

**JEANNETTE RANKIN FOUNDATION, INC.**

**FINANCIAL STATEMENTS  
YEARS ENDED MAY 31, 2020 AND 2019  
and  
SUPPLEMENTARY INFORMATION**

**with  
INDEPENDENT AUDITORS' REPORT**

## TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	3-4
STATEMENTS OF FINANCIAL POSITION	5
STATEMENTS OF ACTIVITIES	6-7
STATEMENTS OF FUNCTIONAL EXPENSES	8-9
STATEMENTS OF CASH FLOWS	10-11
NOTES TO FINANCIAL STATEMENTS	12-26
SUPPLEMENTARY INFORMATION	
SCHEDULE OF ENDOWMENT NET ASSETS	28-33

## INDEPENDENT AUDITORS' REPORT

### **The Board of Directors Jeannette Rankin Foundation, Inc.**

We have audited the accompanying financial statements of Jeannette Rankin Foundation, Inc. (a nonprofit organization), (the "Foundation") which comprise the statement of financial position as of May 31, 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. The financial statements of the Foundation as of and for the year ended May 31, 2019 were audited by other auditors whose report dated November 21, 2019 expressed an unqualified opinion on those 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 ("GAAP"); 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Those standards require that we plan and perform the audit 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 auditors' 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 Jeannette Rankin Foundation, Inc. as of May 31, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with GAAP.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole of the Jeannette Rankin Foundation, Inc. (a not-for-profit organization) for the year ended May 31, 2020, which is presented in the preceding section of this report. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

*Smith + Howard*

November 17, 2020

**JEANNETTE RANKIN FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**MAY 31, 2020 AND 2019**

**ASSETS**

	<u><b>2020</b></u>	<u><b>2019</b></u>
Cash and cash equivalents	\$ 93,249	\$ 16,119
Cash and cash equivalents - restricted for endowment	255,494	43,714
Pledges receivable, net	226,548	75,500
Grants receivable, net	75,232	82,800
Other assets	-	756
Investments - endowment	767,691	938,535
Property and equipment, net	<u>131,220</u>	<u>137,397</u>
	<u><u>\$ 1,549,434</u></u>	<u><u>\$ 1,294,821</u></u>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$ 13,380	\$ 10,758
Refundable advance	52,025	-
Notes payable	99,263	104,725
Line of credit	<u>65,000</u>	<u>50,000</u>
 Total Liabilities	 <u>229,668</u>	 <u>165,483</u>
 Net Assets		
Without donor restrictions	41,850	68,143
With donor restrictions	<u>1,277,916</u>	<u>1,061,195</u>
 Total Net Assets	 <u>1,319,766</u>	 <u>1,129,338</u>
	<u><u>\$ 1,549,434</u></u>	<u><u>\$ 1,294,821</u></u>

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

**JEANNETTE RANKIN FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED MAY 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Gains and Other Support			
Grant revenue	\$ 6,000	\$ 54,000	\$ 60,000
Contributions	287,454	352,699	640,153
Special events	125,516	-	125,516
Less: direct cost of donor benefit	(45,159)	-	(45,159)
Investment return, net	(8,903)	52,099	43,196
Net assets released from restriction	<u>242,077</u>	<u>(242,077)</u>	<u>-</u>
 Total Revenue, Gains and Other Support	 <u>606,985</u>	 <u>216,721</u>	 <u>823,706</u>
 Expenses			
Program	494,206	-	494,206
Management and general	62,408	-	62,408
Fundraising	<u>76,664</u>	<u>-</u>	<u>76,664</u>
	<u>633,278</u>	<u>-</u>	<u>633,278</u>
 Increase (Decrease) in Net Assets	 (26,293)	 216,721	 190,428
 Net Assets, Beginning of Year	 <u>68,143</u>	 <u>1,061,195</u>	 <u>1,129,338</u>
 Net Assets, End of Year	 <u>\$ 41,850</u>	 <u>\$ 1,277,916</u>	 <u>\$ 1,319,766</u>

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

**JEANNETTE RANKIN FOUNDATION, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED MAY 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Gains and Other Support			
Grant revenue	\$ -	\$ 82,800	\$ 82,800
Contributions	185,356	357,700	543,056
Special events	128,606	-	128,606
Less: direct cost of donor benefit	(59,173)	-	(59,173)
Other income	5,700	-	5,700
Investment return, net	(8,911)	27,678	18,767
Contribution received in the acquisition of Emerge	85,000	-	85,000
Net assets released from restriction	<u>346,689</u>	<u>(346,689)</u>	<u>-</u>
 Total Revenue, Gains and Other Support	 <u>683,267</u>	 <u>121,489</u>	 <u>804,756</u>
 Expenses			
Program	499,104	-	499,104
Management and general	79,078	-	79,078
Fundraising	<u>61,581</u>	<u>-</u>	<u>61,581</u>
	<u>639,763</u>	<u>-</u>	<u>639,763</u>
 Increase in Net Assets	 43,504	 121,489	 164,993
 Net Assets, Beginning of Year	 <u>24,639</u>	 <u>939,706</u>	 <u>964,345</u>
 Net Assets, End of Year	 <u>\$ 68,143</u>	 <u>\$ 1,061,195</u>	 <u>\$ 1,129,338</u>

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

**JEANNETTE RANKIN FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MAY 31, 2020**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation and Benefits				
Salaries and wages	\$ 146,389	\$ 23,794	\$ 45,347	\$ 215,530
Fringe benefits and payroll taxes	40,313	4,784	10,328	55,425
Total Compensation and Benefits	<u>186,702</u>	<u>28,578</u>	<u>55,675</u>	<u>270,955</u>
Other Expenses				
Accounting and audit	-	18,500	-	18,500
Conferences and meetings	-	6,343	100	6,443
Contract labor	1,785	3,124	4,016	8,925
Dues and subscriptions	1,010	567	270	1,847
Facilities costs	8,051	358	537	8,946
Grants and scholarships	224,600	-	-	224,600
Insurance	2,333	-	-	2,333
Interest expense	2,664	3,552	2,664	8,880
Miscellaneous	1,145	386	289	1,820
Office expenses	2,067	-	-	2,067
Publication and printing	-	-	9,582	9,582
Scholarship program expenses	17,478	-	-	17,478
Supplies	2,160	96	144	2,400
Postage and delivery	5,867	212	318	6,397
Public relations	5,334	-	905	6,239
Telecommunications	9,737	433	649	10,819
Training and education	3,437	-	-	3,437
Travel	14,277	12	1,144	15,433
Depreciation	5,559	247	371	6,177
Total Other Expenses	<u>307,504</u>	<u>33,830</u>	<u>20,989</u>	<u>362,323</u>
Total Expenses	<u>494,206</u>	<u>62,408</u>	<u>76,664</u>	<u>633,278</u>
Plus expenses included with revenues on the statement of activities				
Cost of direct benefits to donors				<u>45,159</u>
Total functional expenses			<u>\$ 678,437</u>	

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



**JEANNETTE RANKIN FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MAY 31, 2019**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation and Benefits				
Salaries and wages	\$ 131,114	\$ 27,509	\$ 38,813	\$ 197,436
Fringe benefits and payroll taxes	<u>31,049</u>	<u>6,365</u>	<u>10,722</u>	<u>48,136</u>
Total Compensation and Benefits	<u>162,163</u>	<u>33,874</u>	<u>49,535</u>	<u>245,572</u>
Other Expenses				
Accounting and audit	-	19,251	-	19,251
Advertising	808	-	-	808
Contract labor	-	1,600	544	2,144
Dues and subscriptions	3,118	138	208	3,464
Facilities costs	12,011	533	801	13,345
Grants and scholarships	262,066	-	-	262,066
Insurance	2,722	121	181	3,024
Interest expense	-	9,287	-	9,287
Miscellaneous	10,989	490	733	12,212
Office expenses	-	120	-	120
Publication and printing	-	-	8,051	8,051
Scholarship program expenses	15,326	-	-	15,326
Supplies	2,691	-	179	2,870
Postage and delivery	-	821	-	821
Public relations	6,961	-	-	6,961
Telecommunications	11,686	519	779	12,984
Training and education	-	5,571	-	5,571
Travel	8,563	380	570	9,513
Depreciation	<u>-</u>	<u>6,373</u>	<u>-</u>	<u>6,373</u>
Total Other Expenses	<u>336,941</u>	<u>45,204</u>	<u>12,046</u>	<u>394,191</u>
Total Expenses	<u>499,104</u>	<u>79,078</u>	<u>61,581</u>	<u>639,763</u>
Plus expenses included with revenues on the statement of activities				
Cost of direct benefits to donors				<u>59,173</u>
Total functional expenses			<u>\$ 698,936</u>	

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

**JEANNETTE RANKIN FOUNDATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**MAY 31, 2020 AND 2019**

	<u><b>2020</b></u>	<u><b>2019</b></u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 190,428	\$ 164,993
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	6,177	6,373
Net realized and unrealized (gain) loss on investment	(7,424)	3,486
Changes in assets and liabilities:		
Accounts receivable	-	(43,100)
Pledges receivable	(151,048)	(13,917)
Grants receivable	7,568	(65,200)
Refundable advance	52,025	-
Other current assets	756	44
Accounts payable and accrued expenses	<u>2,622</u>	<u>(4,136)</u>
Net Cash Provided by Operating Activities	<u>101,104</u>	<u>48,543</u>
 Cash Flows from Investing Activities:		
Purchase of investments	(35,772)	(347,907)
Proceeds from sale of investments	<u>214,040</u>	<u>272,491</u>
Net Cash Provided (Required) by Investing Activities	<u>178,268</u>	<u>(75,416)</u>

(Continued)

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

**JEANNETTE RANKIN FOUNDATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**MAY 31, 2020 AND 2019**

(Continued)

Cash Flows from Financing Activities:		
Advance on line of credit, net	15,000	11,166
Principal payments on notes payable	<u>(5,462)</u>	<u>(5,761)</u>
Net Cash Provided by Financing Activities	<u>9,538</u>	<u>5,405</u>
Net Increase (Decrease) in Cash and Cash Equivalents	288,910	(21,468)
Cash and Cash Equivalents, Beginning of Year	<u>59,833</u>	<u>81,301</u>
Cash and Cash Equivalents, End of Year	<u>\$ 348,743</u>	<u>\$ 59,833</u>
Cash and cash equivalents on Statement of Net Position		
Cash and cash equivalents	\$ 93,249	\$ 16,119
Cash and cash equivalents - endowment	<u>255,494</u>	<u>43,714</u>
	<u>\$ 348,743</u>	<u>\$ 59,833</u>
<b><u>Supplemental Cash Flow Disclosure:</u></b>		
Interest Paid	<u>\$ 8,880</u>	<u>\$ 9,287</u>

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

**JEANNETTE RANKIN FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Jeannette Rankin Foundation, Inc. (the “Foundation”) is a nonprofit organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. The Foundation, located in Athens, Georgia, is a nonprofit organization dedicated to raising funds for, and awarding grants and scholarships to, low-income women ages thirty-five and older across the United States to build better lives through college completion. The Foundation is governed by a volunteer board of directors (the “Board”).

Basis of Accounting and Presentation

The Foundation follows accounting standards set by the Financial Accounting Standards Board (“FASB”). The FASB sets accounting principles generally accepted in the United States of America (“GAAP”).

Accounting Pronouncements Adopted

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update provide a framework for evaluating whether the transfer of assets constitutes a contribution or an exchange transaction. This amendment also provides additional clarification as to whether or not a contribution is conditional. The Foundation adopted ASU 2018-08 in 2020. There was no material impact to the financial position, statement of activities, or net assets of the Foundation as a result of implementation.

Net Assets

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

- Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation.
- Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such resources be maintained in perpetuity.

**JEANNETTE RANKIN FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of money market accounts and other short-term cash investments. The Foundation maintains interest-bearing cash deposits at a financial institution that may at times exceed the federally insured limit. For purposes of the statement of cash flows, the Foundation considers all short-term, interest-bearing deposits with original maturities of three months or less to be cash equivalents.

Investment Securities

Investment securities include both debt and equity securities. The fair value of investments in marketable equity and debt securities is based on quoted market prices. Realized gains and losses on sales of investments are computed using the specific-identification method. Unrealized gains and losses are calculated based on the securities' fair values, as determined by an active market as of May 31, 2020 and 2019.

Fair Values Measured on Recurring Basis

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs in which little or no market data exists (Level 3 measurements). The three levels of the fair value hierarchy under GAAP are described as follows:

Basis of Fair Value Measurement

*Level 1* - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, assets or liabilities;

*Level 2* - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

*Level 3* - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

**JEANNETTE RANKIN FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2020 AND 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Fair Value Measurement (Continued)

The table below represents fair value measurement hierarchy of assets at fair value as of May 31:

	<u>2020</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$ 717,281	\$ -	\$ -	\$ 717,281
Fixed income	50,410	-	-	50,410
	<u>\$ 767,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 767,691</u>

	<u>2019</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$ 886,801	\$ -	\$ -	\$ 886,801
Fixed income	51,734	-	-	51,734
	<u>\$ 938,535</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 938,535</u>

Endowment Fund

GAAP requires the following financial statement disclosures for the Foundation:

- Classification of net assets

Endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions and policies established by the Board.

**JEANNETTE RANKIN FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Fund (Continued)

- Interpretation of Relevant Law

The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), as enacted in the State of New York, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the donor restricted endowment (including promises to give net of discounts and allowance for doubtful accounts), (b) the original value of subsequent gifts to the donor restricted endowment, and (c) accumulations to the donor restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

- Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period as well as Board designated funds. Under this policy, as approved by the Board, the endowment assets are invested to achieve a reasonable total return on the assets while limiting the risk exposure to ensure preservation of capital. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 7% measured over a 3-5 year period. Actual returns in any given year may vary from this amount.

**JEANNETTE RANKIN FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Fund (Continued)

- Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on income-based investments to achieve its long-term return objectives within prudent risk constraints.

- Spending Policy

The Foundation has a policy of appropriating for distribution each year up to 5% of its endowment fund's fair value, which is determined by computing a three-year rolling average with measures taken at the end of the preceding twelve quarters. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average rate of 2% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified time as well as to provide additional real growth through new gifts and investment return.



**JEANNETTE RANKIN FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2020 AND 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Fund (Continued)

Changes in endowment net assets for years ended May 31 are as follows:

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Endowment net assets, May 31, 2018			
May 31, 2018	\$ -	\$ 794,127	\$ 794,127
Investment return, net	-	9,410	9,410
Contributions	-	249,050	249,050
Appropriated for expenditure	-	(20,338)	(20,338)
Endowment net assets, May 31, 2019	-	1,032,249	1,032,249
Investment return, net	-	52,099	52,099
Contributions	-	277,102	277,102
Appropriated for expenditure	-	(159,994)	(159,994)
Endowment net assets, May 31, 2020	<u>\$ -</u>	<u>\$ 1,201,456</u>	<u>\$ 1,201,456</u>

- Underwater Endowment Funds

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At May 31, 2020, the Foundation had a total corpus of \$1,081,079 and a fair value of \$1,023,184, thus, total deficiencies of \$57,895 were reported in net assets with donor restrictions. At May 31, 2019, there were no underwater endowments.

Contributions

Contributions received are recorded without donor restriction or with donor restriction depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restriction upon satisfaction of the time or purpose restrictions.

**JEANNETTE RANKIN FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Support and Revenues

The Foundation receives substantially all of its revenue from private foundation grants and individual and business donations. The Foundation recognizes contributions and foundation grants when cash, securities or other assets; or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

The Foundation has been named as a beneficiary in a planned gift which is considered conditional. The value of the gift has not been included in the accompanying financial statements.

Refundable Advance

The Foundation obtained a Small Business Administration loan under the Paycheck Protection Program (“PPP”) in the amount of \$52,025. The PPP loan bears interest at 1% and beginning in November 2020, requires monthly payments of payments of principal and interest through April 2022, at which time the outstanding balance is due in full. Under the terms of Coronavirus Aid, Relief, and Economic Securities Act (the “Cares Act”), the Foundation may apply for PPP loan proceeds used within twenty-four weeks of funding receipt to be forgiven with the lending institution, provided the proceeds are used to cover certain payroll and other expenses as defined by the Cares Act. The Foundation intends for the loan to be forgiven and has treated the loan as a conditional grant under ASU 2018-08, recording the revenue when qualifying expenses have been incurred. At May 31, 2020, the PPP funding is \$52,025 and recorded as a refundable advance on the statement of financial position.

Property and Equipment

Property and equipment with a cost greater than \$1,000 are recorded at cost or at estimated fair value at the date of the gift. Minor additions and renewals are recorded as expenses in the period incurred. Major additions and renewals are capitalized and depreciated over their estimated useful lives. Depreciation is calculated using straight-line methods. Estimated useful lives are as follows:

Computer Hardware and Software	3-5 years
Buildings	15-40 years

**JEANNETTE RANKIN FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

Management of the Foundation has made certain estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with GAAP. Actual results could differ from those estimates.

Income Taxes

The Foundation is recognized as an organization exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3).

The Foundation annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Foundation takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification.

In the normal course of business, the Foundation is subject to examination by federal and state taxing authorities. The Foundation believes it is no longer subject to tax examinations for tax years ending before May 31, 2017.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited on the basis of square footage, payroll, or other relevant bases.

Acquisition of Emerge Scholarship, Inc.

During 2019, the combination of the Jeannette Rankin Foundation, Inc. and Emerge Scholarships, Inc. was accounted for as an acquisition, as opposed to a merger, because Emerge Scholarships, Inc. merged with and into the Jeannette Rankin Foundation, Inc. and ceased to exist. Two board members from Emerge Scholarships, Inc. are now included on the Jeannette Rankin Foundation, Inc. board of directors.

**JEANNETTE RANKIN FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain reclassifications have been made to the May 31, 2019 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Risks and Uncertainties

The Foundation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, investments and receivables. At times, cash and cash equivalent balances exceed federally insured amounts. The Foundation believes it reduces risk associated with balances in excess of federally insured amounts by maintaining its cash with financial institutions with sound financial standing. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying financial statements. Management continually monitors receivable balances and believes that its exposure to credit risk is limited. Investment securities are exposed to various risks, such as interest rate risk, market risk and credit risk.

The Foundation has experienced a disruption in normal business operations caused from COVID-19 during 2020 and subsequent to year end. The overall impact cannot be determined through the date of this report; however, it is reasonably possible that changes in risks in the near term could occur which could result in a material change to the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued.

NOTE 2 – PLEDGES RECEIVABLE

The Foundation records pledges receivable if the pledge is unconditional and a value is readily determinable. All pledges are considered collectible and, therefore, an allowance for uncollectible pledges was not considered necessary.

**JEANNETTE RANKIN FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

NOTE 2 – PLEDGES RECEIVABLE (Continued)

Pledges receivable consist of the following at May 31:

	<u><b>2020</b></u>	<u><b>2019</b></u>
Amounts due in:		
Less than one year	\$ 226,548	\$ 31,000
One to five years	144,500	22,000
Greater than five years	<u>21,000</u>	<u>22,500</u>
	392,048	75,500
Less: present value discount	<u>(24,978)</u>	<u>-</u>
	<u><u>\$ 367,070</u></u>	<u><u>\$ 75,500</u></u>

The estimated future cash collections for pledges receivable at May 31, 2020 are as follows:

2021	\$ 226,548
2022	36,500
2023	36,500
2024	31,500
2025	16,500
Thereafter	<u>44,500</u>
	<u><u>\$ 392,048</u></u>

At May 31, 2020, pledges receivable were discounted to their present values using a 4% interest rate. A discount was not considered material by Foundation's management for pledges receivable at May 31, 2019.

**JEANNETTE RANKIN FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2020 AND 2019**

**NOTE 3 – GRANTS RECEIVABLE**

For the year ended May 31, 2020, grants receivable consisted of \$78,515 for general scholarship support net of present value discount of \$3,283. For the year ended May 31, 2019, grants receivable consisted of \$82,800 for general scholarship support. A discount was not considered material by Foundation’s management for grants receivable at May 31, 2019.

The estimated future cash collections for grants receivable at May 31, 2020 are as follows:

2021	\$ 32,600
2022	45,915
	<u>\$ 78,515</u>

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment as of May 31, is summarized as follows:

	<u><b>2020</b></u>	<u><b>2019</b></u>
Buildings and improvement	\$ 186,000	\$ 186,000
Machinery and equipment	24,763	24,763
Furniture and fixtures	9,305	9,305
Software	21,602	21,602
	<u>241,670</u>	<u>241,670</u>
Less accumulated depreciation	<u>(110,450)</u>	<u>(104,273)</u>
Total	<u>\$ 131,220</u>	<u>\$ 137,397</u>

The depreciation expense was \$6,177 and \$6,373 for the years ended May 31, 2020 and 2019, respectively.

**JEANNETTE RANKIN FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

**NOTE 5 – FINANCING ARRANGEMENTS**

Line of Credit

The Foundation has a line of credit with a financial institution, allowing maximum borrowings up to \$75,000. The original maturity date of the line of credit was extended to May 20, 2021. Interest accrues at 0.75% above the lender's prime rate with a minimum interest rate of 4.75% (an effective interest rate of 5.5% at May 31, 2020). The line of credit is secured by a second mortgage on the Foundation's office condominium. At May 31, 2020 and 2019, there were outstanding borrowings on the line of credit of \$65,000 and 50,000, respectively.

Notes Payable

The Foundation has a note payable with a financial institution, bearing interest at 5.50% and requiring monthly payments of principal and interest of \$946. The original maturity date of the note was extended to May 15, 2026 with a balloon payment of \$65,132. The note is secured by the Foundation's office condominium. At May 31, 2020 and 2019, the note had an outstanding principal balance of \$99,263 and \$104,725, respectively.

The future scheduled maturities of the note, as of May 31, 2020, are as follows:

2021	\$ 6,039
2022	6,380
2023	6,740
2024	7,120
2025	7,521
Thereafter	65,463
	<u>\$ 99,263</u>

**NOTE 6 – PENSION PLAN**

Effective January 1, 2018, the Foundation maintained a 401K Plan which covers substantially all employees of the Foundation. Eligible employees can elect to make salary reduction contributions up to the statutory maximum per calendar year. The Foundation matches the employee contributions up to a maximum of 8% of compensation. During the years ended May 31, 2020 and 2019, the Foundation contributed \$14,629 and \$10,179 for employees, respectively.

**JEANNETTE RANKIN FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods as of May 31:

	<u><b>2020</b></u>	<u><b>2019</b></u>
Subject to expenditure for specified purpose:		
Scholarships	\$ 76,459	\$ 28,946
 <b><u>Endowments:</u></b>		
Subject to spending and appropriation:		
Investment in perpetuity (including original gift amount of \$1,081,078 and \$907,249 for 2020 and 2019) which once appropriated is expendable to support scholarships:	1,081,078	957,249
Underwater endowment	<u>(57,893)</u>	<u>-</u>
	1,023,185	957,249
Endowment pledges, net	<u>178,272</u>	<u>75,000</u>
Total Endowments	<u>1,201,457</u>	<u>1,032,249</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 1,277,916</u></u>	<u><u>\$ 1,061,195</u></u>

Net assets with donor restrictions totaling \$242,077 and \$346,689 were released from restrictions during the year ended May 31, 2020 and 2019, respectively that were utilized for various scholarship expenses.

**NOTE 8 – ACQUISITION OF EMERGE**

On September 20, 2018, the Foundation acquired Emerge Scholarships, Inc., also a nonprofit corporation incorporated in the State of Georgia. The effective date of the acquisition was October 20, 2018. The purpose of this acquisition was to bring together two of the leading nonprofit agencies in the provision of education scholarships for low-income women in order to provide clients with a more robust set of service offerings and continuum of support. Due to the nature of the transaction, the result was an \$85,000 contribution to the Foundation.



**JEANNETTE RANKIN FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2020 AND 2019**

**NOTE 9 – LIQUIDITY AND AVAILABILITY**

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support without donor restrictions; such support has historically represented approximately 48% of annual program funding needs, with the remainder funded by investment income without donor restrictions and appropriated earnings from gifts with donor restrictions.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability.
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

The Foundation is headed by the Board, with various subcommittees to oversee the operations of the Foundation. The Board meets every other month to discuss financial issues, operational issues, and the overall status of existing subcommittees. Due to this timing, the Foundation strives to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenses for administrative, general, and fundraising expenses plus an amount that represents the next expected payment for semi-annual grant commitments which typically represents approximately 85% of the expected annual grant cash needs.

**JEANNETTE RANKIN FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2020 AND 2019**

NOTE 9 – LIQUIDITY AND AVAILABILITY (Continued)

The table below presents financial assets available for general expenditures within one year at May 31:

	<u><b>2020</b></u>	<u><b>2019</b></u>
Cash and cash equivalents	\$ 93,249	\$ 16,119
Other current assets	-	756
Pledges receivable	<u>47,526</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures	<u>\$ 140,775</u>	<u>\$ 16,875</u>

## **SUPPLEMENTAL INFORMATION**

**JEANNETTE RANKIN FOUNDATION, INC.**  
**SCHEDULE OF ENDOWMENT NET ASSETS**  
**MAY 31, 2020**

<b>Endowment Funds:</b>	Jeannette Rankin Fund	Cindy Short Fund	Doris Evans/Helen Oldfield Fund	Founders Fund	Ethel Stuckey Fund
<b>Endowment investments at May 31, 2019</b>	\$ 91,833	\$ 57,973	\$ 19,463	\$ 18,916	\$ 9,320
Cash Contributions	111	-	-	-	-
Investment Income	5,000	3,155	1,059	1,030	507
Releases/ Scholarships paid	(49,091)	(6,661)	(13,699)	(2,174)	(1,071)
<b>Endowment investments at May 31, 2020</b>	<u>47,853</u>	<u>54,467</u>	<u>6,823</u>	<u>17,772</u>	<u>8,756</u>
<b>Endowment Pledges, net</b>	-	-	-	-	-
<b>Total Endowment</b>	<u>\$ 47,853</u>	<u>\$ 54,467</u>	<u>\$ 6,823</u>	<u>\$ 17,772</u>	<u>\$ 8,756</u>

**JEANNETTE RANKIN FOUNDATION, INC.**  
**SCHEDULE OF ENDOWMENT NET ASSETS**  
**MAY 31, 2020**

<b>Endowment Funds:</b>	Wilma Van Dusseldorp Fund	Mary Whitman Klerk Fund	Bertha Merrill Holt Fund	Dr. Kenneth H. Bothwell, Jr. Fund	Erlanger Memorial Fund
<b>Endowment investments at May 31, 2019</b>	\$ 12,550	\$ 18,671	\$ 30,250	\$ 25,000	\$ 24,557
Cash Contributions	-	-	-	-	-
Investment Income	683	1,016	1,646	1,361	1,337
Releases/ Scholarships paid	(1,442)	(2,145)	(3,476)	(2,873)	(2,822)
<b>Endowment investments at May 31, 2020</b>	<u>11,791</u>	<u>17,542</u>	<u>28,420</u>	<u>23,488</u>	<u>23,072</u>
<b>Endowment Pledges, net</b>	-	-	-	-	-
<b>Total Endowment</b>	<u>\$ 11,791</u>	<u>\$ 17,542</u>	<u>\$ 28,420</u>	<u>\$ 23,488</u>	<u>\$ 23,072</u>

**JEANNETTE RANKIN FOUNDATION, INC.  
SCHEDULE OF ENDOWMENT NET ASSETS  
MAY 31, 2020**

<b>Endowment Funds:</b>	Mergaret Elise Shippen-(Geta) Kleiner Fund	Barabara Lawrence Fund	Bessie Tift Fund	Sherrie Ford Fund	Mabel Davidson Fund
<b>Endowment investments at May 31, 2019</b>	\$ 50,000	\$ 100,261	\$ 25,125	\$ 50,200	\$ 50,000
Cash Contributions	-	-	-	-	-
Investment Income	2,721	5,457	1,367	2,732	2,721
Releases/ Scholarships paid	(5,745)	(11,521)	(2,887)	(5,768)	(5,745)
<b>Endowment investments at May 31, 2020</b>	<u>46,976</u>	<u>94,197</u>	<u>23,605</u>	<u>47,164</u>	<u>46,976</u>
<b>Endowment Pledges, net</b>	-	-	-	-	-
<b>Total Endowment</b>	<u>\$ 46,976</u>	<u>\$ 94,197</u>	<u>\$ 23,605</u>	<u>\$ 47,164</u>	<u>\$ 46,976</u>

**JEANNETTE RANKIN FOUNDATION, INC.  
SCHEDULE OF ENDOWMENT NET ASSETS  
MAY 31, 2020**

<b>Endowment Funds:</b>	Forest Stewart Hillyard Fund	Alexandra Kilpatrick Memorial Fund	Mattie Newton Traylor Fund	Hardeep Sodhi Fund	Catherine Ballou Kleiner Fund
<b>Endowment investments at May 31, 2019</b>	\$ 50,000	\$ 225,000	\$ -	\$ 250	\$ 50,000
Cash Contributions	-	75,000	5,000	27,500	-
Investment Income	2,721	12,246	-	14	2,721
Releases/ Scholarships paid	(5,745)	(25,854)	-	(29)	(5,745)
<b>Endowment investments at May 31, 2020</b>	<u>46,976</u>	<u>286,392</u>	<u>5,000</u>	<u>27,735</u>	<u>46,976</u>
<b>Endowment Pledges, net</b>	-	-	38,527	-	-
<b>Total Endowment</b>	<u>\$ 46,976</u>	<u>\$ 286,392</u>	<u>\$ 43,527</u>	<u>\$ 27,735</u>	<u>\$ 46,976</u>

**JEANNETTE RANKIN FOUNDATION, INC.  
SCHEDULE OF ENDOWMENT NET ASSETS  
MAY 31, 2020**

<b>Endowment Funds:</b>	George Mary Bailey Fund	Mae Sterk Fund	Elayne J Perry Fund	Sally Bruce & Marvin Mclatchey Fund	Betsy Bach Fund
<b>Endowment investments at May 31, 2019</b>	\$ 47,880	\$ -	\$ -	\$ -	\$ -
Cash Contributions	2,120	16,100	25,000	3,000	-
Investment Income	2,605	-	-	-	-
Releases/ Scholarships paid	(5,501)	-	-	-	-
<b>Endowment investments at May 31, 2020</b>	<b>47,104</b>	<b>16,100</b>	<b>25,000</b>	<b>3,000</b>	<b>-</b>
<b>Endowment Pledges, net</b>	<b>-</b>	<b>19,591</b>	<b>-</b>	<b>46,951</b>	<b>22,616</b>
<b>Total Endowment</b>	<b>\$ 47,104</b>	<b>\$ 35,691</b>	<b>\$ 25,000</b>	<b>\$ 49,951</b>	<b>\$ 22,616</b>



**JEANNETTE RANKIN FOUNDATION, INC.  
SCHEDULE OF ENDOWMENT NET ASSETS  
MAY 31, 2020**

<b>Endowment Funds:</b>	Margaret James Black Memorial Scholarship Fund	Patel, Broaddus, Halloran, Cofer Family Fund	Total
<b>Endowment investments at May 31, 2019</b>	\$ -	\$ -	\$ 957,249
Cash Contributions	-	20,000	173,831
Investment Income	-	-	52,099
Releases/ Scholarships paid	-	-	(159,994)
<b>Endowment investments at May 31, 2020</b>	-	20,000	1,023,185
<b>Endowment Pledges, net</b>	22,451	28,136	178,272
<b>Total Endowment</b>	<b>\$ 22,451</b>	<b>\$ 48,136</b>	<b>\$ 1,201,457</b>