

WOMEN'S IMPACT FUND

FINANCIAL STATEMENTS
JUNE 30, 2016

Women's Impact Fund

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June 30, 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Women's Impact Fund
Charlotte, North Carolina

We have audited the accompanying financial statements of Women's Impact Fund, (the "Organization" - a nonprofit corporation), which comprise the statement of financial position – modified cash basis as of June 30, 2016, and the related statements of activities – modified cash basis, functional expenses - modified cash basis and cash flows – modified cash basis 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 the modified cash basis of accounting as described in Note 2 to the financial statements; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for 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 of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 in the first paragraph present fairly, in all material respects, the assets, liabilities, and net assets of Women's Impact Fund as of June 30, 2016 and its support, revenue, expenses and changes in net assets for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

Women's Impact Fund
Charlotte, North Carolina

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Report on Summarized Comparative Information

We have previously reviewed the Organization's 2015 financial statements, and in our report dated October 26, 2015, we indicated that we were not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the reviewed financial statements from which it has been derived.

C. DeWitt Ford & Company, P.A.

October 31, 2016

Women's Impact Fund

Statement of Financial Position - Modified Cash Basis

June 30, 2016, with prior year comparative totals

	2016 (Audited)	2015 (Reviewed)
<u>ASSETS</u>		
Cash	\$ 618,549	\$ 606,416
Sales tax receivable	1,274	760
Office equipment, net of accumulated depreciation of \$8,691	-	35
<i>TOTAL ASSETS</i>	<i>\$ 619,823</i>	<i>\$ 607,211</i>

LIABILITIES AND NET ASSETS

Liabilities:

Credit card payable	\$ 679	\$ 104
<i>Total Liabilities</i>	<i>679</i>	<i>104</i>

Net Assets:

Unrestricted:

Undesignated	108,178	70,200
Designated	145,113	155,113

Total Unrestricted Net Assets

Temporarily restricted

Total Net Assets

<i>TOTAL LIABILITIES AND NET ASSETS</i>	<i>\$ 619,823</i>	<i>\$ 607,211</i>
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Women's Impact Fund

Statement of Activities - Modified Cash Basis

Year Ended June 30, 2016, with prior year comparative totals

	Year ended June 30, 2016 (Audited)			2015 Totals (Reviewed)
	Unrestricted	Temporarily Restricted	Totals	
<u>SUPPORT AND REVENUE</u>				
Support and Revenue:				
Member contributions:				
To fund grants	\$ -	\$ 432,056	\$ 432,056	\$ 398,705
To fund operations	87,614	8,983	96,597	96,996
LEAP Fund contributions	43,749	-	43,749	45,752
Other grants and contributions	16,612	10,000	26,612	32,500
Interest income	620	-	620	616
Program fees and miscellaneous	13,060	-	13,060	15,436
Net Assets Released from Restrictions:				
Satisfaction of program restrictions	12,100	(12,100)	-	-
Satisfaction of time restrictions	454,880	(454,880)	-	-
<i>TOTAL SUPPORT AND REVENUE</i>	<i>628,635</i>	<i>(15,941)</i>	<i>612,694</i>	<i>590,005</i>
<u>EXPENSES</u>				
Program services	494,001	-	494,001	576,286
Management and general	58,798	-	58,798	43,300
Fundraising	47,858	-	47,858	35,931
<i>TOTAL EXPENSES</i>	<i>600,657</i>	<i>-</i>	<i>600,657</i>	<i>655,517</i>
<i>CHANGE IN NET ASSETS</i>	<i>27,978</i>	<i>(15,941)</i>	<i>12,037</i>	<i>(65,512)</i>
<i>NET ASSETS, BEGINNING</i>	<i>225,313</i>	<i>381,794</i>	<i>607,107</i>	<i>672,619</i>
<i>NET ASSETS, ENDING</i>	<i>\$ 253,291</i>	<i>\$ 365,853</i>	<i>\$ 619,144</i>	<i>\$ 607,107</i>

Women's Impact Fund

Statement of Functional Expenses - Modified Cash Basis

Year Ended June 30, 2016, with prior year comparative totals

	Year Ended June 30, 2016 (Audited)				2015 Totals (Reviewed)
	Program Services	Management and General	Fundraising	Totals	
<u>PERSONNEL</u>					
Salaries and benefits	\$ 43,802	\$ 21,901	\$ 21,901	\$ 87,604	\$ 81,599
Payroll taxes	3,190	1,595	1,595	6,380	5,504
<i>Total</i>	<i>46,992</i>	<i>23,496</i>	<i>23,496</i>	<i>93,984</i>	<i>87,103</i>
<u>OTHER EXPENSES</u>					
Grants disbursed	417,550	-	-	417,550	501,550
Occupancy	7,382	3,692	3,692	14,766	15,372
Technology and communications	3,190	4,211	2,527	9,928	9,159
Annual meeting	9,491	1,675	-	11,166	7,554
Board meetings	-	1,945	-	1,945	521
Professional fees	752	14,125	375	15,252	4,639
Dues and subscriptions	-	700	-	700	840
Printing	-	1,325	1,180	2,505	2,481
Office supplies	-	1,681	-	1,681	596
Parking	1,400	700	700	2,800	2,796
Other grant-related expense	2,476	-	-	2,476	2,577
Membership and development	4,690	-	10,942	15,632	11,620
Bank and credit card fees	-	-	4,791	4,791	2,957
Insurance	-	1,868	-	1,868	1,829
Postage	78	155	155	388	108
Other	-	3,190	-	3,190	3,166
<i>Total</i>	<i>447,009</i>	<i>35,267</i>	<i>24,362</i>	<i>506,638</i>	<i>567,765</i>
<i>TOTAL EXPENSES BEFORE</i>					
<i>DEPRECIATION</i>	<i>494,001</i>	<i>58,763</i>	<i>47,858</i>	<i>600,622</i>	<i>654,868</i>
<i>Depreciation</i>	<i>-</i>	<i>35</i>	<i>-</i>	<i>35</i>	<i>649</i>
<i>TOTAL EXPENSES</i>	<i>\$ 494,001</i>	<i>\$ 58,798</i>	<i>\$ 47,858</i>	<i>\$ 600,657</i>	<i>\$ 655,517</i>

Women's Impact Fund**Statement of Cash Flows - Modified Cash Basis****Year Ended June 30, 2016, with prior year comparative totals**

	2016 (Audited)	2015 (Reviewed)
<u>OPERATING ACTIVITIES</u>		
Change in net assets	\$ 12,037	\$ (65,512)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	35	649
(Increase) decrease in operating assets:		
Sales tax receivable	(514)	329
Increase (decrease) in operating liabilities:		
Credit card payable	575	(641)
<u>Cash Flows from Operating Activities</u>	<u>12,133</u>	<u>(65,175)</u>
<i>CHANGE IN CASH</i>	<i>12,133</i>	<i>(65,175)</i>
<i>CASH, BEGINNING</i>	<i>606,416</i>	<i>671,591</i>
<i>CASH, ENDING</i>	<i>\$ 618,549</i>	<i>\$ 606,416</i>

Women's Impact Fund

Notes to Financial Statements

June 30, 2016

NOTE 1 - NATURE OF ORGANIZATION AND ACTIVITIES

Women's Impact Fund (the Organization) was formed in 2003 and was operated as a special initiative of Foundation for the Carolinas. Effective January 1, 2010, the Organization was reorganized as a self-sustaining, self-governing public charity. The purpose of the Organization is to maximize women's leadership in philanthropy by engaging and educating its membership, increasing charitable contributions and strengthening the Charlotte-Mecklenburg community through the impact of collective giving. Each year, the Organization awards grants in each of five focus areas: education, environment, health, human services, and arts and culture. The Organization's support and revenue consists primarily of grants and contributions from members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with the modified cash basis of accounting, which is a comprehensive basis other than U.S. generally accepted accounting principles.

Pursuant to the cash basis of accounting, revenue and the related assets are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred. In addition, all other amounts received are recorded as cash receipts and all other amounts expended are recorded as cash disbursements. No amounts have been reflected in the financial statements for services contributed to the Organization.

The Organization has adopted the following modifications to the cash basis of accounting:

- The payment and refund of state sales tax paid are shown as changes in an asset, sales tax receivable, rather than as receipts and disbursements. The balance at year-end is expected to be collected in full in the following year.
- Acquisitions of office equipment are capitalized as fixed assets and recorded on the books at historical cost.
- Depreciation is provided over the estimated useful lives of the fixed assets.
- Charges made on the Organization's credit cards are recorded as an expense and a corresponding liability.

The significant difference between the basis of accounting and reporting employed by the Organization and generally accepted accounting principles, in addition to the timing of the recognition of revenue and expenses, is as follows:

- No amounts have been reflected in the financial statements for services or property contributed to the Organization.

Women's Impact Fund

Notes to Financial Statements

June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to the following three classes of net assets:

Unrestricted net assets – Unrestricted net assets are those currently available for use in the day-to-day operation of the Organization and funds designated for activities other than normal operations by the Organization's Board of Directors.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. During the year the Organization had no permanently restricted net assets.

Contributions and Grants

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Restricted support received is reported as an increase in temporarily restricted net assets. When a donor restriction no longer applies (that is, when a stipulated time period ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Office Equipment

The Organization records purchased property and equipment at cost, both subject to a \$1,000 capitalization policy. Depreciation is calculated using the straight-line method. Office and computer equipment are depreciated over a three-year life.

Functional Allocation of Expenses

Expenses are allocated to program services, management and general, and fundraising based on management's estimates of time spent and various allocation methods appropriate to the type of expense.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Organization is a nonprofit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation.

Women's Impact Fund

Notes to Financial Statements

June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Prior-Year Comparative Totals

The financial statements include certain prior year summarized information, which is presented for comparative purposes only. Accordingly, such information should be read in conjunction with the Organization's 2015 financial statements from which the summarized information was derived. Certain prior-year amounts have been reclassified to conform to current year's presentation.

NOTE 3 - NET ASSETS

Unrestricted net assets of \$145,868 at year-end represent amounts designated by the Board of Directors for the LEAP ("Leadership, Education and Philanthropy") Fund. The LEAP Fund was established during a prior year to provide resources to enhance the Organization's member support and services. LEAP Fund disbursements require approval of the Board of Directors.

Temporarily restricted net assets at year-end are as follows:

Time-restricted:

To fund future grants	\$ 355,178
To fund future operations	<u>10,675</u>
	<u>\$ 365,853</u>

NOTE 4 - LEASE AND OTHER COMMITMENTS

The Organization leases office space under an agreement that expires May 30, 2017. Future minimum lease payments under this lease are \$7,425. Rental expense paid during the year related to this lease and a previously terminated office lease totaled \$15,372.

The Organization has awarded grants to certain nonprofit organizations that will be paid within the next two subsequent years. At year-end, these committed grants totaled \$280,000 and will be recognized as grant expense as they are paid in subsequent years in accordance with the modified cash basis of accounting.

The Organization has a commitment at year-end to pay the final \$10,000 installment on a contract for an impact study to be completed after year-end. The initial installment of \$10,000 paid during the year is included in professional fees expense reported in the accompanying statement of functional expenses.

NOTE 5 - BUSINESS RISKS AND CREDIT CONCENTRATIONS

Cash

Cash held in interest-bearing bank accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The total cash held by the Organization at year-end includes \$368,645 in excess of insured limits covered by the FDIC.

Women's Impact Fund

Notes to Financial Statements

June 30, 2016

NOTE 5 - BUSINESS RISKS AND CREDIT CONCENTRATIONS, continued

Support and Revenue

The Organization relies on continued support from a limited number of members and grantors. Significant declines in funding from these sources could have a potentially adverse impact on operations of the Organization. Also, the Organization operates in a small geographic area and is therefore sensitive to changes in the local economy.

NOTE 6 - GRANT ADMINISTRATION

In years prior to the year ended June 30, 2014, the Organization transferred all grant funds awarded to Foundation for the Carolinas after the awards were announced in May or June of that year, and Foundation for the Carolinas would then make the grant distributions to the Organization's grant recipients. The Organization paid Foundation for the Carolinas \$7,500 per year to perform these grant administration duties. During the year ended June 30, 2014, the Organization made the decision to administer its grant funds itself. Therefore, at June 30, 2014, grant funds awarded during the year ended June 30, 2014, which previously would have been transferred to Foundation for the Carolinas, remained in the Organization's accounts. These funds were subsequently distributed in July 2014. A portion of the grant funds awarded for the year ended June 30, 2015 were distributed by year end June 30, 2015.

NOTE 7 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events from the date of the statement of financial position through the date of the independent auditors' report, which is the date the financial statements were available to be issued. No material recognizable subsequent events have been identified.