

ASSOCIATION OF WRITERS AND WRITING PROGRAMS

FINANCIAL STATEMENTS

June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Association of Writers & Writing Programs
Riverdale Park, Maryland

We have audited the accompanying financial statements of Association of Writers & Writing Programs, which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Association of Writers & Writing Programs as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, Association of Writers & Writing Programs adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended June 30, 2019. Our opinion is not modified with respect to this matter.

Wegner CPAs LLP

Wegner CPAs, LLP
Alexandria, Virginia
March 4, 2020

ASSOCIATION OF WRITERS & WRITING PROGRAMS
STATEMENT OF FINANCIAL POSITION
June 30, 2019

ASSETS

CURRENT ASSETS

Cash	\$ 489,975
Accounts receivable	84,468
Prepaid expenses	<u>65,937</u>

Total current assets	640,380
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PROPERTY AND EQUIPMENT

Website development	317,721
Computer equipment	142,139
Office furniture	155,645
Leasehold improvements	<u>18,723</u>

Property and equipment	634,228
Less accumulated depreciation and amortization	<u>(464,613)</u>

Property and equipment, net	169,615
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OTHER ASSETS

Cash held by University of Maryland	534,978
Investments	<u>3,602,524</u>

Total assets	<u>\$ 4,947,497</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 212,111
Deferred revenue	<u>290,419</u>

Total current liabilities	502,530
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NET ASSETS

Without donor restrictions	
Undesignated	2,152,249
Board designated	<u>1,936,855</u>

Total net assets without donor restrictions	4,089,104
With donor restrictions	<u>355,863</u>

Total net assets	<u>4,444,967</u>
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Total liabilities and net assets	<u>\$ 4,947,497</u>
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See accompanying notes.

ASSOCIATION OF WRITERS & WRITING PROGRAMS
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Annual conference	\$ 2,156,799	\$ -	\$ 2,156,799
Membership services	798,054	-	798,054
Advertising income	376,138	-	376,138
Contributions	19,555	2,377	21,932
Grant revenue	75,000	-	75,000
Investment return, net	123,003	16,083	139,086
Publications	24,021	-	24,021
Award series fees	38,394	-	38,394
Mailing list rental income	5,785	-	5,785
Other income	5,912	-	5,912
Total support and revenue	3,622,661	18,460	3,641,121
EXPENSES			
Program services			
Annual conference	1,466,379	-	1,466,379
Membership services	614,352	-	614,352
Publications	626,248	-	626,248
Total program services	2,706,979	-	2,706,979
Supporting activities			
Management and general	751,175	-	751,175
Development	217,392	-	217,392
Total expenses	3,675,546	-	3,675,546
Change in net assets	(52,885)	18,460	(34,425)
Net assets at beginning of year	4,141,989	337,403	4,479,392
Net assets at end of year	<u>\$ 4,089,104</u>	<u>\$ 355,863</u>	<u>\$ 4,444,967</u>

See accompanying notes.

ASSOCIATION OF WRITERS & WRITING PROGRAMS
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2019

	Program Services			Supporting Activities		Total Expenses
	Annual Conference	Membership Services	Publications	Management and General	Development	
Personnel	\$ 453,217	\$ 448,274	\$ 255,236	\$ 330,786	\$ 160,447	\$ 1,647,960
Conference expenses	696,196	-	-	38,160	939	735,295
Printing and photocopying	12,418	3,215	202,057	2,372	9,489	229,551
Occupancy	54,671	54,075	30,789	39,903	19,355	198,793
Professional fees	-	-	-	137,626	-	137,626
Travel	111,185	-	-	14,729	3,509	129,423
Honorariums and awards	75,300	7,245	41,644	-	-	124,189
Bank charges	-	-	-	88,869	-	88,869
Postage	11,747	11,619	51,652	8,574	4,158	87,750
IT and network	13,951	44,793	7,857	10,182	4,939	81,722
Depreciation and amortization	13,517	13,369	7,612	9,865	4,785	49,148
Promotions	-	-	-	47,354	1,234	48,588
Office	8,768	13,672	4,938	6,399	3,103	36,880
Computer expenses	7,312	7,325	4,118	5,337	2,588	26,680
Awards	59	2,814	15,819	-	-	18,692
Telephone	4,687	4,636	2,639	3,421	1,659	17,042
Insurance	3,351	3,315	1,887	2,446	1,187	12,186
Miscellaneous	-	-	-	5,152	-	5,152
Total expenses	\$ 1,466,379	\$ 614,352	\$ 626,248	\$ 751,175	\$ 217,392	\$ 3,675,546

See accompanying notes.

ASSOCIATION OF WRITERS & WRITING PROGRAMS
STATEMENT OF CASH FLOWS
Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (34,425)
Adjustments to reconcile change in net assets to net cash flows from operating activities	
Endowment contributions	(2,377)
Depreciation and amortization	49,148
Net realized and unrealized gain on investments	(98,219)
(Increase) decrease in assets	
Accounts receivable	(33,838)
Prepaid expenses	20,462
Cash held by University of Maryland	(534,978)
Increase (decrease) in liabilities	
Accounts payable and accrued expenses	128,183
Deferred revenue	(192,651)

Net cash flows from operating activities (698,695)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from redemption of certificate of deposit	34,114
Purchases of property and equipment	(25,664)
Purchases of and interest and dividends retained in investments	(248,240)

Net cash flows from investing activities (239,790)

CASH FLOWS FROM FINANCING ACTIVITIES

Contributions restricted for endowment	2,377
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Change in cash (936,108)

Cash at beginning of year 1,426,083

Cash at end of year \$ 489,975

See accompanying notes.

ASSOCIATION OF WRITERS & WRITING PROGRAMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Association of Writers and Writing Programs (AWP) is a nonprofit organization established in 1967 to promote literary talent and achievement, promote the art of writing, and serve the authors, teachers, and students of contemporary writing. AWP supports the Master of Fine Arts degree as the appropriate terminal degree for writers who teach in higher education. Revenue sources include contributions, sponsorships, memberships, registrations, and other program service fees.

Adoption of New Accounting Pronouncement

AWP adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended June 30, 2019. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. A key change required by the update are the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an estimate made for doubtful accounts based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using the historical experience applied to an aging of accounts. Recoveries of accounts receivable previously written off are recorded when received. At June 30, 2019, all amounts were deemed fully collectible.

Investments

AWP reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of financial position.

Property and Equipment

AWP capitalizes property and equipment with a cost of \$500 or more. Purchased property and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 10 years.

ASSOCIATION OF WRITERS & WRITING PROGRAMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Annual conference income refers to registration fees and sales of books and other publications that AWP receives through hosting an annual writers' conference. This revenue is recognized when the conference is held. Conference income includes income from sponsoring organizations, which is recognized in accordance with the contributions revenue recognition policy.

Membership services represent dues associated with annual membership and subscription fees that are generally paid in advance for one or two years of services, depending on the nature of the membership. The unearned portion is reported as deferred revenue and amortized as the related period elapses.

Award series fees are fees collected through an annual writing contest and are used to pay honorariums and awards. These fees are recognized upon completion of the work.

Government Grants

Government grants are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined by the grant, are made. Funds received but not earned are shown as deferred revenue. Expenditures under government grants are subject to review by the granting authority. To the extent, if any, that such review reduces expenditures allowable under these grants, AWP will record such disallowance at the time the final assessment is made.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Income Tax Status

AWP is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to AWP's tax-exempt purpose is subject to taxation as unrelated business income. In addition, AWP qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

ASSOCIATION OF WRITERS & WRITING PROGRAMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, printing and photocopying, occupancy, postage, IT and network, depreciation and amortization, office, computer expenses, telephone, and insurance, which are allocated on the basis of estimates of time and effort. The following program services and supporting activities are included in the accompanying financial statements:

Annual Conference – Annual conference held each year in a different region of North America in order to celebrate the outstanding authors, teachers, writing programs, literary centers, and small press publishers of that region. The Annual Conference includes various readings, lectures, panel discussions, and forums as well as book signings, receptions, dances, and informal gatherings.

Membership Services – Includes a Writer-to-Writer Mentorship Program, the Intro Journals Project, various publications, a website, and networks of information for students, writers, and literary professionals. Membership also provides the AWP Job List, which is updated periodically on AWP's website. The AWP Job List features employment opportunities for writers in academia and also includes a growing number of job prospects in public affairs, publishing, and anywhere else a writer's skills might be needed.

Publications – AWP publishes *The Writer's Chronicle*, a literary journal that is published six times a year. Issues include: essays, interviews, extensive listings for publishing opportunities, summer conferences, and important deadlines of grants, awards, and fellowships for writers. AWP also has a catalog titled *AWP Official Guide to Writing Programs* which is edited by AWP's staff and published online to help students select their writing programs. The *Award Series* is an annual writing competition, sponsored by AWP and participating presses. The annual writing competition includes categories for poetry, short fiction, novels, and creative non-fiction. The winners of the competition receive an honorarium and publication of their work.

Management and General – Includes accounting and production of financial reports, oversight of the annual budget, management of AWP, maintaining the databases of AWP, and any other administrative and office service necessary for AWP.

Development – Includes the solicitation of new members and solicitation of contributed support from membership and the general public.

Date of Management's Review

Management has evaluated subsequent events through March 4, 2020, the date which the financial statements were available to be issued.

ASSOCIATION OF WRITERS & WRITING PROGRAMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2—CONCENTRATIONS OF CREDIT RISK

AWP maintains cash balances at two financial institutions located in Charleston, West Virginia and College Park, Maryland. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2019, AWP's uninsured cash balances total approximately \$1,055,000.

NOTE 3—INVESTMENTS

Investments consist of the following:

Money market funds	\$ 592,248
Mutual funds	1,602,441
Exchange traded funds	507,319
Fixed income annuities	<u>900,516</u>
Investments	<u><u>\$ 3,602,524</u></u>

NOTE 4—FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis are as follows:

Assets at Fair Value as of June 30, 2019				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 1,602,441	\$ 1,602,441	\$ -	\$ -
Exchange traded funds	507,319	507,319	-	-
Fixed income annuities	<u>900,516</u>	<u>-</u>	<u>900,516</u>	<u>-</u>
	<u><u>\$ 3,010,276</u></u>	<u><u>\$ 2,109,760</u></u>	<u><u>\$ 900,516</u></u>	<u><u>\$ -</u></u>

ASSOCIATION OF WRITERS & WRITING PROGRAMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 4—FAIR VALUE MEASUREMENTS (continued)

Fair values of mutual funds and exchange traded funds are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values for fixed income annuities are determined by reference to prices for similar assets

NOTE 5—CASH HELD BY UNIVERSITY OF MARYLAND

In December 2016, AWP entered into a memorandum of understanding (MOU) with the University of Maryland (UMD), to move its national headquarters and operations to UMD. AWP had a mutually beneficial agreement with UMD whereby AWP maintained its national headquarters and operations at UMD in exchange for enhancing UMD's recruitment of the best writing students and providing internships and fellowships in publishing, website design, public administration, fundraising and conference planning, among other topics, to students in a wide variety of majors. The MOU became effective on May 14, 2017, at which time UMD began serving as AWP's fiscal agent for purposes of disbursements and purchasing. As part of the MOU, AWP became affiliated with UMD as a sub-unit of the Department of English within the College of Arts and Humanities in the Division of Academic Affairs. UMD provided administrative services, including procurement and purchasing, payroll, human resource management, and employee services, billing and payment services, administration of research contracts and grants, and other operational services. The MOU had a term of five years, which was originally scheduled to expire in May 2022.

On July 1, 2017, AWP entered into a Funds Management Agreement (the Agreement) with the USM Foundation. The Agreement stated that the USM Foundation was to provide investment management services to manage AWP's endowment funds and operating funds. The endowment funds were managed in an endowment pool with other constituent institutions and foundations that the USM Foundation manages in exchange for a proportionate share of the investment management fees.

In June 2018, AWP and UMD decided to mutually terminate the MOU with UMD and the Agreement with the USM Foundation. AWP separated its accounts from UMD and USM Foundation effective August 1, 2018. Upon separation, UMD withheld a portion of AWP's funds to spend down the remainder of AWP's lease obligation with UMD. AWP has clear documentary evidence, including UMD's admission, that the MOU, along with its obligation to maintain a balance at UMD, was effectively terminated by agreement of the parties. UMD's claim that it had a right to withhold AWP's funds is unsupported by any documentation produced to date by UMD other than the terminated MOU. Outside legal counsel also reviewed documentation related to the MOU and the funds withheld by UMD and provided an opinion letter stating UMD does not have a legal basis for withholding the funds. At June 30, 2019, disputed cash held by UMD totaled \$534,978. AWP has not received accurate reporting of the funds prior and subsequent to June 30, 2019.

ASSOCIATION OF WRITERS & WRITING PROGRAMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 6—RETIREMENT CONTRIBUTIONS

AWP sponsors a 401(k) plan for its employees, whereby AWP deposits to each eligible employee's 401(k) account an amount equal to the employee's 401(k) contributions up to a maximum of 10% of the employee's annual salary. Full-time employees who have at least three months of service with AWP are automatically enrolled into the plan and are eligible for the 3% employer match. At each anniversary date of employment, the employer match increases by 1%, up to a maximum of 10%. Retirement expense for the year ended June 30, 2019 was \$47,439.

NOTE 7—NET ASSETS

Net assets without donor restrictions consists of the following:

Donald Hall endowment	\$ 195,954
Grace Paley endowment	181,353
Sue Silverman endowment	35,540
Services endowment	649,837
AWP cash reserve	874,171
Undesignated	<u>2,152,249</u>
Net assets without donor restrictions	<u>\$ 4,089,104</u>

Net assets with donor restrictions are restricted for the following purposes or periods:

Subject to AWP's spending policy and appropriation	
Endowment earnings	\$ 74,687
Endowment principal	<u>281,176</u>
Net assets with donor restrictions	<u>\$ 355,863</u>

NOTE 8—COMMITMENTS AND CONTINGENCIES

Government Grants

Reimbursements from government grant related expenses and overhead applicable to programs are subject to audits by the government agencies, which may result in adjustments for disallowed costs. No determination has been made regarding the effect, if any, such audits could have on the financial statements.

Contracts

AWP has contracts for hotel and conference facilities through 2022. The contracts contain a provision for cancellation fees should AWP cancel a meeting. The maximum cancellation fee that AWP could incur is approximately \$2,917,000. AWP has taken out insurance to cover AWP in the event of cancellation, however management does not anticipate any cancellations.

ASSOCIATION OF WRITERS & WRITING PROGRAMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 8—COMMITMENTS AND CONTINGENCIES (continued)

Leases

AWP has entered into various operating leases for office space and office equipment, which expire at various dates through the year ended June 30, 2023. The office space lease is a non-cancelable operating lease which contains a 3% annual escalation clause. Deferred rent on the operating lease is not recorded in the accompanying statement of financial position due to immateriality. Rent expense relating to operating leases for the year ended June 30, 2019 was \$174,352.

Future minimum payments required under the lease agreements are as follows:

2020	\$ 179,504
2021	184,811
2022	190,276
2023	218

NOTE 9—LIQUIDITY AND AVAILABILITY

The following table reflects AWP's financial assets as of the date of the statement of financial position reduced by amounts not available for expenditures within one year of the date of the statement financial position because of donor-imposed restrictions or internal designations.

Financial assets at year-end:

Cash	\$ 489,975
Accounts receivable	84,468
Cash held by University of Maryland	534,978
Investments	<u>3,602,524</u>
Total financial assets	4,711,945

Less those unavailable for general expenditures within one year due to:

Amounts unavailable due to contractual dispute with UMD	(534,978)
Designated by board of directors as quasi-endowed	(1,936,855)
Restricted by donors with purpose restrictions	(74,687)
Donor-restricted to maintain as an endowment	<u>(281,176)</u>

Financial assets available to meet cash needs for general expenditures within one year

\$ 1,884,249

Amounts currently not available for general expenditures include \$1,936,855 set aside as quasi-endowed by the Board of Directors, however these funds could be made available if needed if approved by the Board of Directors. As part of AWP's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

ASSOCIATION OF WRITERS & WRITING PROGRAMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 10—ENDOWMENT

AWP's endowment consists of a board designated quasi-endowment, established to support the Award Series writing contest, AWP's services, and the overall operations of AWP, and a donor established restricted endowment, established to support the programming of AWP. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of AWP has enacted Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, AWP considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the discretion of the applicable donor gift instrument. AWP has interpreted UPMIFA to not permit spending from underwater funds.

In accordance with UPMIFA, AWP 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 AWP 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 AWP, and (7) AWP's investment policies.

Investment Return Objectives, Risk Parameters, and Strategies. AWP has adopted an informal investment policy for endowment assets, consistent with its general investments, that attempts to provide a predictable stream of funding for the payment of obligations and mission-related expenses, administrative expenses, and the growth of financial surplus while seeking to maintain the purchasing power of the endowment assets.

Under this informal policy, the endowment assets are invested in a manner that is intended to produce results that exceed major investment benchmarks while assuming a moderate level of risk. Actual returns in any given year may vary from this amount.

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

Spending Policy. AWP has a spending policy to provide a steady and sustainable distribution of funds, with large fluctuations in endowment market value over short time periods highly undesirable. The spending policy considers inter-generational equity, whereby the current needs of the institution are not sacrificed to those of the present. AWP's current spending policy does not allow for the spending of underwater endowment funds.

ASSOCIATION OF WRITERS & WRITING PROGRAMS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE 10—ENDOWMENT (continued)

Endowment net asset composition by type of fund as of June 30, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount	\$ -	\$ 281,176	\$ 281,176
Accumulated investment gains	-	74,687	74,687
Quasi-endowment funds	<u>1,936,855</u>	<u>-</u>	<u>1,936,855</u>
Total endowment funds	<u>\$ 1,936,855</u>	<u>\$ 355,863</u>	<u>\$ 2,292,718</u>

Changes in endowment net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ 1,822,321	\$ 337,403	\$ 2,159,724
Contributions	-	2,377	2,377
Investment return, net	<u>114,534</u>	<u>16,083</u>	<u>130,617</u>
Endowment net assets at end of year	<u>\$ 1,936,855</u>	<u>\$ 355,863</u>	<u>\$ 2,292,718</u>