

# **The International Women's Media Foundation**

Financial Report  
December 31, 2019

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## Independent Auditor's Report

RSM US LLP

Board of Directors  
The International Women's Media Foundation

### Report on the Financial Statements

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, 2019, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*RSM US LLP*

Washington, D.C.  
November 9, 2020

**The International Women's Media Foundation**

**Statement of Financial Position  
December 31, 2019**

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**Assets**

Cash and cash equivalents	\$ 515,214
Investments	5,045,828
Promises to give	336,276
Prepaid expense and other assets	37,103
Property and equipment	<u>75,747</u>
<b>Total assets</b>	<b><u><u>\$ 6,010,168</u></u></b>

**Liabilities and Net Assets**

Liabilities:

Accounts payable and accrued expenses	\$ 142,250
Deferred rent	<u>76,124</u>
<b>Total liabilities</b>	<b><u><u>218,374</u></u></b>

Commitments and contingencies (see Note 11)

Net assets:

Without donor restrictions	(382,626)
With donor restrictions	<u>6,174,420</u>
<b>Total net assets</b>	<b><u><u>5,791,794</u></u></b>

**Total liabilities and net assets** **\$ 6,010,168**

See notes to financial statements.

**The International Women's Media Foundation**

**Statement of Activities  
Year Ended December 31, 2019**

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Activities without donor restrictions:	
Revenue and support:	
Courage Awards	\$ 1,165,183
Grants and contributions	310,749
Other income	2,688
	<hr/>
	1,478,620
Net assets released from restrictions	<hr/>
	3,177,745
<b>Total revenue and support</b>	<hr/>
	4,656,365
Expenses:	
Program services:	
Training and research	3,335,622
Courage Awards	578,935
	<hr/>
<b>Total program services</b>	<hr/>
	3,914,557
Supporting services:	
General and administrative	827,773
Fundraising	474,017
	<hr/>
<b>Total supporting services</b>	<hr/>
	1,301,790
<b>Total expenses</b>	<hr/>
	5,216,347
<b>Change in net assets without donor restrictions from operations</b>	(559,982)
Investment income	55,637
Loss resulting from external theft	(44,012)
	<hr/>
<b>Change in net assets without donor restrictions</b>	<hr/>
	(548,357)
Activities with donor restrictions:	
Grants and contributions	1,695,257
Investment income	260,562
Net assets released from restrictions	(3,177,745)
	<hr/>
<b>Change in net assets with donor restrictions</b>	<hr/>
	(1,221,926)
<b>Change in net assets</b>	(1,770,283)
Net assets:	
Beginning	<hr/>
	7,562,077
Ending	<hr/>
	\$ 5,791,794

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See notes to financial statements.

**The International Women's Media Foundation**

**Statement of Cash Flows**  
**Year Ended December 31, 2019**

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Cash flows from operating activities:	
Change in net assets	\$ (1,770,283)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	46,983
Net gain on investments	(164,037)
Changes in assets and liabilities:	
(Increase)/decrease:	
Promises to give	1,110,721
Prepaid expense and other assets	22,577
Increase/(decrease):	
Accounts payable and accrued expenses	(112,768)
Deferred rent	(6,570)
<b>Net cash used in operating activities</b>	<u>(873,377)</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	2,262,147
Purchases of investments	(1,209,552)
Purchases of property and equipment	(42,342)
<b>Net cash provided by investing activities</b>	<u>1,010,253</u>
<b>Net increase in cash and cash equivalents</b>	136,876
Cash and cash equivalents:	
Beginning	<u>378,338</u>
Ending	<u>\$ 515,214</u>

See notes to financial statements.

## The International Women's Media Foundation

### Notes to Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies

**Nature of activities:** 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.

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 Adelante Latin America local program fellowship is designed to support journalists in Colombia, El Salvador, Honduras, Guatemala, Mexico and the U.S.-Mexico Border through training and professional development opportunities. The training is led by in country trainers and consists of a year-long program in each of the six regions mentioned above, with some variation based on flexibility 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 includes workshops and 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 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.

A summary of the Foundation's significant accounting policies follows:

**Basis of accounting:** The financial statements of the Foundation are presented on the accrual basis of accounting. Consequently, revenue, other than contributions, is recognized when earned and expenses, other than grants, are recognized when the obligations are incurred.

## The International Women's Media Foundation

### Notes to Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

**Basis of presentation:** The Foundation follows the accounting requirements of the Not-for-Profit Entities topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the FASB ASC, the Foundation is required to report information regarding its net assets and its activities according to two categories: (1) net assets without donor restrictions and (2) net assets with donor restrictions.

**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. However, the Foundation has no board-designated net assets.

**With donor restrictions:** Net assets with donor restrictions include those net assets whose use is subject to donor-imposed restrictions. Donor restrictions may be for a specified time or purpose limitation or the donor may specify that the corpus of their original and certain subsequent gifts be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Use of estimates:** The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from estimates.

**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.

**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.

**Financial risk:** The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant financial risk on cash.

**Investments:** Investments with readily determinable fair values are reflected at fair market value. To adjust the carrying value of these investments, the change in fair market value is charged or credited to current operations net of related fees.

The Foundation invests in a professionally managed portfolio that contains various types of securities. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near-term could materially affect investment balances and the amounts reported in the financial statements.

## The International Women's Media Foundation

### Notes to Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

**Promises to give:** Promises to give included in the statement of financial position consist of unconditional contributions from donors that are expected to be collected within one year. Thus, promises to give have been recorded at net realizable value. Management has reviewed the status of the promises to give 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, there were no write-offs during the year ended December 31, 2019. 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.

The Foundation also has conditional promises to give cash grants from various funding sources primarily consisting of private foundation grants. Future payments are contingent upon the Foundation carrying out certain activities which will meet the donor-imposed barriers stipulated by the grants. Conditional promises to give totaled \$100,000 at December 31, 2019.

**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 and computer software – three years, furniture and equipment – three to seven years and leasehold improvements – over the lesser of the remaining term of the office lease or the estimated useful life of the improvements.

**Deferred rent:** The Foundation recognizes the minimum rents required under a lease as rent expense on a straight-line basis over the term of the lease. Differences between amounts recorded as expense and amounts actually paid are reported as deferred rent and lease incentive in the statement of financial position along with the unamortized landlord provided tenant improvement allowance (see Note 11).

**Revenue and support:** The Courage in Journalism Awards (Courage Awards) are held every October in New York, District of Columbia and Los Angeles, and are considered special events. Revenue from special events represents both a contribution and an exchange transaction as payment for the direct benefits provided to the attendees at the events. Therefore, Courage Awards may include elements of both revenue and support. Revenue from Courage Awards is derived from the exchange transaction portion of this revenue stream because there are performance obligations that are considered to be contracts with customers.

The performance obligations are satisfied over time and most contracts have initial terms of one year or less. Prices are specific to a distinct performance obligation and contracts do not have multiple performance obligations. Economic factors driven by consumer confidence, employment, inflation and other world events impact the timing and level of revenue recognized by the Foundation. Periods of economic downturn resulting from any of the above factors may result in declines in revenue recognized by the Foundation.

A portion of Courage Award event revenue relates to sponsorships, which are recognized as revenue at the point in time that the related events take place because the performance obligation is satisfied when the event occurs. In addition, the revenue associated with the costs of direct benefits to donors is recognized at the point in time that the event takes place. The fair value of meals and entertainment provided at the events are considered direct benefits to attendees

## The International Women's Media Foundation

### Notes to Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Support includes: (a) the contributions portion of Courage Awards revenue and (b) grants and contributions. Contributions, including grants, are recognized in the statement of activities when 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.

**Functional allocation of expenses:** The costs of providing various programs and supporting services have been summarized on a functional basis in the 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.

**Recent accounting pronouncements adopted:** Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, requires that the Foundation recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods and services to customers. ASU 2014-09 replaces most existing revenue recognition guidance in U.S. GAAP. The ASU also requires expanded disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flows from contracts from customers. The Foundation adopted the new standard, effective for the year ended December 31, 2019, using the full retrospective method. Courage Awards is the line item affected by this standard. Based on management's review of its contracts with customers, the timing of the amount of revenue recognized previously is consistent with how revenue is recognized under this new standard. Therefore, the adoption of this standard had no impact on the Foundation's financial statements, but the standard does require additional disclosures.

In June 2018, FASB also issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (an exchange transaction) or nonreciprocal (a contribution). ASU 2018-08 also provided guidance for distinguishing between conditional and unconditional contributions. The Foundation adopted the contributions received portion of the new standard effective for the year ended December 31, 2019, using the full retrospective method. The Foundation will adopt the contributions made portion of the new standard when it is required during the year ending December 31, 2020. Based on management's review of its contributions, the timing of the amount of contributions recognized previously is consistent with how contributions are recognized under this new standard. Therefore, the adoption of this standard had no impact on the Foundation's financial statements, but the standard does require additional disclosures.

## The International Women's Media Foundation

### Notes to Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

**Upcoming accounting pronouncement:** In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for the Foundation's year ending December 31, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Foundation anticipates adopting the new standard during the year ending December 31, 2021, and is evaluating the impact of the adoption of the new standard on the financial statements.

**Subsequent events:** Subsequent events have been evaluated through November 9, 2020, which is the date the financial statements were available to be issued.

#### Note 2. Investments

The Foundation follows the accounting standards topic regarding fair value measurements, which establishes a framework for measuring fair value in accordance with U.S. GAAP and expands disclosures about fair value measurements. This standard 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, exchange traded funds and common stocks, which were valued based on quoted prices for identical assets in active markets.

Investments valued using Level 2 inputs include U.S. government obligations, corporate bonds and certificates of deposit, which were valued by pricing vendors using outside data. In determining the fair value of the investments, the pricing vendors use a market approach and 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 include cash and cash equivalents held for investment.

## The International Women's Media Foundation

### Notes to Financial Statements

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#### Note 2. Investments (Continued)

Investments consisted of the following at December 31, 2019:

	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
U.S. government obligations	\$ -	\$ 225,522	\$ -	\$ 225,522
Corporate bonds	-	133,808	-	133,808
Mutual funds – fixed income	463,511	-	-	463,511
Exchange traded funds	10,135	-	-	10,135
Common stocks	1,133,681	-	-	1,133,681
Certificates of deposit	-	2,504,977	-	2,504,977
	<u>\$ 1,607,327</u>	<u>\$ 2,864,307</u>	<u>\$ -</u>	<u>4,471,634</u>
Investments, at cost:				
Cash and cash equivalents				574,194
				<u>\$ 5,045,828</u>

The Foundation has three endowment funds which are described in Note 6. In relation to the endowment funds, operating cash and investments included donor-restricted funds totaling \$1,869,636 at December 31, 2019.

Investment income consisted of the following for the year ended December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 52,877	\$ 119,255	\$ 172,132
Net gain on investments	3,526	160,511	164,037
Investment fees	(766)	(19,204)	(19,970)
	<u>\$ 55,637</u>	<u>\$ 260,562</u>	<u>\$ 316,199</u>

#### Note 3. 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, 2019:

Cash and cash equivalents	\$ 515,214
Investments	5,045,828
Promises to give	336,276
	<u>5,897,318</u>
Amounts not available for general expenditures:	
Net assets with donor restrictions	(6,174,420)
	<u>\$ (277,102)</u>

## The International Women's Media Foundation

### Notes to Financial Statements

#### Note 4. Property and Equipment

Property and equipment consisted of the following at December 31, 2019:

Website	\$ 307,103
Furniture and equipment	85,989
Leasehold improvements	116,045
Computer software	15,450
	<u>524,587</u>
Less accumulated depreciation and amortization	(448,840)
	<u><u>\$ 75,747</u></u>

#### Note 5. Net Assets and Management's Plans

**Net assets without donor restrictions:** The Foundation has reported a deficit in net assets without donor restrictions totaling \$382,626 at December 31, 2019. The deficit in net assets without donor restrictions resulted from lower than budgeted Courage Awards and general support contributions. Based on the budget for the year ending December 31, 2020, the deficit in net assets without donor restrictions is expected to return to a surplus position. Management plans to monitor actual results versus the approved budget during the year ending December 31, 2020, and will implement cost reductions plans, if needed.

**Net assets with donor restrictions:** Net assets with donor restrictions consisted of the following as of and for the year ended December 31, 2019:

	Beginning	Support	Releases	Ending
Endowments	\$ 1,634,126	\$ 308,760	\$ (73,250)	\$ 1,869,636
Buffett – The Fund for Women Journalists	2,168,869	-	(338,218)	1,830,651
Buffett – Adelante	1,797,585	-	(1,043,288)	754,297
Safety and Equality for Women in the Workplace	1,000,000	200	(525,842)	474,358
Women's and LGBTQI rights in Mesoamerica	250,000	250,000	(188,482)	311,518
Luminate	-	350,000	(45,381)	304,619
LUCE Foundation	-	300,000	(85,447)	214,553
Women facing online harassment	127,915	225,000	(187,658)	165,257
Elizabeth Neuffer Fellowship	38,329	69,586	(50,876)	57,039
Combat Modern Slavery	10,997	72,173	(38,185)	44,985
Women Deliver	-	40,000	-	40,000
Lauren Brown Memorial Fund	-	39,285	(1,889)	37,396
Emergency fund	92,262	88,986	(146,681)	34,567
Doris Duke Foundation	-	107,010	(78,128)	28,882
Reporting on reproductive health, rights and justice	100,288	25,000	(119,084)	6,204
Malaria No More	-	52,195	(51,737)	458
Buffett – Africa Great Lakes	115,991	-	(115,991)	-
TSS Investigative Reporting grants	59,984	-	(59,984)	-
Courage Awards Events (time restriction)	-	27,624	(27,624)	-
	<u>\$ 7,396,346</u>	<u>\$ 1,955,819</u>	<u>\$ (3,177,745)</u>	<u>\$ 6,174,420</u>

## The International Women's Media Foundation

### Notes to Financial Statements

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#### Note 6. Endowments

The Foundation's endowments include three donor-restricted endowment funds which have been classified within net assets with donor restrictions. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**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.

**Kim Wall Memorial Fund:** The Kim Wall Memorial Fund provides scholarships for women journalists. The award recipients will be recommended by the Foundation's Awards Committee.

**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.

**Interpretation of relevant law:** The Board of Directors has interpreted the relevant state'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.

**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. The Courage Awards fund had a deficiency totaling \$5,745 at December 31, 2019.

## The International Women's Media Foundation

### Notes to Financial Statements

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#### Note 6. Endowment (Continued)

Endowment funds consisted of the following at December 31, 2019:

	Specified Purpose	Held in Perpetuity	Total
Niedringhaus	\$ 63,825	\$ 1,000,000	\$ 1,063,825
Courage Awards	(5,745)	399,726	393,981
Kim Wall Memorial Fund	20,167	391,663	411,830
	<u>\$ 78,247</u>	<u>\$ 1,791,389</u>	<u>\$ 1,869,636</u>

Changes in endowment net assets consisted of the following for the year ended December 31, 2019:

	Specified Purpose	Held in Perpetuity	Total
Beginning	\$ (109,066)	\$ 1,743,192	\$ 1,634,126
Contributions	-	48,197	48,197
	<u>(109,066)</u>	<u>1,791,389</u>	<u>1,682,323</u>
Net investment return:			
Interest and dividends	119,255	-	119,255
Net loss on investments	160,512	-	160,512
Investment fees	(19,204)	-	(19,204)
	<u>260,563</u>	<u>-</u>	<u>260,563</u>
Appropriations	<u>(73,250)</u>	<u>-</u>	<u>(73,250)</u>
Ending	<u>\$ 78,247</u>	<u>\$ 1,791,389</u>	<u>\$ 1,869,636</u>

#### Note 7. Special Events

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 \$13,424 for the year ended December 31, 2019. In addition, the Foundation's direct benefit to donors has been reported in program services expense at actual cost which totaled \$93,900 during the year ended December 31, 2019.

## The International Women's Media Foundation

### Notes to Financial Statements

#### Note 7. Special Events (Continued)

Special events consisted of the following for the year ended December 31, 2019:

Courage Awards:		
Contributions		\$ 1,071,283
Exchange transaction revenue		93,900
		<u>1,165,183</u>
Courage Awards:		
Program services expense		578,935
Fundraising expense		227,889
		<u>806,824</u>
		<u>\$ 358,359</u>

#### Note 8. In-Kind Contributions

Donated services, such as pro bono legal services, are recognized as contributions and expense in accordance with U.S. 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 \$36,766 for the year ended December 31, 2019.

#### Note 9. 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 \$35,249 for the year ended December 31, 2019.

#### Note 10. Functional Expenses

Functional expenses consisted of the following for the year ended December 31, 2019:

	Program Services		Supporting Services		Total Expense
	Training and Research	Courage Awards	General and Administrative	Fundraising	
Conferences, meetings and travel	\$ 819,780	\$ 290,685	\$ 100,552	\$ 15,225	\$ 1,226,242
Personnel	917,084	99,804	249,436	141,093	1,407,417
Professional fees	724,841	40,924	396,527	264,158	1,426,450
Awards	557,155	94,237	2,000	-	653,392
Other	208,618	35,366	52,257	40,440	336,681
Rent and facilities	108,144	17,919	27,001	13,101	166,165
	<u>\$ 3,335,622</u>	<u>\$ 578,935</u>	<u>\$ 827,773</u>	<u>\$ 474,017</u>	<u>\$ 5,216,347</u>

#### Note 11. Commitments and Contingencies

**Office lease:** The Foundation has an operating lease for office space, which expires on 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.

## The International Women's Media Foundation

### Notes to Financial Statements

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#### Note 11. Commitments and Contingencies (Continued)

U.S. GAAP requires that the cost of the build-out be capitalized within property and equipment and amortized over the term of the lease. U.S. 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 \$76,124 at December 31, 2019.

Rent expense related to the office lease totaled \$154,664 for the year ended December 31, 2019.

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

Years ending December 31:	
2020	\$ 166,070
2021	171,050
2022	176,200
2023	181,470
	<u>\$ 694,790</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 in future years. 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.

#### Note 12. Acquisition of Round Earth Media

On April 2, 2019, the Foundation acquired, without the transfer of consideration, the global journalism nonprofit Round Earth Media (REM), an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Now operating as a program of the Foundation, REM will continue its groundbreaking work in Asia, Latin America and Africa, thereby expanding the Foundation's presence in underreported and underserved regions around the world. REM's focus on untold stories matches the Foundation's mission of placing women journalists at the center of the news around the world, no matter the challenges. REM also extends the Foundation's scope by building storytelling partnerships with male journalists around the world.

As a result of the acquisition, REM's net assets totaling \$482,993 at March 31, 2019, were transferred to the Foundation on April 2, 2019. In accordance with Accounting Standards Codification (ASC) 958-805-30-9, the Foundation treated the transfer of net assets from REM as a contribution in the statement of activities, and reported \$75,983 as contributions without donor restrictions and \$407,010 as contributions with donor restrictions. REM filed and received approval of its articles of dissolution in the State of Minnesota on February 26, 2020.

## The International Women's Media Foundation

### Notes to Financial Statements

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#### **Note 13. Subsequent Events**

**Pandemic:** On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Foundation operates. Resulting economic uncertainties may impact investment related income but the extent of the effect is unknown at this time.

**Paycheck protection program loan:** During May 2020, the Foundation obtained a Paycheck Protection Program (PPP) loan from the Small Business Administration totaling \$239,500. The PPP loan is a forgivable loan and, as such, the Foundation has recorded it as a liability in the subsequent financial statements. When the Foundation receives official notification of loan forgiveness, the liability will be reduced by the amount of forgiveness and a contribution will be recorded. The contribution will be equal to the amount of the loan forgiveness, which cannot be determined at this time as it depends on the Foundation's eligibility to obtain the loan along with loan compliance and other inputs related to the calculation of loan forgiveness.