

**EISNERAMPER**

**COSMETIC EXECUTIVE WOMEN  
FOUNDATION, LTD.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2018 and 2017**



## INDEPENDENT AUDITORS' REPORT

Board of Governors  
Cosmetic Executive Women Foundation, Ltd.  
New York, New York

### Report on the Financial Statements

We have audited the accompanying financial statements of the Cosmetic Executive Women Foundation, Ltd. (the "Foundation"), which comprise the statements of financial position as of December 31, 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

The Foundation's 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 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 the Cosmetic Executive Women Foundation, Ltd. as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.



EISNERAMPER LLP  
New York, New York  
October 8, 2019



# COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

## Statements of Financial Position

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 627,453	\$ 596,767
Contributions receivable, net	149,759	301,087
Due from related party		1,520
Investments	3,909,000	4,543,796
Prepaid expenses and other assets	46,240	33,282
Property and equipment, net	9,318	11,072
Website costs, net	<u>150,016</u>	<u>137,366</u>
	<u>\$ 4,891,786</u>	<u>\$ 5,624,890</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 602,162	\$ 502,514
Deferred revenue	25,500	11,231
Due to related party	<u>10,261</u>	<u>          </u>
Total liabilities	<u>637,923</u>	<u>513,745</u>
Commitments (Note L)		
Net assets:		
Without donor restrictions	<u>3,941,070</u>	<u>4,710,713</u>
With donor restrictions:		
Time-restricted	312,793	350,432
Purpose	<u>          </u>	<u>50,000</u>
Total net assets with donor restrictions	<u>312,793</u>	<u>400,432</u>
Total net assets	<u>4,253,863</u>	<u>5,111,145</u>
	<u>\$ 4,891,786</u>	<u>\$ 5,624,890</u>

See notes to financial statements.

**COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.**

**Statements of Activities**

	Year Ended December 31,					
	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public support and revenue:</b>						
Contributions	\$ 1,826,429	\$ 342,793	\$ 2,169,222	\$ 1,464,189	\$ 510,432	\$ 1,974,621
Contributed goods and services	378,917		378,917	641,274		641,274
Special events (including in-kind contributed auction items of \$46,425 and \$96,890 for 2018 and 2017, respectively, and net of direct benefits to donors of \$56,304 and \$107,350 in 2018 and 2017, respectively)	488,189		488,189	591,230		591,230
Investment (losses) income, net	<u>(183,337)</u>		<u>(183,337)</u>	<u>487,803</u>		<u>487,803</u>
Total public support and revenue before release of restrictions	2,510,198	342,793	2,852,991	3,184,496	510,432	3,694,928
Net assets released from restrictions	<u>430,432</u>	<u>(430,432)</u>	<u>0</u>	<u>235,000</u>	<u>(235,000)</u>	<u>0</u>
Total public support and revenue	<u>2,940,630</u>	<u>(87,639)</u>	<u>2,852,991</u>	<u>3,419,496</u>	<u>275,432</u>	<u>3,694,928</u>
<b>Expenses:</b>						
Program services	<u>2,329,334</u>		<u>2,329,334</u>	<u>2,171,431</u>		<u>2,171,431</u>
Supporting services:						
General and administrative	527,763		527,763	512,178		512,178
Fund-raising	<u>853,176</u>		<u>853,176</u>	<u>1,096,477</u>		<u>1,096,477</u>
Total supporting services	<u>1,380,939</u>		<u>1,380,939</u>	<u>1,608,655</u>		<u>1,608,655</u>
Total expenses	<u>3,710,273</u>		<u>3,710,273</u>	<u>3,780,086</u>		<u>3,780,086</u>
<b>Change in net assets</b>	<b>(769,643)</b>	<b>(87,639)</b>	<b>(857,282)</b>	<b>(360,590)</b>	<b>275,432</b>	<b>(85,158)</b>
Net assets, beginning of year	<u>4,710,713</u>	<u>400,432</u>	<u>5,111,145</u>	<u>5,071,303</u>	<u>125,000</u>	<u>5,196,303</u>
<b>Net assets, end of year</b>	<u><b>\$ 3,941,070</b></u>	<u><b>\$ 312,793</b></u>	<u><b>\$ 4,253,863</b></u>	<u><b>\$ 4,710,713</b></u>	<u><b>\$ 400,432</b></u>	<u><b>\$ 5,111,145</b></u>

See notes to financial statements.

# COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

## Statements of Functional Expenses

	Year Ended December 31,									
	2018					2017				
	Program Services	Supporting Services			Total	Program Services	Supporting Services			Total
Cancer and Careers	General and Administrative	Fund-Raising	Direct Benefit to Donors		Cancer and Careers	General and Administrative	Fund-Raising	Direct Benefit to Donors		
Salaries and related taxes and benefits	\$ 852,183	\$ 407,013	\$ 431,055		\$ 1,690,251	\$ 703,243	\$ 369,811	\$ 694,513		\$ 1,767,567
Professional fees	64,144	58,758	61,166		184,068	54,198	91,394	29,980		175,572
Office supplies and expense	504	7,998	173		8,675	9,046	1,030	4,616		14,692
Postage and delivery	3,118		52		3,170	3,574		579		4,153
Printing and reproduction	79,510	127			79,637	52,255	322			52,577
Occupancy	74,118	7,355	31,684		113,157	75,335	7,592	33,871		116,798
Travel and related costs	32,649	1,205	2,866		36,720	25,779	2,520	17,083		45,382
Insurance		14,807			14,807		14,616			14,616
Website maintenance	117,549	9,906	5,508		132,963	115,499	10,373	3,861		129,733
Space rental/catering	7,994		187,286	\$ 56,304	251,584	11,087		192,738	\$ 107,350	311,175
Seminars and micro-grants	228,883		867		229,750	193,796		1,052		194,848
Marketing	652,929	950	85,497		739,376	787,848	692	74,787		863,327
Videos	87,440				87,440	45,530				45,530
Information technology	18,708	1,745	6,982		27,435	24,214	2,597	12,794		39,605
Miscellaneous expense	60,788	14,191	25,169		100,148	49,869	8,790	16,567		75,226
Depreciation and amortization	39,676	3,708	14,871		58,255	20,158	2,441	14,036		36,635
Total expenses before excise taxes and less direct benefit to donor	2,320,193	527,763	853,176	56,304	3,757,436	2,171,431	512,178	1,096,477	107,350	3,887,436
Excise taxes (Note A[13])	9,141				9,141					
Less: Direct benefit to donors				(56,304)	(56,304)				(107,350)	(107,350)
Total expenses	\$ 2,329,334	\$ 527,763	\$ 853,176	\$ 0	\$ 3,710,273	\$ 2,171,431	\$ 512,178	\$ 1,096,477	\$ 0	\$ 3,780,086

See notes to financial statements.

# COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

## Statements of Cash Flows

	Year Ended December 31,	
	2018	2017
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (857,282)	\$ (85,158)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	58,255	36,635
Net realized and unrealized losses (gains) on investments	267,048	(425,119)
Bad debt expense		14,435
Changes in:		
Contributions receivable	151,328	(334)
Due from related party	1,520	(1,520)
Prepaid expenses and other assets	(12,958)	1,867
Accounts payable and accrued expenses	99,648	163,306
Deferred revenue	14,269	2,581
Due to related party	10,261	(69,350)
Net cash used in operating activities	<u>(267,911)</u>	<u>(362,657)</u>
<b>Cash flows from investing activities:</b>		
Capitalized website costs	(69,151)	(41,724)
Purchases of investments	(1,878,668)	(1,315,763)
Proceeds from sales of investments	2,246,416	1,968,396
Purchases of property and equipment		(47,707)
Net cash provided by investing activities	<u>298,597</u>	<u>563,202</u>
<b>Net increase in cash and cash equivalents</b>	<b>30,686</b>	<b>200,545</b>
Cash and cash equivalents, beginning of year	<u>596,767</u>	<u>396,222</u>
<b>Cash and cash equivalents, end of year</b>	<b>\$ <u>627,453</u></b>	<b>\$ <u>596,767</u></b>
<b>Supplemental disclosure of cash flow information:</b>		
Contributed goods and services	\$ 425,342	\$ 738,164

See notes to financial statements.

## **COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.**

### **Notes to Financial Statements December 31, 2018 and 2017**

#### **NOTE A - FOUNDATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **[1] The Foundation:**

The Cosmetic Executive Women Foundation, Ltd. (the "Foundation"), incorporated in 1989 in New York, is a not-for-profit organization that is dedicated to helping women better their lives. In 2001, the Foundation launched "Cancer and Careers" which is dedicated to empowering and educating people with cancer to thrive in their workplace by providing expert advice, interactive tools and educational events. Through a comprehensive website, free publications, career coaching, and a series of support groups and educational seminars for employees with cancer and their healthcare providers and coworkers, Cancer and Careers strives to eliminate fear and uncertainty for working people with cancer.

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). It is exempt from state and local taxes under comparable laws.

##### **[2] Basis of accounting:**

The financial statements of the Foundation have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations.

##### **[3] Use of estimates:**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, public support and revenue, and expenses, as well as the disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

##### **[4] Cash and cash equivalents:**

The Foundation considers all highly liquid investments, with maturities of three months or less when purchased, to be cash equivalents. Cash equivalents considered to be part of the Foundation's investment portfolio are reflected as investments in the statements of financial position.

##### **[5] Investments:**

Investments in certificates of deposit, equity securities, fixed securities, and mutual funds with readily determinable fair values are reported at their fair values in the statements of financial position at year-end based on quoted market prices.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted through donor stipulation. Realized gains and losses on investments are determined by comparison of the cost of acquisition to proceeds at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investment's cost to the fair value at the end of each year. The earnings from dividends and interest are recognized when earned.

The Foundation's investments, in general, are subject to various risks, such as interest-rate, market, and credit risks. Due to the level of risk associated with certain investment vehicles, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

# COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

## Notes to Financial Statements December 31, 2018 and 2017

### NOTE A - FOUNDATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [5] Investments: (continued)

Investment expenses include the service fees and costs of bank trustees, investment managers and custodians. The balances of investment management fees disclosed in Note C are those specific fees charged by the Foundation's various investment managers in each year; however, they do not include those fees that are embedded in various other investment accounts and transactions.

#### [6] Property and equipment:

Property and equipment are recorded at their original costs at the dates of acquisition, or, if contributed, at their estimated fair values at the dates of donation, less accumulated depreciation. The Foundation capitalizes items of property and equipment that have a cost of \$2,500 or more and a useful life greater than one year, whereas minor costs of repairs and maintenance are expensed as incurred. Depreciation is provided using the straight-line method over three to seven years, the estimated useful lives of the furniture and fixtures, respectively. Leasehold improvements are amortized over the remaining lease term, or the useful lives of the improvements, whichever is shorter. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Management evaluates the recoverability of the investments in long-lived assets on an on-going basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of December 31, 2018 and 2017, respectively, and, in the opinion of management, there were no impairments. However, it is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimates of the recoverability of these assets.

#### [7] Website costs:

Website costs related to application development, site configuration and infrastructure, and conceptual design are capitalized. Costs relating to operation and support are expensed as incurred. The Foundation capitalizes website costs that have a cost of \$2,500 or more and a useful life greater than one year. Capitalized costs are amortized over a five-year expected life using the straight-line method. At December 31, 2018 and 2017, capitalized website costs were presented net of accumulated amortization of \$132,489 and \$75,988, respectively.

#### [8] Deferred revenue:

Deposits for special events received prior to December 31, but applicable to the following year, are deferred and recognized in the year that the event occurs.

#### [9] Net assets:

The net assets of the Foundation and changes therein are classified and reported as follows:

(i) *Net Assets Without Donor Restrictions:*

The Foundation's net assets without donor restrictions represent those resources for which there are no restrictions by donors as to their use and are available for current operations.



# COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

## Notes to Financial Statements December 31, 2018 and 2017

### NOTE A - FOUNDATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [9] Net assets: (continued)

##### (ii) *Net assets with Donor Restrictions:*

Net assets with donor restrictions represent those resources, the use of which has been restricted by donors for the Foundation's program, "Cancer and Careers" or the passage of time. Net assets released from restrictions represent the satisfaction of the restricted purposes specified by the donor or the passage of time. It is the Foundation's policy to record restricted contributions received and expended in the same accounting period in the net assets without donor restrictions category.

#### [10] Revenue recognition:

##### (i) *Contributions:*

Contributions to the Foundation are recognized as revenue upon the receipt of cash or of unconditional pledges. Contributions are reported as "with donor restrictions" if they are received with purpose restrictions or time considerations as to their use. Contribution receivable revenue is recognized based on the present value of the estimated future payments to be made to the Foundation. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved. Conditional contributions are recognized when the donor's conditions have been met by requisite actions of the Foundation's management or necessary events have taken place.

##### (ii) *Special events:*

The Foundation conducts special events. A portion of the gross proceeds paid by the attendees represents payment for the direct cost of the benefits received by the attendees at the event. Such special-event income is reported net of the direct cost of the event that is attributable to the benefit that the donors receive. In the absence of a verifiable objective means to demonstrate otherwise, the fair value of entertainment provided at these special events is measured at the actual cost to the Foundation.

##### (iii) *Contributed goods and services:*

For recognition of donated goods and services in the Foundation's financial statements, such goods or services must: (i) create or enhance non-financial assets; and (ii) typically need to be acquired if not provided by donation. Additionally, recognition of donated services must: (i) require a specialized skill; and (ii) be provided by individuals possessing these skills. Donated goods and services are recorded as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Donated goods and services are reported as both contributions and offsetting expenses in the statements of activities.

##### (iv) *Media placement:*

The Foundation may receive in-kind contributions in the form of donated placements of public-service announcements ("PSAs") in magazines. Because the Foundation would not normally advertise in magazines and has no control over when and how often these PSAs are published, the Foundation has not recorded the value of these PSAs in the financial statements.

## COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

### Notes to Financial Statements December 31, 2018 and 2017

#### NOTE A - FOUNDATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [10] Revenue recognition: (continued)

###### (v) *Volunteers:*

Additionally, a substantial number of Board members and volunteers have donated significant amounts of their time and support through fund-raising and participation in events in furtherance of the Foundation's mission. The value of this donated volunteer time is not reflected in the accompanying financial statements, as it does not meet the criteria for recognition under generally accepted accounting principles.

##### [11] Advertising costs:

Advertising costs are accounted for as an expense as they are incurred. Advertising expense for 2018 and 2017 was approximately \$293,000 and \$207,000, respectively.

##### [12] Functional allocation of expenses:

The costs of providing the Foundation's program and supporting services have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, direct costs have been functionalized within the program or supporting services based on the nature of the expense. Natural expenses attributable to more than one expense category are allocated by management based on time and effort among employees.

##### [13] Income taxes:

The Foundation is subject to the provisions of the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, relating to accounting and reporting for uncertainty in income taxes. For the Foundation, these provisions could be applicable to the incurrence of unrelated business income tax ("UBIT") on the transit and qualified parking fringe benefits. Because the Foundation has accrued a liability for this tax and due to the Foundation's general tax-exempt status, management believes ASC Topic 740 has not had, and is not anticipated to have, a material impact on the Foundation's financial statements.

##### [14] Adoption of accounting principle:

In August 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 amends financial-statement presentations and disclosures. ASU 2016-14 includes qualitative and quantitative requirements in the following areas: (i) net asset classifications, (ii) investment returns, (iii) expense categorizations, and (iv) liquidity and the availability of resources. ASU 2016-14 was effective for annual reporting periods beginning after December 15, 2017. Accordingly, the Foundation was required to adopt ASU 2016-14 for its year-ended December 31, 2018, which under U.S. GAAP is a change in accounting principle requiring retroactive application in the financial statements of certain areas, whereas certain other areas were adopted on a prospective basis. The Foundation's adoption of ASU 2016-14 had no effect on the Foundation's total net assets or its changes in net assets for 2018 and 2017; however, certain reclassifications were required. Accordingly, the Foundation changed its presentation of its net asset classes and expanded certain footnote disclosures.

##### [15] Subsequent events:

The Foundation has evaluated subsequent events through October 8, 2019, the date on which the financial statements were available to be issued.

## COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

### Notes to Financial Statements December 31, 2018 and 2017

#### NOTE B - CONTRIBUTIONS RECEIVABLE

At each year-end, the contributions receivable were due to be collected as follows:

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
Less than one year	\$ 149,759	\$ 315,522
Less: allowance for doubtful accounts		<u>(14,435)</u>
	<u>\$ 149,759</u>	<u>\$ 301,087</u>

The Foundation periodically assess the collectability of its receivables and provides for an allowance for anticipated losses, if any, when necessary.

#### NOTE C - INVESTMENTS

At each year-end, investments consisted of the following:

	<u>December 31,</u>			
	<u>2018</u>		<u>2017</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Money-market funds	\$ 88,089	\$ 88,089	\$ 702,786	\$ 702,786
Certificates of deposit	198,960	198,960	150,021	150,000
Equity securities	1,208,595	1,058,168	1,508,111	1,014,169
U.S. government bonds	488,709	498,856	547,061	547,448
Corporate bonds	209,436	217,045	234,321	230,508
Mutual funds:				
Fixed-income	983,947	886,564	930,443	1,033,626
Equities	<u>731,264</u>	<u>981,021</u>	<u>471,053</u>	<u>377,258</u>
	<u>\$ 3,909,000</u>	<u>\$ 3,928,703</u>	<u>\$ 4,543,796</u>	<u>\$ 4,055,795</u>

During each year, net investment (losses) income consisted of the following:

	<u>Year Ended December 31,</u>	
	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 118,684	\$ 100,924
Investment management fees	<u>(34,973)</u>	<u>(38,240)</u>
	<u>83,711</u>	<u>62,684</u>
Net realized gains	240,656	307,608
Net unrealized (losses) gains	<u>(507,704)</u>	<u>117,511</u>
Total net realized and unrealized (losses) gains	<u>(267,048)</u>	<u>425,119</u>
Total investment (losses) income	<u>\$ (183,337)</u>	<u>\$ 487,803</u>

## COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

### Notes to Financial Statements December 31, 2018 and 2017

#### NOTE C - INVESTMENTS (CONTINUED)

ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

Level 1 - Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments, at the reporting date.

Level 2 - Valuations are based on: (i) quoted prices for similar investments in active markets; or (ii) quoted prices for those investments or similar investments in markets that are not active; or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.

Level 3 - Valuations are based on pricing inputs that are unobservable and include situations where: (i) there is little, if any, market activity for the investments; or (ii) the investments cannot be independently valued.

The availability of market data is monitored to assess the appropriate classification of finance instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period. During 2018 and 2017, there were no transfers among the fair-value hierarchy levels.

The following tables summarize the fair values of the Foundation's investments at each year-end, in accordance with the ASC Topic 820 fair-value levels:

	December 31,					
	2018			2017		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Money-market funds	\$ 88,089		\$ 88,089	\$ 702,786		\$ 702,786
Certificates of deposit		\$ 198,960	198,960		\$ 150,021	150,021
Equity securities	1,208,595		1,208,595	1,508,111		1,508,111
U.S. government bonds	488,709		488,709	547,061		547,061
Corporate bonds		209,436	209,436		234,321	234,321
Mutual funds:						
Fixed-income	983,947		983,947	930,443		930,443
Equities	731,264		731,264	471,053		471,053
	<u>\$3,500,604</u>	<u>\$ 408,396</u>	<u>\$ 3,909,000</u>	<u>\$4,159,454</u>	<u>\$ 384,342</u>	<u>\$ 4,543,796</u>

## COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

### Notes to Financial Statements December 31, 2018 and 2017

#### NOTE D - PROPERTY AND EQUIPMENT

At each year-end, property and equipment consisted of the following:

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
Furniture and fixtures	\$ 7,242	\$ 7,242
Leasehold improvements	<u>5,466</u>	<u>5,466</u>
	12,708	12,708
Less: accumulated depreciation and amortization	<u>(3,390)</u>	<u>(1,636)</u>
	<u>\$ 9,318</u>	<u>\$ 11,072</u>

#### NOTE E - CONTRIBUTED GOODS AND SERVICES

For several of the Foundation's special events held during the year, the Foundation received contributed goods and services for advertising, media coverage journal, prizes, and printing service. Revenue for such contributed goods and services has been recognized, with an equivalent offset to fund-raising expense for special events, based on a fair value of \$378,917 and \$641,274 for 2018 and 2017, respectively. Additionally, the Foundation received donated auction items of \$46,425 and \$96,890 at December 31, 2018 and 2017, respectively, in conjunction with one of their special events. These donation proceeds are included in revenue from special events in the accompanying statements of activities.

#### NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

At each year-end, net assets with donor restrictions consisted of the following:

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
Program - Cancer & Careers		\$ 50,000
Time-restricted	<u>\$ 312,793</u>	<u>350,432</u>
	<u>\$ 312,793</u>	<u>\$ 400,432</u>

During each year, net assets released from donor restrictions consisted of the following:

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
Program - Cancer & Careers	\$ 50,000	\$ 25,000
Time-restricted	<u>380,432</u>	<u>210,000</u>
	<u>\$ 430,432</u>	<u>\$ 235,000</u>

## COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

### Notes to Financial Statements December 31, 2018 and 2017

#### NOTE G - BANK LINE-OF-CREDIT

The Foundation maintains a bank line-of-credit which provides for a maximum credit line of \$3,200,000 at a variable interest rate based on LIBOR plus 1.5%. The line-of-credit is collateralized by a portion of the Foundation's investments which is equivalent to the amount of the draw down. There were no drawdowns during either 2018 or 2017.

#### NOTE H - RETIREMENT PLANS

##### [1] Defined-contribution 403(b) retirement plan:

The Foundation participates in the Prestige Employee Administrators Retirement Savings Plan, which is administrated and maintained by the Foundation's third-party professional service Organization (Note L[1]). The Plan is covered under Section 401(k) of the Code, and covers all eligible employees, whereby the Foundation contributes an amount equal to 3% of an employee's annual compensation, up to a maximum of \$8,250 per associate, as defined by the Plan. The Foundation's contribution to the plan was \$23,912 and \$34,279 in 2018 and 2017, respectively.

##### [2] Deferred compensation 457(b) retirement plan:

Effective January 1, 2018 the Foundation established a 457(b) deferred compensation plan for one employee. Accruals to this plan amounted to \$5,500 for 2018. This plan is administrated and maintained by the Foundation's third-party professional service organization (Note L[1]).

#### NOTE I - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Foundation's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of December 31, 2018 because of contractual or donor-imposed restrictions or internal designations.

The Foundation's financial assets available for general use within one year of the statements of financial position date for general expenditure are as follows:

Cash and cash equivalents	<b>\$ 627,453</b>
Contribution receivable, net	<b>149,759</b>
Investments	<b><u>3,909,000</u></b>
Total financial assets available within one year	<b><u>4,686,212</u></b>
Less: amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with for time	<b><u>(312,793)</u></b>
Total financial assets available to meet cash needs for general expenditures within one year	<b><u>\$ 4,373,419</u></b>

#### Liquidity policy:

As part of the Foundation's liquidity management, the Foundation maintains a sufficient level of operating cash and investments, available to meet general expenditures, current liabilities and other obligations that come due. The Foundation also has a committed line of credit to help manage unanticipated liquidity needs, if needed.

## COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

### Notes to Financial Statements December 31, 2018 and 2017

#### NOTE J - ALLOCATION OF JOINT COSTS

During each year, the Foundation conducted activities that included appeals for contributions as well as program components such as direct mail campaigns, special events and incurred joint costs, allocated as follows:

	Year Ended December 31,	
	2018	2017
Cancer and Careers Program	\$ 39,413	\$ 75,145
Fund-raising	<u>16,891</u>	<u>32,205</u>
	<u>\$ 56,304</u>	<u>\$ 107,350</u>

#### NOTE K - RELATED-PARTY TRANSACTIONS

The Foundation has various activities in common with Cosmetic Executive Women, Inc. (the "Organization"), a Section 501(c)(6) membership organization, the financial statements of which, under U.S. GAAP, do not meet the criteria for consolidation with those of the Foundation. Certain costs for shared general and administrative expenses, as well as shared office space, were allocated by the Organization to the Foundation totaling \$240,915 and \$244,350 for 2018 and 2017, respectively. Additionally, the Organization pays certain of the Foundation's expenses including allocated costs for office space, which are reimbursed by the Foundation. The Organization and Foundation share office space located at 159 West 25th Street under an operating lease agreement between the Organization and the landlord which expires in September 2024. At December 31, 2018, the payable due to the Organization amounted to \$10,261. The Foundation fully reimbursed the Organization subsequent to year-end. At December 31, 2017 the receivable due from the Organization amounted to \$1,520 and was received during 2018.

#### NOTE L - COMMITMENTS

##### [1] Payroll:

The Foundation leases its employees from a third-party, professional-service organization, under an agreement which automatically renews on an annual basis, unless terminated with notice by either party.

##### [2] Other contracts:

In the normal course of business, the Foundation enters into various contracts for professional, event-related, and other services, some of which are renewable on either a month-to-month or year-to-year basis.

#### NOTE M - CONCENTRATION OF REVENUE

During 2018 and 2017, approximately 63% and 62%, respectively, of the Foundation's total contributions were provided by one donor.

#### NOTE N - CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash balances in a high-credit-quality financial institution in amounts which, at times, may be in excess of federally insured limits. The Foundation has not experienced any losses in such accounts, and management believes that the Foundation is not exposed to any significant risk of loss due to the failure of this financial institution.