors approved a resolution to change the Foundation's fiscal year from June 30 to December 31.