

**THE FOUNDATION OF ACCOUNTING
AND FINANCIAL WOMEN'S ALLIANCE**

FINANCIAL REPORT

JUNE 30, 2014



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Foundation of Accounting and Financial Women's Alliance
Lexington, Kentucky

We have audited the accompanying financial statements of The Foundation of Accounting and Financial Women's Alliance (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 of material misstatement.

An audit includes 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 principles 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 Foundation of Accounting and Financial Women's Alliance as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Steve Guy + Associates, PC

Fredericksburg, Virginia
August 27, 2014

FINANCIAL STATEMENTS

THE FOUNDATION OF ACCOUNTING AND FINANCIAL WOMEN'S ALLIANCE

STATEMENTS OF FINANCIAL POSITION

June 30, 2014 and 2013

ASSETS		
	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and cash equivalents	\$ 49,948	\$ 73,690
Investments	31,410	-
Accounts receivable	40	-
Scholarships receivable	9,330	3,580
Due from AFWA	6,083	5,835
Total Assets	<u>\$ 96,811</u>	<u>\$ 83,105</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 3,700	\$ 2,496
Total Liabilities	<u>3,700</u>	<u>2,496</u>
NET ASSETS		
Unrestricted	76,005	67,000
Temporarily restricted	17,106	13,609
Total Net Assets	<u>93,111</u>	<u>80,609</u>
 Total Liabilities and Net Assets	 <u>\$ 96,811</u>	 <u>\$ 83,105</u>

See accompanying notes.

THE FOUNDATION OF ACCOUNTING AND FINANCIAL WOMEN'S ALLIANCE

STATEMENTS OF ACTIVITIES

Years ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
UNRESTRICTED REVENUE AND SUPPORT		
Contributions	\$ 17,321	\$ 18,597
Scholarships	1,000	3,150
Special Events	18,003	13,231
In-kind contributions	9,952	10,333
AFWA support - Rebranding	2,025	-
Investment income	512	9
Net assets released from restrictions	13,150	13,966
Total Unrestricted Revenue and Support	<u>61,963</u>	<u>59,286</u>
EXPENSES		
Program Services		
Scholarships	28,000	29,966
In-kind donated goods	9,952	10,333
Chapter distributions	1,066	954
Total Program Services	<u>39,018</u>	<u>41,253</u>
Supporting Services		
Management and general	13,200	12,212
Fundraising	740	155
Total Supporting Services	<u>13,940</u>	<u>12,367</u>
Total Expenses	<u>52,958</u>	<u>53,620</u>
Change in unrestricted net assets	<u>9,005</u>	<u>5,666</u>
TEMPORARILY RESTRICTED NET ASSETS		
Scholarships	2,747	6,677
Contributions	13,900	8,950
Net assets released from restriction	<u>(13,150)</u>	<u>(13,966)</u>
Change in temporarily restricted net assets	<u>3,497</u>	<u>1,661</u>
CHANGE IN NET ASSETS	12,502	7,327
NET ASSETS, beginning of year	<u>80,609</u>	<u>73,282</u>
NET ASSETS, END OF YEAR	<u><u>\$ 93,111</u></u>	<u><u>\$ 80,609</u></u>

See accompanying notes.

THE FOUNDATION OF ACCOUNTING FINANCIAL WOMEN'S ALLIANCE

STATEMENTS OF CASH FLOWS

Years ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 12,502	\$ 7,327
Adjustments to reconcile increases in net assets to net cash by operating activities:		
Dividends & capital gain distributions reinvested	(63)	-
Unrealized gain on investments	(442)	-
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(40)	6,477
Contributions receivable	-	500
Scholarships receivable	(5,750)	2,016
Due from AFWA	(248)	(5,835)
Increase (decrease) in:		
Accounts payable and accrued expenses	1,204	2,419
Due to AFWA	-	(1,020)
Net cash provided by operating activities	<u>7,163</u>	<u>11,884</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net deposits to investments	<u>(30,905)</u>	<u>-</u>
Net cash (used in) investing activities	<u>(30,905)</u>	<u>-</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(23,742)	11,884
CASH AND CASH EQUIVALENTS, beginning of year	<u>73,690</u>	<u>61,806</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 49,948</u>	<u>\$ 73,690</u>

See accompanying notes.

THE FOUNDATION OF ACCOUNTING AND FINANCIAL WOMEN'S ALLIANCE

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES AND GENERAL INFORMATION

Nature of Organization

The Foundation of Accounting and Financial Women's Alliance ("the Foundation") is a nonprofit organization, incorporated in the District of Columbia. The Foundation exists to provide scholarships, and promote and advance education, career development and leadership in finance and accounting.

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting and are in accordance with generally accepted accounting principles for not-for-profit organizations.

Cash and Cash Equivalents

The Foundation considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable consists of amounts due to the Foundation as a result of conference activities. Accounts receivable are expected to be collected within one year and are recorded at net realizable value at June 30, 2014 and 2013. No allowance for doubtful accounts is recorded, as management believes that all accounts receivable are fully collectible.

Contributions Receivable

Contributions receivable consist of amounts promised from donors and donations for scholarship activities. Contributions receivable are expected to be collected within one year and are recorded at net realizable value at June 30, 2014 and 2013. No allowance for doubtful accounts is recorded, as management believes that all accounts receivable are fully collectible.

Income Taxes

The Foundation is recognized as a tax-exempt organization under IRC Section 501(c)(3) and is exempt from income taxes except for taxes on unrelated business activities. No provisions for income tax are required for the years ended June 30, 2014 and 2013, as the Foundation had no net unrelated business income. Contributions to the Foundation are deductible as provided in IRC Section 170(b)(1)(A)(vi).

The Foundation files IRS Form 990 annually. The returns for the years June 30, 2011 through 2014 remain open to potential examination by the IRS. Management is not aware of any significant uncertain tax positions. Therefore, no adjustments to these financial statements have been included for uncertain tax positions.

Investments

Investments consist of mutual funds and money funds that are recorded at market value. These investments are Level 1 of the fair value hierarchy, which means that they have prices quoted in active markets for identical assets. There were no level 2 or level 3 investments as of June 30, 2014 or 2013. Unrealized gains and losses are included in investment income as increases/decreases in unrestricted net assets on the Statements of Activities.

THE FOUNDATION OF ACCOUNTING AND FINANCIAL WOMEN'S ALLIANCE

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES AND GENERAL INFORMATION (continued)

Net Asset Classification

Net assets are comprised of the following categories:

Unrestricted net assets represent funds that are not subject to donor-imposed stipulations and are available for support of the Foundation's operations. Unrestricted net assets were \$76,005 and \$67,000 at June 30, 2014 and 2013, respectively.

Temporarily restricted net assets represent funds subject to donor-imposed restrictions that are met either by actions of the Foundation or the passage of time. Temporarily restricted net assets were \$17,106 and \$13,609 at June 30, 2014 and 2013, respectively.

Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Foundation reports contributions and sponsorships as temporarily restricted support if they are received with donor or grantor stipulations that limit the use of the donated assets.

When a donor restriction expires, 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 in the statements of activities as net assets released from restrictions. As permitted, restricted contributions whose restrictions are met in the same fiscal year are treated as unrestricted, including donations restricted for scholarships that the Foundation grants in the same fiscal year.

Revenue from all other sources is recognized when earned.

Donated Goods

Donated goods are included as in-kind contributions on the accompanying statements of activities at their estimated fair value at the date of receipt, which was \$9,952 and \$10,333 for the years ended June 30, 2014 and 2013, respectively. These contributions consist primarily of silent auction and raffle items, and other programmatic resources.

Fair Value of Financial Instruments

The Foundation's financial instruments consist of cash, investments, prepaid expenses, short-term receivables and payables. The carrying value for all such instruments, considering the terms, approximates fair value at June 30, 2014 and 2013.

Functional Allocation of Expenses

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

THE FOUNDATION OF ACCOUNTING AND FINANCIAL WOMEN'S ALLIANCE

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES AND GENERAL INFORMATION (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Date of Management Evaluation

Management has evaluated subsequent events through August 27, 2014, the date on which the financial statements were available to be issued.

NOTE 2 – Management Fees

The Foundation has contracted for management services, headquarters office space, and equipment usage. For the years ended June 30, 2014 and 2013, management fees were \$6,150 and \$5,000, which are included in management and general expenses on the accompanying statements of activities.

NOTE 3 – Related Parties

The Accounting and Financial Women's Alliance ("AFWA") is a related organization exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code (IRC). The AFWA does not have the ability to appoint the majority of the Foundation's Board of Directors and thus does not control the Foundation. The accompanying financial statements include only the activities of the Foundation.

Certain transactions including member dues and contributions are processed by AFWA and deposited to AFWA accounts which may result in AFWA owing funds to the Foundation. Additionally, certain costs are shared and paid by AFWA or the Foundation but are reimbursable from or to the other organization resulting in an amount due to/from the organizations.

At June 30, 2014 and 2013, there are receivables from AFWA of \$6,083 and \$5,835, respectively. These amounts are included on the accompanying statements of financial position.

THE FOUNDATION OF ACCOUNTING AND FINANCIAL WOMEN'S ALLIANCE

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 4 – Temporarily Restricted Net Assets

Temporarily Restricted net assets were available for the following programs at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Programs restricted:		
Scholarships	\$ 7,776	\$ 10,029
Professional review courses	<u>9,330</u>	<u>3,580</u>
Total temporarily restricted net assets	<u>\$ 17,106</u>	<u>\$ 13,609</u>