

WASHINGTON WOMEN'S FOUNDATION

FINANCIAL STATEMENTS  
With Independent Auditor's Report

YEARS ENDED DECEMBER 31, 2015 AND 2014



WASHINGTON  
WOMEN'S  
FOUNDATION

WASHINGTON WOMEN'S FOUNDATION

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

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INDEPENDENT AUDITOR'S REPORT

June 21, 2016

Board of Directors  
Washington Women's Foundation  
Seattle, Washington

We have audited the accompanying financial statements of Washington Women's Foundation (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2015 and 2014, 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**

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.

**Auditors' 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 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 in the first paragraph of this letter present fairly, in all material respects, the financial position of Washington Women's Foundation as of December 31, 2015 and 2014, 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.

*Jacobson Jarvis & Co, PLLC*

Jacobson Jarvis & Co, PLLC

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 1,427,769	\$ 1,186,221
Prepaid expenses	4,720	2,319
	<u>1,432,489</u>	<u>1,188,540</u>
Total Current Assets		
Copyright, net of amortization	-	3,946
Reserve Investments	-	284,469
Endowment Investments	<u>3,468,036</u>	<u>3,573,658</u>
	<u>\$ 4,900,525</u>	<u>\$ 5,050,613</u>
Total Assets		
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Current portion of grants payable to others	\$ 210,833	\$ 289,999
Accounts payable	8,999	4,546
Accrued expenses	22,653	20,598
Deferred revenue	<u>18,000</u>	<u>14,000</u>
	<u>260,485</u>	<u>329,143</u>
Total Current Liabilities		
Grants Payable to Others - long term	<u>53,333</u>	<u>33,333</u>
	<u>313,818</u>	<u>362,476</u>
Total Liabilities		
Net Assets		
Unrestricted	405,886	223,689
Board designated reserve fund	-	280,000
Board designated quasi-endowment	<u>584,833</u>	<u>517,597</u>
	<u>990,719</u>	<u>1,021,286</u>
Total Unrestricted Net Assets		
Temporarily restricted	989,165	1,106,953
Permanently restricted - endowment	<u>2,606,823</u>	<u>2,559,898</u>
	<u>4,586,707</u>	<u>4,688,137</u>
Total Net Assets		
Total Liabilities and Net Assets	<u>\$ 4,900,525</u>	<u>\$ 5,050,613</u>

See notes to financial statements.

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015				2014			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Operating Activities</b>								
Public support, revenue and other support								
Grant contributions	\$ -	\$ 943,036		\$ 943,036	\$ -	\$ 947,467		\$ 947,467
Contributions	370,902	45,000		415,902	319,522	23,457		342,979
Endowment earnings transferred from non-operating	166,007			166,007	104,427			104,427
Event sponsorships	43,500			43,500	42,750			42,750
Investment interest	4,810			4,810	3,209			3,209
Other revenue	2,740			2,740	4,831			4,831
Net assets released from time restrictions	28,457	(28,457)		-	29,482	(29,482)		-
Net assets released from purpose restrictions	931,575	(931,575)		-	923,096	(923,096)		-
<b>Total Public Support, Revenue, and Other Support</b>	<b>1,547,991</b>	<b>28,004</b>		<b>1,575,995</b>	<b>1,427,317</b>	<b>18,346</b>		<b>1,445,663</b>
<b>Expenses</b>								
Program services	1,302,026			1,302,026	1,319,092			1,319,092
Management and general	159,587			159,587	148,025			148,025
Fundraising	40,081			40,081	42,983			42,983
<b>Total Expenses</b>	<b>1,501,694</b>			<b>1,501,694</b>	<b>1,510,100</b>			<b>1,510,100</b>
<b>Change in Net Assets from Operating Activities</b>	<b>46,297</b>	<b>28,004</b>		<b>74,301</b>	<b>(82,783)</b>	<b>18,346</b>		<b>(64,437)</b>
<b>Non-operating Activities</b>								
Endowment contributions			\$ 46,925	46,925			\$ 30,518	30,518
Interest and dividends, net of investment fees of \$53,530 and \$56,388, respectively	1,083	5,679		6,762	3,030	12,647		15,677
Transfers to operations - released from time restrictions	(70,057)	(95,950)		(166,007)	(15,076)	(89,351)		(104,427)
Investment (losses) gains - realized and unrealized	(7,890)	(55,521)		(63,411)	25,756	89,121		114,877
<b>Change in Net Assets from Non-operating Activities</b>	<b>(76,864)</b>	<b>(145,792)</b>	<b>46,925</b>	<b>(175,731)</b>	<b>13,710</b>	<b>12,417</b>	<b>30,518</b>	<b>56,645</b>
<b>Total Change in Net Assets</b>	<b>(30,567)</b>	<b>(117,788)</b>	<b>46,925</b>	<b>(101,430)</b>	<b>(69,073)</b>	<b>30,763</b>	<b>30,518</b>	<b>(7,792)</b>
Net Assets - beginning of year	1,021,286	1,106,953	2,559,898	4,688,137	1,090,359	1,076,190	2,529,380	4,695,929
Net Assets - end of year	<u>\$ 990,719</u>	<u>\$ 989,165</u>	<u>\$ 2,606,823</u>	<u>\$ 4,586,707</u>	<u>\$ 1,021,286</u>	<u>\$ 1,106,953</u>	<u>\$ 2,559,898</u>	<u>\$ 4,688,137</u>

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015				2014			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 240,234	\$ 81,912	\$ 25,373	\$ 347,519	\$ 226,735	\$ 72,742	\$ 26,587	\$ 326,064
Payroll taxes	20,466	6,641	2,058	29,165	18,672	5,965	2,176	26,813
Employee benefits	24,083	5,854	1,906	31,843	24,652	5,775	2,261	32,688
Total Salaries and Related Expenses	284,783	94,407	29,337	408,527	270,059	84,482	31,024	385,565
Grants to others	884,750	-	-	884,750	910,500	-	-	910,500
Office operation expenses	85,352	22,981	6,458	114,791	100,184	24,035	8,286	132,505
Professional services	44,371	41,300	4,009	89,680	35,502	38,737	3,383	77,622
Amortization	2,770	899	277	3,946	2,847	771	290	3,908
Total Expenses	<u>\$ 1,302,026</u>	<u>\$ 159,587</u>	<u>\$ 40,081</u>	<u>\$ 1,501,694</u>	<u>\$ 1,319,092</u>	<u>\$ 148,025</u>	<u>\$ 42,983</u>	<u>\$ 1,510,100</u>

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (101,430)	\$ (7,792)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Amortization	3,946	3,908
Loss (gain) on marketable securities	63,411	(114,877)
Reinvested earnings, net	(6,762)	(15,677)
Public support restricted to endowment	(46,925)	(30,518)
Change in:		
Prepaid expenses	(2,401)	(319)
Grants payable to others	(59,166)	(13,334)
Accounts payable	4,453	(192)
Accrued expenses	2,055	(3,320)
Deferred revenue	<u>4,000</u>	<u>10,500</u>
Net Cash Used by Operating Activities	<u>(138,819)</u>	<u>(171,621)</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of marketable securities	(117,514)	(105,500)
Sales of marketable securities	<u>450,956</u>	<u>178,667</u>
Net Cash Provided by Investing Activities	<u>333,442</u>	<u>73,167</u>
<b>Cash Flows Provided by Financing Activities</b>		
Cash received from endowment contributions	<u>46,925</u>	<u>30,518</u>
Change in Cash and Cash Equivalents	241,548	(67,936)
Cash and Cash Equivalents - beginning of year	<u>1,186,221</u>	<u>1,254,157</u>
Cash and Cash Equivalents - end of year	<u>\$ 1,427,769</u>	<u>\$ 1,186,221</u>



WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Washington Women's Foundation (the Foundation) is a nonprofit corporation whose vision is to change the course of women's philanthropy through the power of collective giving. The Foundation's mission is to educate, inspire and increase the number of women committed to philanthropy in order to strengthen community and demonstrate the impact that can result from informed, focused grant-making. Washington Women's Foundation was founded in 1995 as a donor education and grant-making nonprofit. Today Washington Women's Foundation has a membership of about 500 women and has provided over \$15,000,000 in grants to the community since its inception twenty years ago.

In 2015, Washington Women's Foundation awarded \$500,000 in pooled grant funds to five nonprofits evaluated through a rigorous review process and selected by membership vote. In addition, \$344,750 in individual grants were recommended by its members and distributed to 289 nonprofits. The Foundation hosted 46 educational events attended by hundreds of members and their guests. A professional staff of six employees supported by a member-elected board, nine board and operating committees and more than 200 volunteers conduct the work of the Foundation, organizing the pooled grant selection process, offering educational programs to members and conducting outreach to the nonprofit and philanthropic community.

Basis of presentation

In accordance with financial accounting standards, the Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The net assets of the Foundation are classified as follows:

Unrestricted net assets are available without restriction for support of the Foundation's operations.

Temporarily restricted net assets are restricted by the donor to be used for certain purposes or future periods. Temporarily restricted net assets are available as follows:

	<u>2015</u>	<u>2014</u>
Pooled grants	\$ 501,500	\$ 498,325
Individual grants	145,500	137,500
Partner grants	7,192	6,906
Accumulated endowment earnings	272,473	418,265
Donations for future periods	62,500	45,957
	<u>\$ 989,165</u>	<u>\$ 1,106,953</u>

Permanently restricted net assets are endowment gifts given with the intent that the funds be perpetual in nature, and the income may be used for current operations or specific purposes. The Foundation has one permanently restricted fund, the Colleen S. Willoughby Endowment.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash and cash equivalents represent checking, savings, certificates of deposit, and money market funds held at various regional financial institutions. The Foundation maintains its cash and cash equivalents in bank accounts that may exceed federally insured limits at times during the year. The Foundation has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

The Foundation has certificates of deposit, which bear interest ranging from .80% to .90% and have maturities of 18 to 24 months with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

Fair value measurements

In accordance with financial accounting standards, a three-tiered hierarchy of input levels is used for measuring fair value. Financial accounting standards defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques utilized to determine fair value are consistently applied. The three tiers of inputs used for fair value measurements are as follows:

Level 1: Fair values are based on quoted prices in active markets for identical assets and liabilities.

Level 2: Fair values are based on observable inputs and can be corroborated by observable market data for substantially the full term of the assets.

Level 3: Fair values are based on unobservable data and may require significant management judgment or estimation.

Assets and liabilities carried at fair value on a nonrecurring basis using level 2 inputs generally include donated goods, facilities and services. Long-term promises to give are valued on a nonrecurring basis using the net present value of future cash flows discounted at a risk-free rate of return which is a level 3 input.

Investments

Investments are stated at fair value. The Colleen S. Willoughby Endowment Fund and the Washington Women's Foundation Quasi-Endowment Fund are both held at Seattle Foundation as Designated Funds (See Note B).

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to give

In accordance with financial accounting standards, unconditional promises to give are recognized as support in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Foundation had no conditional promises to give at December 31, 2015 or 2014.

Copyright

In 2013 and 2012, the Foundation capitalized legal costs totaling \$11,762 to obtain copyright protection for its Grants Notebook. The full amount of these costs was amortized on a straight-line basis over three years, beginning in 2013. Amortization expense for 2015 and 2014 was \$3,946 and \$3,908, respectively. The costs were fully amortized as of December 31, 2015.

Property and equipment

Property and equipment are stated at cost or, if donated, at fair value at the date of donation. Property and equipment purchases that exceed \$5,000 are capitalized as assets. Depreciation is provided using the straight-line method over the estimated useful lives of the assets of three years. The sole capitalized assets as of December 31, 2015 and 2014 were the fully-depreciated website and database software with original cost of \$37,738.

Grants payable to others

Grants authorized by the Board of Directors, but unpaid at year-end, are reported as liabilities and are payable in one to five years.

Operating and non-operating activity

Operating activities include the regular business functions of the Foundation of grant-making, program management, education, member relations, contributions, fundraising, cash management, short-term investing, staff salaries, and office expenses. Non-operating activities include the permanently restricted Colleen S. Willoughby Endowment and the unrestricted Board Designated WWF Quasi-Endowment, both held at Seattle Foundation.

Restricted and unrestricted support

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Use of 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 disclosures 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.

Federal income taxes

The Internal Revenue Service has recognized the Foundation as exempt from federal income taxes under provision of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3) and not as a private foundation.

NOTE B - ENDOWMENTS HELD BY SEATTLE FOUNDATION

Washington Women's Foundation's Colleen S. Willoughby Endowment was established at Seattle Foundation through a nonprofit endowment agreement under the name Washington Women's Foundation Designated Endowment Fund in 2005. In 2010, the Washington Women's Foundation Quasi-Endowment was established as a Designated Fund at Seattle Foundation. The purpose of both funds is to ensure the long-term viability and sustainability of Washington Women's Foundation. For the purposes of this note, both the Endowment and Quasi-Endowment will be referred to as the Endowment.

Seattle Foundation was established in 1946 and since its formation has managed funds for many nonprofit organizations in the Puget Sound Area. The Endowment is invested by Seattle Foundation in its Balanced Pool Fund. As required by financial accounting standards, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. As required by the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the portion of each donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until appropriated for expenditure by the Foundation.

**Interpretation of Relevant Law**

The Board of Directors of Washington Women's Foundation has interpreted UPMIFA 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.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

**NOTE B - ENDOWMENTS HELD BY SEATTLE FOUNDATION (Continued)**

As a result of the interpretations, the Foundation classifies as permanently restricted net assets the original value of all gifts donated to the permanent endowment. Investment returns on permanently restricted endowments are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation.

**Spending Policy**

The Endowment is subject to the spending policy of Seattle Foundation. Seattle Foundation has a general policy of appropriating for distribution each year 4.5 percent of the Endowment's fair value over the 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. Washington Women's Foundation has requested that it receive annual disbursements of all available funds under Seattle Foundation spending policy. During the years ended December 31, 2015 and 2014, Seattle Foundation distributed \$166,007 and \$104,427, respectively, from the Endowment.

**Return Objectives**

Because the Endowment is under permanent management at Seattle Foundation, Seattle Foundation has control over the return objectives, risk parameters, investment policy and spending policy for the Endowment. Seattle Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of endowment assets.

Under this policy, Endowment assets are invested in a manner that is intended to produce results that, over time, will provide a real rate of return equal to the spending rate plus inflation, while assuming a reasonable level of investment risk. Seattle Foundation expects its endowment funds to provide long-term annualized returns exceeding CPI plus 4.5%. Actual returns in any given year may vary from these amounts. This is consistent with Washington Women's Foundation's objective to maintain the purchasing power of the Endowment's assets held in perpetuity.

**Strategies Employed for Achieving Objectives**

Seattle Foundation, as noted above, invests the Endowment in its Balanced Pool Fund in which funds from all donors are commingled in a diversified asset allocation. To satisfy its long-term rate of return objectives, Seattle 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).

Seattle Foundation 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.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE B - ENDOWMENTS HELD BY SEATTLE FOUNDATION (Continued)

Endowment Net Assets by Fund Type as of December 31, 2015:

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Colleen S. Willoughby Endowment	\$ -	\$ 272,473	\$ 2,606,823	\$ 2,879,296
WWF Quasi-Endowment	<u>588,740</u>	<u>-</u>	<u>-</u>	<u>588,740</u>
Total Endowments	<u>\$ 588,740</u>	<u>\$ 272,473</u>	<u>\$ 2,606,823</u>	<u>\$ 3,468,036</u>

Changes in Endowment Net Assets For the Year Ended December 31, 2015:

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 595,495	\$ 418,265	\$ 2,559,898	\$ 3,573,658
Board Transfer	76,171	-	-	76,171
Contributions	<u>-</u>	<u>-</u>	<u>46,925</u>	<u>46,925</u>
Investment return:				
Investment income	10,235	48,649	-	58,884
Investment fees	(9,030)	(42,970)	-	(52,000)
Net losses	<u>(14,074)</u>	<u>(55,521)</u>	<u>-</u>	<u>(69,595)</u>
Total investment return	(12,869)	(49,842)	-	(62,711)
Appropriation of endowment assets for expenditure*	<u>(70,057)</u>	<u>(95,950)</u>	<u>-</u>	<u>(166,007)</u>
Endowment net assets, end of year	<u>\$ 588,740</u>	<u>\$ 272,473</u>	<u>\$ 2,606,823</u>	<u>\$ 3,468,036</u>

Endowment Net Assets by Fund Type as of December 31, 2014:

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Colleen S. Willoughby Endowment	\$ -	\$ 418,265	\$ 2,559,898	\$ 2,978,163
WWF Quasi-Endowment	<u>595,495</u>	<u>-</u>	<u>-</u>	<u>595,495</u>
Total Endowments	<u>\$ 595,495</u>	<u>\$ 418,265</u>	<u>\$ 2,559,898</u>	<u>\$ 3,573,658</u>

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE B - ENDOWMENTS HELD BY SEATTLE FOUNDATION (Continued)

Changes in Endowment Net Assets For the Year Ended December 31, 2014:

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 563,357	\$ 405,848	\$ 2,529,380	\$ 3,498,585
Board Transfer	27,417	-	-	27,417
Contributions	-	-	30,518	30,518
Investment return:				
Investment income	11,015	55,540	-	66,555
Investment fees	(8,515)	(42,893)	-	(51,408)
Net gains	17,297	89,121	-	106,418
Total investment return	19,797	101,768	-	121,565
Appropriation of endowment assets for expenditure*	(15,076)	(89,351)	-	(104,427)
Endowment net assets, end of year	<u>\$ 595,495</u>	<u>\$ 418,265</u>	<u>\$ 2,559,898</u>	<u>\$ 3,573,658</u>

\*From time to time and under its spending policy, Seattle Foundation releases and distributes funds to Washington Women's Foundation for its operations.

NOTE C - FAIR VALUE MEASUREMENTS

The Washington Women's Foundation investments are invested in Seattle Foundation's Balanced Pool Fund, but Washington Women's Foundation does not have a direct claim to a portion of each individual stock, bond, or other investment within the Balanced Pool Fund.

As of December 31, 2015, the percentage distribution of Seattle Foundation's Balanced Pool Fund across the three tiers was:

Level 1:	35%
Level 2:	33%
Level 3:	32%

Because Seattle Foundation's Balanced Pool Fund is comprised of many different investments with varying levels of observable inputs, Washington Women's Foundation cannot directly corroborate the valuation of the entire Balanced Pool Fund.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE C - FAIR VALUE MEASUREMENTS (Continued)

Therefore, the Washington Women's Foundation investments at Seattle Foundation as a whole are said to be based on Level 3 inputs with activity as follows:

	<u>2015</u>	<u>2014</u>
Fair value - beginning of year	\$ 3,855,059	\$ 3,750,107
Purchases	117,514	105,500
Investment income	60,292	72,066
Investment fees	(53,530)	(56,388)
Distributions	(458,217)	(131,844)
Net (losses) gains	<u>(61,732)</u>	<u>115,618</u>
Fair value - end of year	<u>\$ 3,459,386</u>	<u>\$ 3,855,059</u>

NOTE D - LEASE OBLIGATION

The Foundation leases office space under a non-cancelable operating lease with a term of thirty-six months. The most recent lease renewal began on February 1, 2015. Increase in base rent is 1.5% for each of the periods starting February 1, 2016 and February 1, 2017. The future established minimum payments under this lease for the years ending December 31 are as follows:

2016	\$ 14,968
2017	15,183
2018	<u>1,267</u>
	<u>\$ 31,418</u>

Rent expense related to this lease was \$14,754 and \$14,547 for the years ended December 31, 2015 and 2014, respectively, and was included in office operation expenses.

NOTE E - RETIREMENT PLAN

The Foundation offers a SEP IRA to employees who have completed one year of service. For the years ended December 31, 2015 and 2014, the Foundation contributed an amount equal to 3% of each eligible employee's gross wages, totaling \$7,103 and \$8,025, respectively, to the employees' SEP IRA accounts.

NOTE F - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to December 31, 2015 through June 21, 2016, which is the date the financial statements were available to be issued, and has recognized in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at December 31, 2015, including the estimates inherent in the processing of financial statements.