**Women Employed**
**Audit Report**
**For the Year Ended June 30, 2018**

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Selden Fox
Accounting for your future

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors
Women Employed
Chicago, Illinois

We have audited the accompanying financial statements of **Women Employed**, a District of Columbia not-for-profit corporation, which comprise the statement of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women Employed as of June 30, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Selden Fox, Ltd.

October 31, 2018

**Women Employed**
**Statement of Financial Position**
**June 30,**

| Assets | 2018 | 2017 |
|---|---|---|
| Current assets: | | |
| Cash and cash equivalents: | | |
| Operating | $ 478,108 | $ 469,574 |
| Restricted for future programs | 386,250 | 279,584 |
| **Total cash and cash equivalents** | 864,358 | 749,158 |
| Investments | 790,535 | 900,274 |
| Accounts receivable | 22,312 | 32,700 |
| Pledges receivable | 32,193 | 29,258 |
| Grants receivable | 220,000 | 442,500 |
| Prepaid expenses | 35,920 | 55,649 |
| **Total current assets** | 1,965,318 | 2,209,539 |
| Noncurrent assets: | | |
| Deposits | 11,908 | 11,908 |
| Pledges receivable | - | 25,266 |
| Grants receivable | - | 40,000 |
| Office furniture and equipment, at cost, less accumulated depreciation of $102,503 ($82,042 in 2017) | 27,906 | 36,265 |
| **Total assets** | $ 2,005,132 | $ 2,322,978 |

See accompanying notes.



| Liabilities and Net Assets | 2018 | 2017 |
|---|---|---|
| Current liabilities: | | |
| Accounts payable | $ 18,287 | $ 51,973 |
| Accrued expenses | 19,161 | 35,044 |
| **Total current liabilities** | 37,448 | 87,017 |
| Deferred rent, long-term | 57,739 | 74,718 |
| **Total liabilities** | 95,187 | 161,735 |
| Net assets: | | |
| Unrestricted: | | |
| Invested in property and equipment | 27,906 | 36,265 |
| Board designated - Working Capital Fund | 405,000 | 405,000 |
| Available for operations | 636,968 | 691,833 |
| **Total unrestricted** | 1,069,874 | 1,133,098 |
| Temporarily restricted | 840,071 | 1,028,145 |
| **Total net assets** | 1,909,945 | 2,161,243 |
| **Total liabilities and net assets** | $ 2,005,132 | $ 2,322,978 |

**Women Employed**
**Statement of Activities**
**For the Year Ended June 30,**

| | 2018 | | | 2017 | | |
|---|---|---|---|---|---|---|
| | **Unrestricted** | **Temporarily Restricted** | **Total** | Unrestricted | Temporarily Restricted | Total |
| Public support and revenue: | | | | | | |
| Public support - contributions: | | | | | | |
| Individuals | **$ 207,781** | **$ 23,289** | **$ 231,070** | $ 286,326 | $ 163,170 | $ 449,496 |
| Corporations, foundations, and trusts | **664,902** | **760,000** | **1,424,902** | 797,777 | 676,875 | 1,474,652 |
| Net assets released from restriction | **971,363** | **(971,363)** | **-** | 866,417 | (866,417) | - |
| **Total contributions** | **1,844,046** | **(188,074)** | **1,655,972** | 1,950,520 | (26,372) | 1,924,148 |
| Special events | **492,057** | **-** | **492,057** | 402,448 | 47,894 | 450,342 |
| Less special event expense | **(107,842)** | **-** | **(107,842)** | (100,289) | - | (100,289) |
| **Net revenues from special events** | **384,215** | **-** | **384,215** | 302,159 | 47,894 | 350,053 |
| **Total public support** | **2,228,261** | **(188,074)** | **2,040,187** | 2,252,679 | 21,522 | 2,274,201 |
| Other revenue: | | | | | | |
| Investment income | **37,356** | **-** | **37,356** | 53,241 | - | 53,241 |
| Miscellaneous | **28,324** | **-** | **28,324** | 23,655 | - | 23,655 |
| **Total other revenue** | **65,680** | **-** | **65,680** | 76,896 | - | 76,896 |
| **Total support and revenue** | **2,293,941** | **(188,074)** | **2,105,867** | 2,329,575 | 21,522 | 2,351,097 |
| Expenses: | | | | | | |
| Program services - Public Education and Policy | **1,711,150** | **-** | **1,711,150** | 1,757,535 | - | 1,757,535 |
| Supporting services: | | | | | | |
| Management and general | **234,816** | **-** | **234,816** | 210,345 | - | 210,345 |
| Fund-raising | **411,199** | **-** | **411,199** | 384,866 | - | 384,866 |
| **Total supporting services** | **646,015** | **-** | **646,015** | 595,211 | - | 595,211 |
| **Total expenses** | **2,357,165** | **-** | **2,357,165** | 2,352,746 | - | 2,352,746 |
| **Increase (decrease) in net assets** | **(63,224)** | **(188,074)** | **(251,298)** | (23,171) | 21,522 | (1,649) |
| Net assets, beginning of the year | **1,133,098** | **1,028,145** | **2,161,243** | 1,156,269 | 1,006,623 | 2,162,892 |
| Net assets, end of the year | **$ 1,069,874** | **$ 840,071** | **$ 1,909,945** | $ 1,133,098 | $ 1,028,145 | $ 2,161,243 |

See accompanying notes.

**Women Employed**
**Statement of Functional Expenses**
**For the Year Ended June 30, 2018**

| | Program Services - Public Education and Policy | Supporting Services - Management and General | Supporting Services - Fund-raising | **Total 2018** |
|---|---|---|---|---|
| Salaries | $ 1,042,502 | $ 123,677 | $ 293,783 | **$ 1,459,962** |
| Employee benefits | 83,510 | 6,430 | 13,739 | **103,679** |
| Payroll taxes | 69,881 | 14,147 | 22,522 | **106,550** |
| Workers' compensation and unemployment insurance | 10,852 | 1,345 | 3,017 | **15,214** |
| Retirement benefits | 22,021 | 1,845 | 7,295 | **31,161** |
| Legal and accounting fees | - | 26,773 | - | **26,773** |
| Purchased services | 258,078 | 5,970 | 17,730 | **281,778** |
| Telephone | 17,035 | 993 | 2,156 | **20,184** |
| Office supplies and stationery | 10,340 | 1,300 | 2,287 | **13,927** |
| Printing | 8,121 | 826 | 4,481 | **13,428** |
| Postage and delivery | 3,023 | 2,403 | 4,297 | **9,723** |
| Rent and utilities | 106,887 | 12,030 | 25,999 | **144,916** |
| General insurance | 4,923 | 532 | 1,198 | **6,653** |
| Travel and training | 33,523 | 23,423 | 3,247 | **60,193** |
| Literature and library | 770 | 413 | 229 | **1,412** |
| Bank charges | - | 5,735 | - | **5,735** |
| Membership dues and fees | 2,163 | 1,288 | 1,068 | **4,519** |
| Equipment leases and licenses | 15,443 | 1,669 | 3,751 | **20,863** |
| Equipment maintenance | 662 | 72 | 161 | **895** |
| Advertising | 4,914 | - | 270 | **5,184** |
| Miscellaneous | 625 | 2,229 | 107 | **2,961** |
| Depreciation | 15,877 | 1,716 | 3,862 | **21,455** |
| **Total expenses** | $ 1,711,150 | $ 234,816 | $ 411,199 | **$ 2,357,165** |

See accompanying notes.

**Women Employed**
**Statement of Functional Expenses**
**For the Year Ended June 30, 2017**

| | Program Services - Public Education and Policy | Supporting Services - Management and General | Supporting Services - Fund-raising | Total 2017 |
|---|---|---|---|---|
| Salaries | $ 998,200 | $ 113,135 | $ 271,899 | $ 1,383,234 |
| Employee benefits | 82,988 | 4,773 | 10,363 | 98,124 |
| Payroll taxes | 70,002 | 8,722 | 19,601 | 98,325 |
| Workers' compensation and unemployment insurance | 12,504 | 1,553 | 3,492 | 17,549 |
| Retirement benefits | 43,812 | 5,402 | 9,359 | 58,573 |
| Legal and accounting fees | - | 26,727 | - | 26,727 |
| Purchased services | 324,673 | 6,422 | 14,973 | 346,068 |
| Telephone | 20,071 | 966 | 1,985 | 23,022 |
| Office supplies and stationery | 10,163 | 995 | 2,201 | 13,359 |
| Printing | 11,314 | 4,166 | 4,233 | 19,713 |
| Postage and delivery | 3,900 | 1,034 | 4,469 | 9,403 |
| Rent and utilities | 108,796 | 12,146 | 24,834 | 145,776 |
| General insurance | 4,886 | 521 | 1,108 | 6,515 |
| Travel and training | 25,756 | 9,222 | 4,330 | 39,308 |
| Literature and library | 1,472 | 170 | 486 | 2,128 |
| Bank charges | - | 7,133 | - | 7,133 |
| Membership dues and fees | 3,647 | 1,129 | 2,308 | 7,084 |
| Equipment leases and licenses | 17,976 | 2,745 | 4,075 | 24,796 |
| Equipment maintenance | 861 | 92 | 195 | 1,148 |
| Advertising | 16 | - | - | 16 |
| Miscellaneous | 835 | 1,621 | 1,405 | 3,861 |
| Depreciation | 15,663 | 1,671 | 3,550 | 20,884 |
| **Total expenses** | $ 1,757,535 | $ 210,345 | $ 384,866 | $ 2,352,746 |

See accompanying notes.

**Women Employed**
**Statement of Cash Flows**
**For the Year Ended June 30,**

| | **2018** | 2017 |
|---|---|---|
| Net cash (applied to) provided by operating activities: | | |
| Decrease in net assets | **$ (251,298)** | $ (1,649) |
| Adjustments to reconcile decrease in net assets to net cash (applied to) provided by operating activities: | | |
| Deferred rent | **(16,979)** | (13,907) |
| Depreciation | **21,455** | 20,884 |
| Non-cash contributions of investments | **(12,553)** | (29,814) |
| Gain on investments | **(22,043)** | (41,630) |
| Cash provided by (applied to) other operating activities: | | |
| Accounts receivable | **10,388** | (26,685) |
| Pledges receivable | **22,331** | (54,524) |
| Grants receivable | **262,500** | 127,500 |
| Prepaid expenses | **19,729** | (6,690) |
| Accounts payable | **(33,686)** | 40,660 |
| Accrued expenses | **(15,883)** | (11,014) |
| **Net cash (applied to) provided by operating activities** | **(16,039)** | 3,131 |
| Net cash (applied to) provided by investing activities: | | |
| Purchase of fixed assets | **(13,096)** | (45,767) |
| Proceeds from noncash contributions of investments | **12,553** | 29,814 |
| Purchase of investments | **(350,174)** | (536,828) |
| Proceeds from sale of investments | **481,956** | 93,536 |
| **Net cash provided by (applied to) investing activities** | **131,239** | (459,245) |
| **Net increase (decrease) in cash and cash equivalents** | **115,200** | (456,114) |
| Cash and cash equivalents, beginning of the year | **749,158** | 1,205,272 |
| Cash and cash equivalents, end of the year | **$ 864,358** | $ 749,158 |

See accompanying notes.

# Women Employed
# Notes to the Financial Statements

1. **Summary of Significant Accounting Policies**

Women Employed (Organization) was incorporated under the laws of the District of Columbia on October 19, 1977, pursuant to the General Not-for-profit Corporation Act. The Organization's goal is to improve the economic status of women earning low wages through research, public education, and policy development.

**General** – These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor imposed restrictions. This has been accomplished by classification of net assets and transactions into two classes: temporarily restricted or unrestricted.

Net assets and revenues, expenses, and gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

> **Permanently Restricted Net Assets** – Net assets subject to donor imposed stipulations that may be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. There are no permanently restricted net assets.
>
> **Temporarily Restricted Net Assets** – Net assets subject to donor imposed stipulations that may or will be met by the actions of the Organization or the passage of time.
>
> **Unrestricted Net Assets** – Net assets not subject to donor imposed stipulations.

Revenues are reported as increases in unrestricted net assets, unless use of the related assets is limited by donor imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulation or by law. Expiration of temporary restrictions on net assets (i.e., the donor imposed stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

**Contributions With Restrictions Met in the Same Year** – Contributions received with donor imposed restrictions that are met in the same year as received are reported as unrestricted revenues.

1. **Summary of Significant Accounting Policies** (cont'd)

**Release of Restrictions on Net Assets for Acquisition of Office Furniture and Equipment** – Contributions of exhaustible long-lived assets, or of cash or other assets used to acquire them, without donor stipulations concerning the use of such long-lived assets, are reported as revenues of the temporarily restricted net asset class. The restrictions are considered to be released over the estimated useful lives of the long-lived assets using the Organization's depreciation policies.

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates used in the preparation of these financial statements include the determination of collectibility of amounts due from others, the determination of useful lives of office furniture and equipment ranging from three to ten years, and the allocation of expenditures to various service functions. Actual results could differ from those estimates.

**Certain Significant Concentrations** – At June 30, 2018, the Organization had $134,281 of deposits with financial institutions and brokerages recorded as cash and cash equivalents not insured by the Federal Deposit Insurance Corporation, Securities Investor Protection Corporation, or private insurance.

**Cash and Cash Equivalents** – The Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. A portion of cash and cash equivalents has been restricted for grants received in advance of when the donors intend them to be used.

**Fair Value of Investments** – The Organization's securities are accounted for at fair value with unrealized gains and losses reported in the statement of activities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are reported in a three-level valuation hierarchy based on the reliability of observable and unobservable inputs as follows:

**Level 1** – Valuations are based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

**Level 2** – Valuations are based on the quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and model-derived valuations whose significant inputs are observable.

**Level 3** – Valuations are based on unobservable inputs for the asset or liability that reflect the reporting entity's own data and assumptions that market participants would use in pricing the asset or liability.

1. **Summary of Significant Accounting Policies** (cont'd)

**Fair Value of Investments** (cont'd) – The Organization's investment securities consist primarily of publicly traded stocks, mutual funds and exchange-traded funds valued based on quoted market prices and classified in Level 1 of the hierarchy.

**Furniture and Equipment** – Replacement of major assets of property are capitalized at historical cost. In-kind donations are capitalized at their fair value at the date of donation. Maintenance, repairs and minor replacements are expensed. The book value of property sold or retired is removed from the related property and accumulated depreciation accounts. Depreciation is provided on the straight-line method at rates based on estimated lives of three, five, seven or ten years.

**Income Taxes** – The Organization is tax exempt under Section 501(c)(3) of the Internal Revenue Code. As such, it is not subject to federal income taxes, except for taxes on unrelated business income. There was no taxable unrelated business income in 2018 or 2017. The Organization is registered as a lobbyist under Section 501(h) of the Internal Revenue Code. The Organization's lobbying expenditures did not exceed the permitted amounts in 2018 or 2017. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

The Organization has not been examined by the Internal Revenue Service or the Illinois Department of Revenue. Accordingly, all years under the statute of limitations (years ended June 30, 2015 through 2017) are open for examination.

2. **Contributed Services and Property**

The Organization recognizes contributed revenue for certain professional services and property received at their fair value. For the year ended June 30, 2018, those services and property included $8,560 of auditing and accounting services ($8,318 of auditing and accounting services, and $3,360 of video production services in 2017).

3. **Investments**

Investment securities at June 30, 2018, are as follows:

| Description | Level 1 | Level 2 | Level 3 | **Total** |
|---|---|---|---|---|
| Money market funds | $ 201 | $ - | $ - | **$ 201** |
| Bond mutual funds: | | | | |
| Intermediate-term | 222,768 | - | - | **222,768** |
| Global | 222,164 | - | - | **222,164** |
| Equity mutual funds: | | | | |
| International | 18,322 | - | - | **18,322** |
| Equities | 212,590 | - | - | **212,590** |
| ETFs: | | | | |
| International | 88,655 | - | - | **88,655** |
| Emerging markets | 25,835 | - | - | **25,835** |
| | $ 790,535 | $ - | $ - | **$ 790,535** |

Investment securities at June 30, 2017, are as follows:

| Description | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Money market funds | $ 1,073 | $ - | $ - | $ 1,073 |
| Bond mutual funds: | | | | |
| Short-term | 348,586 | - | - | 348,586 |
| Intermediate-term | 112,239 | - | - | 112,239 |
| Global | 111,603 | - | - | 111,603 |
| Equities | 235,063 | - | - | 235,063 |
| ETFs: | | | | |
| International | 72,094 | - | - | 72,094 |
| Emerging markets | 19,616 | - | - | 19,616 |
| | $ 900,274 | $ - | $ - | $ 900,274 |

Net investment income at June 30, 2018, consists of interest and dividends of $21,657, unrealized gains of $2,291, realized gains of $19,752, and investment fees of $6,344. Net investment income at June 30, 2017, consisted of interest and dividends of $16,702, unrealized gains of $37,539, realized gains of $4,091, and investment fees of $5,091.

4. **Trust Beneficiary**

During 2007, the Organization was named a beneficiary of a $5 million fund that is administered by The Chicago Community Trust (CCT). The Organization is to receive quarterly distributions of up to 5.5% of the fair market value of the fund, net of administrative fees, subject to administrative review. Total distributions received for the year ended June 30, 2018, were $213,937 ($204,162 in 2017). The fair value of the fund at June 30, 2018, was $5,645,054 ($5,434,593 at June 30, 2017).

5. **Pledges Receivable**

The Organization undertook a capital campaign during fiscal 2017, to create the Anne Ladky Leadership Fund (Fund). The Fund will support efforts to engage new leaders in women's economic justice issues and encourage the next generation of young women to become activists.

Pledges receivable at June 30, represent unconditional promises to give for that purpose as follows:

| | **2018** | 2017 |
|---|---|---|
| Unconditional promises to give | **$ 32,800** | $ 55,500 |
| Less unamortized discount | **(607)** | (976) |
| | **$ 32,193** | $ 54,524 |

The remaining pledge receivable balance is due in less than one year.

Pledges receivable are discounted using the Treasury Yield Curve as of June 30, 2018, and applying an additional risk premium. The applicable discount rates used at June 30, 2018, were 1.74% to 1.88%. Amortization of the discount for the year ended June 30, 2018, totaled $369 (none for the year ended June 30, 2017).

No provision has been made to provide for doubtful accounts, as all pledges receivable are deemed collectible.

6. **Grants Receivable**

Unconditional grants receivable at June 30, 2018, by grantor and expected period of receipt, are as follows:

| | Less Than One Year | One to Five Years |
|---|---|---|
| Restricted for future programs: | | |
| The Chicago Community Trust | $ 200,000 | $ - |
| Family Values At Work | 20,000 | - |
| Total | $ 220,000 | $ - |

Unconditional grants receivable at June 30, 2017, by grantor and expected period of receipt, are as follows:

| | Less Than One Year | One to Five Years |
|---|---|---|
| Restricted for future programs: | | |
| The Chicago Community Trust | $ 137,500 | $ - |
| Crown Family Foundation | - | 40,000 |
| Driehaus Foundation | 20,000 | - |
| Family Values At Work | 20,000 | - |
| Fry Foundation | 60,000 | - |
| JP Morgan Chase | 135,000 | - |
| Polk Bros. Foundation | 70,000 | - |
| Total | $ 442,500 | $ 40,000 |

No provision has been made to provide for doubtful accounts, as all grants receivable are deemed collectible.

7. **Restrictions and Limitations on Net Assets**

Temporarily restricted net asset balances at June 30, consist of grants receivable, pledges receivable, unexpended grant funds and unexpended contributions for the Anne Ladky Leadership Fund, available as follows:

| | **2018** | 2017 |
|---|---|---|
| Future operations | **$ 122,500** | $ 139,167 |
| Public education and policy | **483,750** | 622,917 |
| Anne Ladky Leadership Fund | **233,821** | 266,061 |
| | **$ 840,071** | $ 1,028,145 |

All contributions receivable are time and purpose restricted and included above.

The sources of net assets released from temporary donor restrictions by incurring expenses satisfying the restricted purposes, or by the occurrence of events specified by the donor, were as follows:

| | **2018** | 2017 |
|---|---|---|
| Future operations | **$ 151,667** | $ 305,000 |
| Public education and policy | **764,166** | 561,417 |
| Anne Ladky Leadership Fund | **55,530** | - |
| | **$ 971,363** | $ 866,417 |

8. **Operating Leases**

The Organization entered into a lease for its office space that expires February 28, 2021. Under the terms of the lease, 50% of the beginning monthly base rent is to be abated for the first 18 months of the lease. The lease specifies monthly base rental payments commencing at $10,627 and escalating to $12,932. Deferred rent represents the difference between rent actually paid and rent expense recognized. The total rent expense, including abated rent and rent escalations, is recognized evenly over the entire lease term. Rent expense under the lease was $132,573 for the years ended June 30, 2018 and 2017. Rent paid under the lease was $149,553 for the year ended June 30, 2018 ($146,480 for the year ended June 30, 2017).

In addition, the Organization leases office equipment under leases that expire during the year ended June 30, 2021 to June 30, 2022. Rent expensed and paid under equipment leases was $13,370 for the year ended June 30, 2018 ($16,826 for the year ended June 30, 2017).

8. **Operating Leases** (cont'd)

The future rental payments required are as follows:

| | Building Rentals | Equipment Rentals | Total Rentals |
|---|---|---|---|
| 2019 | $ 152,626 | $ 10,343 | $ 162,969 |
| 2020 | 155,186 | 10,343 | 165,529 |
| 2021 | 103,457 | 9,374 | 112,831 |
| 2022 | - | 6,885 | 6,885 |
| | $ 411,269 | $ 36,945 | $ 448,214 |

9. **Retirement Plan**

The Organization maintains a qualified defined contribution retirement plan. All employees who have completed one year of service are allocated a discretionary employer contribution. In 2018, the contribution totaled $31,161, 3% of eligible compensation ($58,573 and 6% in 2017).

10. **Concentration**

For the year ended June 30, 2018, four foundations accounted for approximately $410,000, $170,000, $150,000, and $150,000 of public support, respectively (four foundations accounted for approximately $400,000, $210,000, $150,000 and $120,000 of public support, respectively, for the year ended June 30, 2017). Each of the foundations individually represented more than 5% of total revenue and support for the fiscal year disclosed.

11. **Commitments**

During the year ended June 30, 2017, the Organization entered into an agreement for various IT services. The agreement will be paid over 5 years in monthly installments totaling $2,961. During the year ended June 30, 2018, the total amount expensed under this agreement was $36,799 ($29,112 expensed during the year ended June 30, 2017).

12. **Contingency**

The Organization has received significant financial assistance from various foundations under grant agreements. The disbursement of funds received under these agreements generally requires compliance with terms and conditions specified in the grant agreements, and may be subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. The Organization's management believes that the Organization is in compliance with the terms and conditions of the grant awards.

The Organization has been named beneficiary in a number of potential donors' wills. The ultimate amount to be received is undeterminable at this time.

13. **Line of Credit**

During the year ended June 30, 2016, the Organization opened a line of credit with an investment broker that allows for borrowings collateralized by assets in brokerage accounts with a fair value of $1,081,880 at June 30, 2018 ($1,045,233 at June 30, 2017). The Organization can borrow money using their brokerage accounts as collateral. Maximum borrowings under the line are a factor of the fair value of the assets in the accounts and range from 30% to 40% of the fair value of the brokerage accounts' assets without further approval by the lender depending on the type of assets held in those accounts. With further approval of the lender, the Organization can borrow between 50% to 90% of the fair value of the brokerage accounts' assets, depending on the type of assets held in those accounts. Maximum borrowings at June 30, 2018, without further lender approval, approximate $404,000, and $657,000 with further lender approval. The line of credit was not used during the years ended June 30, 2018, nor June 30, 2017.

14. **Subsequent Events**

Subsequent to year end, the Organization signed a contract with a firm to conduct a national search for an executive director. Expected payments under this contract total $67,000.

Subsequent events have been evaluated through October 31, 2018, which is the date the financial statements were available to be issued.

15. **Future Accounting Standards**

**Not-For-Profit Reporting** – During 2016, the Financial Accounting Standards Board issued new standards relating to not-for-profit financial reporting. Significant changes to the current standards include adding two new classes of net assets (net assets with donor restrictions and net assets without donor restrictions), requiring expenses to be disclosed by their natural classification and function, as well as quantitative and qualitative information on the availability of financial assets and liquidity. The standard will be effective for fiscal 2019. The Organization has not determined the effect of adopting the new standard.

**Leases** – During 2016, the Financial Accounting Standards Board issued new standards relating to lease accounting. The new standard will require the Organization to recognize on its balance sheet, the asset and liability of their leasing agreements relating to the rights and obligations created by the leases. The standard will be effective for fiscal 2021. The Organization has not determined the effect of adopting the new standard.

15. **Future Accounting Standards** (cont'd)

**Revenue Recognition** – During 2018, the Financial Accounting Standards Board issued clarifying and amended guidance for not-for-profit entities on whether a transfer of assets is a contribution or exchange transaction and whether a contribution received is conditional or unconditional. Guidance has been added concerning how an entity should determine whether, in a transfer of assets (or a reduction, settlement, or cancellation of liabilities), a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred.

Guidance has also been added requiring an entity to determine whether a contribution contains a donor-imposed condition on the basis of whether the agreement includes both (1) a barrier that must be overcome, and (2) either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. Either a right of return of the assets transferred or a right of release of the promisor from its obligation to transfer assets must be determinable from the agreement (or from another document referenced in the agreement). Note that the agreement does not need to include the specific phrase "right of return" or "release from obligation". However, an agreement must be sufficiently clear to support a reasonable conclusion about when a recipient will be entitled to the transfer of assets. In the absence of any apparent indication that a recipient is only entitled to the transferred assets or a future transfer of assets if it has overcome a barrier, the agreement should be considered not to contain a right of return of assets transferred or a right of release from obligation, and, thus, should be deemed a contribution without donor-imposed conditions. The presence of both a barrier and a right of return or a right of release indicates that a recipient is not entitled to the transferred assets (or a future transfer of assets) until it has overcome any barriers in the agreement.

The new standard is effective in fiscal 2020. The Organization has not determined the effect of adopting the new standard.