

Audited Financial Statements

**THE INTERNATIONAL WOMEN'S
MEDIA FOUNDATION**

December 31, 2018

The International Women's Media Foundation

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T A T E



TRYON

A Professional Corporation

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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 statement of financial position as of December 31, 2018, and the related statements of activities and cash flows for the eighteen-month period 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 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 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 December 31, 2018, and the changes in its net assets and its cash flows for the eighteen-month period then ended in accordance with accounting principles generally accepted in the United States of America.

Washington, DC
October 11, 2019

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The International Women's Media Foundation

Statements of Financial Position

December 31, 2018

Assets

Cash and cash equivalents	\$ 378,338
Investments	5,934,386
Pledges receivable	1,446,997
Prepaid expense and other assets	59,680
Property and equipment	80,388

Total assets	\$ 7,899,789
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Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	\$ 255,018
Deferred rent and lease incentive	82,694

Total liabilities	337,712
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Commitments and contingencies	-
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Net Assets

Without donor restrictions	165,731
With donor restrictions	7,396,346

Total net assets	7,562,077
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Total liabilities and net assets	\$ 7,899,789
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The International Women's Media Foundation

Statements of Activities

Eighteen-Month Period Ended December 31, 2018

Activities without donor restrictions

Revenue and support	
Courage Awards	\$ 2,806,075
Grants and contributions	498,506
Other income	1,735
	<hr/>
	3,306,316
Net assets released from restriction	5,745,522
	<hr/>
Total revenue and support	9,051,838
Expense	
Program services	
Training and research	5,506,434
Courage Awards	975,845
	<hr/>
Total program services	6,482,279
Supporting services	
General and administrative	1,090,990
Fundraising	680,309
	<hr/>
Total supporting services	1,771,299
	<hr/>
Total expense	8,253,578
	<hr/>
Change in net assets without donor restrictions from operations	798,260
Investment income	99,617
	<hr/>
Change in net assets without donor restrictions	897,877
Activities with donor restrictions	
Other grants and contributions	2,804,701
Investment loss	(43,652)
Net assets released from restriction	(5,745,522)
	<hr/>
Change in net assets with donor restrictions	(2,984,473)
	<hr/>
Change in net assets	(2,086,596)
Net assets, July 1, 2017	9,648,673
	<hr/>
Net assets, December 31, 2018	\$ 7,562,077

The International Women's Media Foundation

Statements of Cash Flows

Eighteen-Month Period Ended December 31, 2018

Cash flows from operating activities	
Change in net assets	\$ (2,086,596)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	42,011
Net loss on investments	124,009
Changes in assets and liabilities:	
Pledges receivable	(1,291,347)
Prepaid expense and other assets	157,196
Accounts payable and accrued expenses	60,821
Deferred rent and lease incentive	20,755
Deferred revenue	(450)
Total adjustments	(887,005)
Net cash used in operating activities	(2,973,601)
Cash flows from investing activities	
Proceeds from sales and maturities of investments	3,655,310
Purchases of investments	(379,546)
Purchases of property and equipment	(61,151)
Net cash provided by investing activities	3,214,613
Net increase in cash and cash equivalents	241,012
Cash and cash equivalents, July 1, 2017	137,326
Cash and cash equivalents, December 31, 2018	\$ 378,338

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 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. All pledge balances were deemed to be collectible at December 31, 2018. 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 recognized in the statement of activities when legally binding unconditional promises to give are made or as gifts of cash are received. Contributions are classified as donor restricted support depending upon the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor, or that have an implied time restriction, are reported as increases in net assets with donor restrictions and amounts are reclassified to net assets without donor restrictions when purpose or time restrictions expire. Donor restricted contributions for which restrictions are met within the same period as the contributions are received are recorded as contributions without donor restrictions.

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.

Measure of operations: The Foundation does not include investment income in the change in net assets without donor restrictions from operations.

Change in accounting policies: The Foundation adopted FASB Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities*, during the eighteen-month period ended December 31, 2018. ASU 2016-14 refreshes current accounting standards by simplifying the presentation of net assets on the face of the financial statements and enhancing disclosures related to liquidity and functional expense.

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 December 31, 2018:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments, at fair value				
U.S. Government obligations	\$ 296,354	\$ -	\$ 296,354	\$ -
Corporate bonds	159,316		159,316	
Mutual funds - fixed income	341,473	341,473		
Common stocks	968,672	968,672		
	<u>1,765,815</u>	<u>\$ 1,310,145</u>	<u>\$ 455,670</u>	<u>\$ -</u>
Investments, at cost				
Cash and cash equivalents	364,097			
Certificates of deposit	<u>3,804,474</u>			
	<u>\$ 5,934,386</u>			

The Foundation has two endowment funds which are described in Note G. In relation to the endowment funds, operating cash and investments included donor restricted funds totaling \$1,634,126 at December 31, 2018.

Investment income consisted of the following for the eighteen-month period ended December 31, 2018:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 99,477	\$ 104,951	\$ 204,428
Net gain (loss) on investments	140	(124,149)	(124,009)
Investment fees		(24,454)	(24,454)
	<u>\$ 99,617</u>	<u>\$ (43,652)</u>	<u>\$ 55,965</u>

The International Women's Media Foundation

Notes to the Financial Statements

D. LIQUIDITY

The Foundation structures its financial assets to be available as general expenditures, liabilities and other obligations come due. The Foundation's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. The Foundation invests cash balances in excess of immediate liquidity needs in accordance with its investment policy.

The following provides a summary of financial assets available for general expenditures within one year at December 31, 2018:

Cash and cash equivalents	\$ 378,338
Investments	5,934,386
Pledges receivable	<u>1,446,997</u>
	7,759,721
Amounts not available for general expenditures	
Net assets with donor restrictions	<u>(7,396,346)</u>
	<u>\$ 363,375</u>

E. 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 December 31, 2018:

Website	\$ 307,103
Furniture and equipment	57,297
Leasehold improvements	<u>116,045</u>
	480,445
Less accumulated depreciation and amortization	<u>(400,057)</u>
	<u>\$ 80,388</u>

The International Women's Media Foundation

Notes to the Financial Statements

F. NET ASSETS

Net assets are classified based on the existence or absence of donor-imposed restrictions. For financial statement purposes, net assets are classified as net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions: Net assets without donor restrictions 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's net assets without donor restrictions consisted entirely of undesignated funds and totaled \$165,731 at December 31, 2018.

Net assets with donor restrictions: Net assets with donor restrictions 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.

Net assets with donor restrictions consisted of the following as of and for the eighteen-month period ended December 31, 2018:

	July 1, 2017	Support	Releases	December 31, 2018
Buffett - The Fund for Women Journalists	\$ 2,910,994		\$ (742,125)	\$ 2,168,869
Buffett - Adelante	3,413,982		(1,616,397)	1,797,585
Endowments	1,400,469	284,399	(50,742)	1,634,126
Safety and Equality for Women in the Workplace		1,000,000		1,000,000
Women's and LGBTQI rights in Mesoamerica		250,000		250,000
Women facing online harrasment		175,000	(47,085)	127,915
Buffett - Africa Great Lakes	2,343,275		(2,227,284)	115,991
Reporting on reproductive health, rights and justice		115,000	(14,712)	100,288
Emergency Fund	32,787	284,546	(225,071)	92,262
TSS Investigative Reporting grants	42,589	197,500	(180,105)	59,984
Elizabeth Neuffer Fellowship	70,473	78,712	(110,856)	38,329
Combat Modern Slavery		125,892	(114,895)	10,997
Courage Awards Events (time restriction)	146,250		(146,250)	-
Time restricted - without purpose	20,000		(20,000)	-
Ford Foundation - Restricted		250,000	(250,000)	-
	\$ 10,380,819	\$ 2,761,049	\$ (5,745,522)	\$ 7,396,346

The International Women's Media Foundation

Notes to the Financial Statements

G. ENDOWMENTS

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

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 donor restricted net assets held in perpetuity (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 donor restricted specified 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.

The International Women's Media Foundation

Notes to the Financial Statements

G. ENDOWMENTS – CONTINUED

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.

Endowment funds consisted of the following at December 31, 2018:

	Specified Purpose	Held in Perpetuity	Total
Niedringhaus	\$ (54,900)	\$ 1,000,000	\$ 945,100
Courage Awards	(45,788)	399,726	353,938
Kim Wall Memorial Fund	(8,378)	343,466	335,088
	\$ (109,066)	\$ 1,743,192	\$ 1,634,126

Changes in endowment net assets consisted of the following for the eighteen-month period ended December 31, 2018:

	Without Donor Restrictions	With Donor Restrictions		Total
		Specified Purpose	Held in Perpetuity	
Endowment funds, July 1, 2017	\$ (15,415)	\$ 743	\$ 1,399,726	\$ 1,385,054
Contributions			343,466	343,466
Net investment return				
Interest and dividends		104,951		104,951
Net loss on investments		(124,149)		(124,149)
Investment fees		(24,454)		(24,454)
	-	(43,652)	-	(43,652)
Appropriations		(50,742)		(50,742)
Reclassifications	15,415	(15,415)		-
Endowment funds, December 31, 2018	\$ -	\$ (109,066)	\$ 1,743,192	\$ 1,634,126

The International Women's Media Foundation

Notes to the Financial Statements

H. 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 \$171,450 during the eighteen-month period ended December 31, 2018.

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, the costs incurred along with fundraising that have been included in program services expense totaled \$19,560 for the eighteen-month period ended December 31, 2018.

Special events consisted of the following for the eighteen-month period ended December 31, 2018:

Courage Awards	
Contribution revenue	\$ 2,634,625
Exchange revenue	<u>171,450</u>
	2,806,075
Courage Awards	
Program services expense	975,845
Fundraising expense	<u>315,759</u>
	<u>1,291,604</u>
	<u>\$ 1,514,471</u>

I. 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 \$96,992 for the eighteen-month period ended December 31, 2018.

The International Women’s Media Foundation

Notes to the Financial Statements

J. 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 \$43,517 for the eighteen-month period ended December 31, 2018.

K. FUNCTIONAL EXPENSE

The costs of providing various programs and supporting services have been summarized on a functional basis in the consolidated statement of activities. Costs attributable to a specific function have been directly charged to the function that benefitted from the cost. Salaries and benefits are allocated based on each employee’s functional area. Overhead costs, including staff development, accounting, and legal are allocated to the general and administrative grouping. Shared costs such as occupancy costs have been allocated based on square footage. Other costs that benefit multiple functions are allocated based on employee effort.

The Foundation’s functional expenses consisted of the following for the eighteen-months ended December 31, 2018:

	Program Services		Supporting Services		Total Expense
	Training and Research	Courage Awards	General and Administrative	Fundraising	
Conferences, meetings and travel	\$ 1,821,005	\$ 554,103	\$ 126,375	\$ 23,328	\$ 2,524,811
Personnel	1,214,861	161,803	231,421	233,247	1,841,332
Professional fees	842,168	25,305	622,171	341,726	1,831,370
Awards	1,144,905	121,053	567		1,266,525
Other	311,089	93,594	82,021	65,369	552,073
Rent and facilities	172,406	19,987	28,435	16,639	237,467
	\$ 5,506,434	\$ 975,845	\$ 1,090,990	\$ 680,309	\$ 8,253,578

L. COMMITMENTS AND CONTINGENCIES

Office lease: The Foundation has an operating lease for office space. During the eighteen-months ended December 31, 2018, the lease was extended to December 31, 2023. 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 \$82,694 at December 31, 2018.

The International Women's Media Foundation

Notes to the Financial Statements

L. COMMITMENTS AND CONTINGENCIES - CONTINUED

Rent expense related to the office lease totaled \$237,468 for the eighteen-month period ended December 31, 2018.

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

Year Ending December 31,	Amount
2019	\$ 161,200
2020	166,070
2021	171,050
2022	176,200
2023	181,470
	<u>\$ 855,990</u>

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.

M. SUBSEQUENT EVENT

Subsequent events have been evaluated through October 11, 2019, which is the date the financial statements were available to be issued.

In April 2019, the net assets of Round Earth Media, an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, were transferred to the Foundation. After the net assets transfer, Round Earth Media was legally dissolved.