

JEANNETTE RANKIN FOUNDATION, INC.

**FINANCIAL STATEMENTS
YEARS ENDED MAY 31, 2022 AND 2021
and
SUPPLEMENTARY INFORMATION**

**with
INDEPENDENT AUDITORS' REPORT**

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Jeannette Rankin Foundation, Inc.

Report on the Audit of the Financial Statements

Opinion

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, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of May 31, 2022 and 2021, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date of this report.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. 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 audits 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 GAAS. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Smith + Howard

November 28, 2022

**JEANNETTE RANKIN FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
MAY 31, 2022 AND 2021**

ASSETS

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 38,516	\$ 144,019
Pledges receivable, net	918,025	398,437
Grants receivable, net	9,840	44,408
Investments - general	59,430	-
Investments - endowment	1,925,211	1,268,043
Property and equipment, net	<u>126,850</u>	<u>132,560</u>
	<u><u>\$ 3,077,872</u></u>	<u><u>\$ 1,987,467</u></u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 37,428	\$ 19,802
Note payable	<u>86,334</u>	<u>94,393</u>
Total Liabilities	<u>123,762</u>	<u>114,195</u>
Net Assets		
Without donor restrictions	47,490	73,381
With donor restrictions	<u>2,906,620</u>	<u>1,799,891</u>
Total Net Assets	<u>2,954,110</u>	<u>1,873,272</u>
	<u><u>\$ 3,077,872</u></u>	<u><u>\$ 1,987,467</u></u>

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

JEANNETTE RANKIN FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2022

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Revenue, Gains and Other Support			
Contributions and grant revenue	\$ 560,994	\$ 1,693,847	\$ 2,254,841
Special events	116,136	-	116,136
Less: direct cost of donor benefit	(43,531)	-	(43,531)
Investment return (loss), net	662	(168,636)	(167,974)
Net assets released from restriction	<u>418,482</u>	<u>(418,482)</u>	<u>-</u>
 Total Revenue, Gains and Other Support	 <u>1,052,743</u>	 <u>1,106,729</u>	 <u>2,159,472</u>
 Expenses			
Program	835,339	-	835,339
Management and general	80,614	-	80,614
Fundraising	<u>162,681</u>	<u>-</u>	<u>162,681</u>
	 <u>1,078,634</u>	 <u>-</u>	 <u>1,078,634</u>
 Change in Net Assets	 (25,891)	 1,106,729	 1,080,838
 Net Assets, Beginning of Year	 <u>73,381</u>	 <u>1,799,891</u>	 <u>1,873,272</u>
 Net Assets, End of Year	 <u>\$ 47,490</u>	 <u>\$ 2,906,620</u>	 <u>\$ 2,954,110</u>

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

JEANNETTE RANKIN FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Gains and Other Support			
Contributions and grant revenue	\$ 320,205	\$ 535,900	\$ 856,105
Paycheck Protection Program Grant	102,925	-	102,925
Special events	103,270	-	103,270
Less: direct cost of donor benefit	(42,565)	-	(42,565)
Investment return, net	-	244,868	244,868
Net assets released from restriction	<u>258,793</u>	<u>(258,793)</u>	<u>-</u>
 Total Revenue, Gains and Other Support	 <u>742,628</u>	 <u>521,975</u>	 <u>1,264,603</u>
 Expenses			
Program	559,591	-	559,591
Management and general	83,791	-	83,791
Fundraising	<u>67,715</u>	<u>-</u>	<u>67,715</u>
	 <u>711,097</u>	 <u>-</u>	 <u>711,097</u>
 Change in Net Assets	 31,531	 521,975	 553,506
 Net Assets, Beginning of Year	 <u>41,850</u>	 <u>1,277,916</u>	 <u>1,319,766</u>
 Net Assets, End of Year	 <u>\$ 73,381</u>	 <u>\$ 1,799,891</u>	 <u>\$ 1,873,272</u>

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

JEANNETTE RANKIN FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2022

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation and Benefits				
Salaries and wages	\$ 253,351	\$ 20,749	\$ 13,099	\$ 287,199
Fringe benefits and payroll taxes	52,178	5,129	1,958	59,265
Total Compensation and Benefits	<u>305,529</u>	<u>25,878</u>	<u>15,057</u>	<u>346,464</u>
Other Expenses				
Conferences and meetings	-	6,508	-	6,508
Contract labor	210	28,238	-	28,448
Dues and subscriptions	4,366	231	154	4,751
Facilities costs	18,132	1,007	1,007	20,146
Grants and scholarships	353,235	-	-	353,235
Insurance	3,718	-	-	3,718
Interest expense	3,577	199	199	3,975
Miscellaneous	1,945	1,349	2,241	5,535
Office expenses	1,330	89	59	1,478
Publication and printing	16,670	-	-	16,670
Scholarship program expenses	24,298	-	-	24,298
Supplies	15,787	809	540	17,136
Professional fees	35,000	15,000	141,484	191,484
Postage and delivery	6,769	451	301	7,521
Public relations	8,385	-	-	8,385
Telecommunications	17,314	225	150	17,689
Training and education	2,871	-	-	2,871
Travel	11,351	-	1,261	12,612
Depreciation	4,852	630	228	5,710
Total Other Expenses	<u>529,810</u>	<u>54,736</u>	<u>147,624</u>	<u>732,170</u>
Total Expenses	<u>\$ 835,339</u>	<u>\$ 80,614</u>	<u>\$ 162,681</u>	<u>\$ 1,078,634</u>
Plus expenses included with revenues on the statement of activities				
Cost of direct benefits to donors				<u>43,531</u>
Total functional expenses			<u>\$</u>	<u>1,122,165</u>

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

JEANNETTE RANKIN FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2021

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation and Benefits				
Salaries and wages	\$ 142,369	\$ 33,883	\$ 28,568	\$ 204,820
Fringe benefits and payroll taxes	43,467	8,351	5,419	57,237
Total Compensation and Benefits	<u>185,836</u>	<u>42,234</u>	<u>33,987</u>	<u>262,057</u>
Other Expenses				
Conferences and meetings	100	2,222	-	2,322
Contract labor	2,447	9,000	13	11,460
Dues and subscriptions	1,017	-	-	1,017
Facilities costs	8,238	3,784	546	12,568
Grants and scholarships	233,861	-	-	233,861
Insurance	3,342	-	-	3,342
Interest expense	5,248	233	350	5,831
Miscellaneous	5,229	9,575	349	15,153
Office expenses	392	17	26	435
Publication and printing	3,943	-	-	3,943
Scholarship program expenses	26,189	-	-	26,189
Supplies	16,367	159	238	16,764
Professional fees	39,000	15,850	30,000	84,850
Postage and delivery	1,382	61	92	1,535
Public relations	2,075	-	1,096	3,171
Telecommunications	14,102	329	267	14,698
Training and education	2,053	-	-	2,053
Travel	2,869	-	421	3,290
Depreciation	5,901	327	330	6,558
Total Other Expenses	<u>373,755</u>	<u>41,557</u>	<u>33,728</u>	<u>449,040</u>
Total Expenses	<u>\$ 559,591</u>	<u>\$ 83,791</u>	<u>\$ 67,715</u>	711,097
Plus expenses included with revenues on the statement of activities				
Cost of direct benefits to donors				<u>42,565</u>
Total functional expenses			<u>\$</u>	<u>753,662</u>

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

JEANNETTE RANKIN FOUNDATION, INC.
STATEMENT OF CASH FLOWS
MAY 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 1,080,838	\$ 553,506
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	5,710	6,558
Net realized and unrealized gain (loss) on investment	214,525	(223,679)
Changes in assets and liabilities:		
Pledges receivable	(519,588)	(171,890)
Grants receivable	34,568	30,824
Refundable advance	-	(52,025)
Accounts payable and accrued expenses	17,626	6,422
Net Cash Provided by Operating Activities	<u>833,679</u>	<u>149,716</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	-	(7,897)
Purchase of investments	(931,123)	(373,995)
Proceeds from sale of investments	-	97,322
Net Cash Required by Investing Activities	<u>(931,123)</u>	<u>(284,570)</u>
Cash Flows from Financing Activities:		
Payments on line of credit, net	-	(65,000)
Principal payments on note payable	(8,059)	(4,870)
Net Cash Required by Financing Activities	<u>(8,059)</u>	<u>(69,870)</u>
Change in Cash and Cash Equivalents	(105,503)	(204,724)
Cash and Cash Equivalents, Beginning of Year	<u>144,019</u>	<u>348,743</u>
Cash and Cash Equivalents, End of Year	<u>\$ 38,516</u>	<u>\$ 144,019</u>
 <u>Supplemental Cash Flow Disclosure:</u>		
Interest Paid	<u>\$ 3,975</u>	<u>\$ 5,831</u>

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

JEANNETTE RANKIN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2022 AND 2021

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”).

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.

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, 2022 and 2021.

JEANNETTE RANKIN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2022 AND 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

	<u>2022</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 297,601	\$ -	\$ -	\$ 297,601
Equities	1,264,040	-	-	1,264,040
Fixed income	423,000	-	-	423,000
	<u>\$ 1,984,641</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,984,641</u>

	<u>2021</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 57,967	\$ -	\$ -	\$ 57,967
Equities	1,179,107	-	-	1,179,107
Fixed income	30,969	-	-	30,969
	<u>\$ 1,268,043</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,268,043</u>

JEANNETTE RANKIN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2022 AND 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

- 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, 2022 AND 2021

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.

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

	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	
Endowment net assets, May 31, 2020	\$ -	\$ 1,023,185	\$ 1,023,185
Investment return, net	-	244,868	244,868
Contributions	-	142,519	142,519
Appropriated for expenditure	-	(142,529)	(142,529)
Endowment net assets, May 31, 2021	-	1,268,043	1,268,043
Investment loss, net	-	(168,636)	(168,636)
Contributions	-	857,467	857,467
Appropriated for expenditure	-	(31,663)	(31,663)
Endowment net assets, May 31, 2022	<u>\$ -</u>	<u>\$ 1,925,211</u>	<u>\$ 1,925,211</u>

JEANNETTE RANKIN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2022 AND 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Fund (Continued)

- 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, 2022, the Foundation had a total corpus of \$2,081,066 and a fair value of \$1,925,211, thus, total deficiencies of \$155,855 were reported in net assets with donor restrictions. At May 31, 2021, 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.

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.

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:

Furniture, Fixtures, and Equipment	5-10 years
Computer Hardware and Software	3-5 years
Buildings	15-40 years

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.

JEANNETTE RANKIN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2022 AND 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2019.

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.

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.

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.

JEANNETTE RANKIN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2022 AND 2021

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.

Pledges receivable consist of the following at May 31:

	<u>2022</u>	<u>2021</u>
Amounts due in:		
Less than one year	\$ 451,070	\$ 232,398
One to five years	567,050	186,000
Greater than five years	<u>24,896</u>	<u>12,000</u>
	1,043,016	430,398
Less: present value discount	<u>(124,991)</u>	<u>(31,961)</u>
	<u><u>\$ 918,025</u></u>	<u><u>\$ 398,437</u></u>

At May 31, 2022 and 2021, pledges receivable were discounted to their present values using a 4% interest rate.

NOTE 3 – GRANTS RECEIVABLE

For the year ended May 31, 2022 and 2021, grants receivable consisted of \$9,840 and \$44,408, respectively, for general scholarship support. The entire balance is expected to be received in 2022.

NOTE 4 – PROPERTY AND EQUIPMENT

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

	<u>2022</u>	<u>2021</u>
Buildings and improvement	\$ 186,000	\$ 186,000
Machinery and equipment	26,161	26,161
Furniture and fixtures	15,805	15,805
Software	<u>21,602</u>	<u>21,602</u>
	249,568	249,568
Less accumulated depreciation	<u>(122,718)</u>	<u>(117,008)</u>
Total	<u><u>\$ 126,850</u></u>	<u><u>\$ 132,560</u></u>

Depreciation expense was \$5,710 and \$6,558 for the years ended May 31, 2022 and 2021, respectively.

**JEANNETTE RANKIN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2022 AND 2021**

NOTE 5 – FINANCING ARRANGEMENTS

Line of Credit

The Foundation has a line of credit with a financial institution, allowing maximum borrowings up to \$100,000 with a maturity date of February 4, 2023. Interest accrues at 1% above the lender's prime rate with a minimum interest rate of 4.75%. The line of credit is secured by a second mortgage on the Foundation's office condominium. At May 31, 2022 and 2021, there were no outstanding borrowings on the line of credit.

Note Payable

During 2021, the Foundation refinanced their note payable with a financial institution, bearing interest at fixed rate of 4% and requiring monthly payments of principal and interest of \$978. The maturity date of the note is January 5, 2024 with a balloon payment of \$73,147. The note is secured by the Foundation's office condominium. At May 31, 2022 and 2021, the note had an outstanding principal balance of \$86,334 and \$94,393, respectively.

The future scheduled maturities of the note, as of May 31, 2022, are as follows:

2023		\$ 8,594
2024		<u>77,740</u>
		<u><u>\$ 86,334</u></u>

NOTE 6 – PENSION PLAN

The Foundation maintains 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, 2022 and 2021, the Foundation contributed \$11,835 and \$10,860 for employees, respectively.

JEANNETTE RANKIN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2022 AND 2021

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>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Scholarships	\$ 201,080	\$ 347,490
Subject to passage of time:		
Pledge receivables	221,574	-
 <u>Endowments:</u>		
Subject to spending and appropriation:		
Investment in perpetuity (including original gift amount of \$2,081,066 and \$1,223,599 for 2022 and 2021) which once appropriated is expendable to support scholarships:	2,081,066	1,268,043
Underwater endowment	<u>(155,855)</u>	<u>-</u>
	1,925,211	1,268,043
Endowment pledges, net	<u>558,755</u>	<u>184,358</u>
Total Endowments	<u>2,483,966</u>	<u>1,452,401</u>
Total Net Assets with Donor Restrictions	<u>\$ 2,906,620</u>	<u>\$ 1,799,891</u>

Net assets with donor restrictions totaling \$373,434 and \$258,793 were released from restrictions during the years ended May 31, 2022 and 2021, respectively that were utilized for various scholarship expenses. During the year ended May 31, 2022, net assets with donor restrictions totaling \$45,048 were released from restriction due to the passage of time.

NOTE 8 – 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.

JEANNETTE RANKIN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2022 AND 2021

NOTE 8 – LIQUIDITY AND AVAILABILITY (Continued)

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.

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

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 38,516	\$ 144,019
Pledges receivable	193,500	109,000
Investments - general	<u>59,430</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures	<u>\$ 291,446</u>	<u>\$ 253,019</u>

Subsequent to year end, in response to the net assets without donor restrictions deficit, the Foundation obtained redesignation of approximately \$118,000 of endowment pledges to be used for operating purposes. This will result in approximately \$23,000 being able to be used for general operations in 2022 with the remainder released to operations over the payment periods.

SUPPLEMENTAL INFORMATION

**JEANNETTE RANKIN FOUNDATION, INC.
SCHEDULE OF ENDOWMENT NET ASSETS
YEAR ENDED MAY 31, 2022**

Endowment Funds:	Jeannette Rankin Fund	Cindy Short Fund	Doris Evans/Helen Oldfield Fund	Founders Fund	Ethel Stuckey Fund	Wilma Van Dusseldorp Fund	Mary Whitman Klerk Fund	Bertha Merrill Holt Fund
Endowment investments at May 31, 2021	\$ 59,286	\$ 59,915	\$ 7,506	\$ 29,174	\$ 9,631	\$ 12,971	\$ 19,296	\$ 31,262
Cash Contributions	76,927	-	-	-	-	-	-	-
Investment Income	(7,882)	(7,968)	(998)	(3,880)	(1,281)	(1,725)	(2,566)	(4,158)
Releases/ Scholarships paid	(1,480)	(1,500)	(187)	(728)	(240)	(324)	(482)	(781)
Endowment investments at May 31, 2022	\$ 126,851	\$ 50,447	\$ 6,321	\$ 24,566	\$ 8,110	\$ 10,922	\$ 16,248	\$ 26,323

**JEANNETTE RANKIN FOUNDATION, INC.
SCHEDULE OF ENDOWMENT NET ASSETS
YEAR ENDED MAY 31, 2022**

Endowment Funds:	Dr. Kenneth H. Bothwell, Jr. Fund	Erlanger Memorial Fund	Mergaret Elise Shippen-(Geta) Kleiner Fund	Barabara Lawrence Fund	Bessie Tift Fund	Sherrie Ford Fund	Mabel Davidson Fund	Forest Stewart Hillyard Fund
Endowment investments at May 31, 2021	\$ 25,837	\$ 25,380	\$ 51,674	\$ 103,618	\$ 25,966	\$ 51,881	\$ 56,674	\$ 51,774
Cash Contributions	-	-	-	-	-	-	-	-
Investment Income	(3,436)	(3,375)	(6,872)	(13,780)	(3,453)	(6,900)	(7,537)	(6,881)
Releases/ Scholarships paid	(645)	(634)	(1,290)	(2,587)	(648)	(1,295)	(1,415)	(1,293)
Endowment investments at May 31, 2022	\$ 21,756	\$ 21,371	\$ 43,512	\$ 87,251	\$ 21,865	\$ 43,686	\$ 47,722	\$ 43,600

**JEANNETTE RANKIN FOUNDATION, INC.
SCHEDULE OF ENDOWMENT NET ASSETS
YEAR ENDED MAY 31, 2022**

Endowment Funds:	Alexandra Kilpatrick Memorial Fund	Mattie Newton Traylor Fund	Hardeep Sodhi Fund	Catherine Ballou Kleiner Fund	George Mary Bailey Fund	Mae Sterk Fund	Elayne J Perry Fund	Sally Bruce & Marvin Mclatchey Fund
Endowment investments at May 31, 2021	\$ 390,037	\$ 7,501	\$ 34,760	\$ 51,674	\$ 51,815	\$ 20,810	\$ 47,501	\$ 12,300
Cash Contributions	75,000	5,000	1,250	-	-	3,100	55,000	5,104
Investment Income	(51,871)	(998)	(4,623)	(6,872)	(7,196)	(2,768)	(6,317)	(1,636)
Releases/ Scholarships paid	(9,739)	(187)	(868)	(1,290)	(1,294)	(520)	(1,186)	(307)
Endowment investments at May 31, 2022	\$ 403,427	\$ 11,316	\$ 30,519	\$ 43,512	\$ 43,325	\$ 20,622	\$ 94,998	\$ 15,461

**JEANNETTE RANKIN FOUNDATION, INC.
SCHEDULE OF ENDOWMENT NET ASSETS
YEAR ENDED MAY 31, 2022**

Endowment Funds:	Margaret James Black Memorial Scholarship Fund	Patel, Broaddus, Halloran, Cofer Family Fund	Vashti Canty Fund	Robinson Fund	LuAnn Brown Fund	Dot Christianson Fund	Sandra Small Fund	Libby Pollock Fund
Endowment investments at May 31, 2021	\$ 5,300	\$ 22,000	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Contributions	-	12,586	8,500	10,000	25,000	30,000	5,000	5,000
Investment Income	(705)	(2,926)	(32)	-	-	-	-	-
Releases/ Scholarships paid	(132)	(549)	(62)	-	-	-	-	-
Endowment investments at May 31, 2022	\$ 4,463	\$ 31,111	\$ 10,906	\$ 10,000	\$ 25,000	\$ 30,000	\$ 5,000	\$ 5,000

**JEANNETTE RANKIN FOUNDATION, INC.
SCHEDULE OF ENDOWMENT NET ASSETS
YEAR ENDED MAY 31, 2022**

Endowment Funds:	Lucille O'Neal- Ayesha Harrison- Jex	Kimberly Reeve Fund	Stacy Sollenberger Fund	Hart Family Fund	Majorie Saunder Magruder	Total
Endowment investments at May 31, 2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,268,043
Cash Contributions	25,000	10,000	5,000	250,000	250,000	857,467
Investment Income	-	-	-	-	-	(168,636)
Releases/ Scholarships paid	-	-	-	-	-	(31,663)
Endowment investments at May 31, 2022	\$ 25,000	\$ 10,000	\$ 5,000	\$ 250,000	\$ 250,000	\$ 1,925,211