

Audited Financial Statements
**THE INTERNATIONAL WOMEN'S
MEDIA FOUNDATION**
June 30, 2015

The International Women's Media Foundation

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T A T E



T R Y O N

A Professional Corporation

Certified Public

Accountants

and Consultants

Independent Auditor's Report

To the Board of Directors
The International Women's Media Foundation

We have audited the accompanying financial statements of The International Women's Media Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2015 and 2014, 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 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 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 Foundation'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 Foundation'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 International Women's Media Foundation as of June 30, 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.

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May 18, 2016

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The International Women's Media Foundation

Statements of Financial Position

June 30,	2015	2014
Assets		
Cash and cash equivalents	\$ 31,281	\$ 1,013,973
Investments	9,994,465	1,312,291
Prepaid expense and other assets	158,449	93,390
Property and equipment	51,800	65,699
Total assets	\$ 10,235,995	\$ 2,485,353
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 547,281	\$ 139,514
Deferred rent and lease incentive	102,498	116,948
Total liabilities	649,779	256,462
Commitments and contingencies	-	-
Net Assets		
Unrestricted	13,566	444,809
Temporarily restricted	8,172,924	384,356
Permanently restricted	1,399,726	1,399,726
Total net assets	9,586,216	2,228,891
Total liabilities and net assets	\$ 10,235,995	\$ 2,485,353

The International Women's Media Foundation

Statements of Activities

<i>Year Ended June 30,</i>	2015	2014
Unrestricted activities		
Revenue and support		
Courage Awards	\$ 1,582,604	\$ 1,080,748
International Summit	200,000	-
Contributions	73,708	78,591
Rental income from sublease	11,383	24,894
Federal award	-	8,000
	1,867,695	1,192,233
Net assets released from restriction	1,424,239	850,171
Total revenue and support	3,291,934	2,042,404
Expense		
Program services		
Training and research	1,922,243	584,334
Courage Awards	704,341	617,783
Total program services	2,626,584	1,202,117
Supporting services		
General and administrative	573,543	534,086
Fundraising	523,448	301,964
Total supporting services	1,096,991	836,050
Total expense	3,723,575	2,038,167
Change in unrestricted net assets from operations	(431,641)	4,237
Investment income	398	3,371
Change in unrestricted net assets	(431,243)	7,608
Temporarily restricted activities		
Contributions	9,208,820	704,200
Investment income	3,987	5,448
Net assets released from restriction	(1,424,239)	(850,171)
Change in temporarily restricted net assets	7,788,568	(140,523)
Permanently restricted activities		
Contribution	-	1,000,000
Change in permanently restricted net assets	-	1,000,000
Change in net assets	7,357,325	867,085
Net assets, beginning of year	2,228,891	1,361,806
Net assets, end of year	\$ 9,586,216	\$ 2,228,891

See notes to the financial statements.

The International Women's Media Foundation

Statements of Cash Flows

<i>Year Ended June 30,</i>	2015	2014
Cash flows from operating activities		
Change in net assets	\$ 7,357,325	\$ 867,085
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	16,874	14,815
Allowance for doubtful receivable	5,000	-
Net loss on investments	6,930	1,504
Contribution restricted for permanent endowment	-	(1,000,000)
Changes in assets and liabilities:		
Prepaid expense and other assets	(70,059)	6,556
Accounts payable and accrued expenses	407,767	68,418
Deferred rent and lease incentive	(14,450)	(9,963)
Total adjustments	352,062	(918,670)
Net cash provided by (used in) operating activities	7,709,387	(51,585)
Cash flows from investing activities		
Proceeds from sales and maturities of investments	386,457	314,505
Purchases of investments	(9,075,561)	(568,741)
Purchases of property and equipment	(2,975)	(13,394)
Net cash used in investing activities	(8,692,079)	(267,630)
Cash flows from financing activities		
Contribution restricted for permanent endowment	-	1,000,000
Net cash provided by financing activities	-	1,000,000
Net (decrease) increase in cash and cash equivalents	(982,692)	680,785
Cash and cash equivalents, beginning of year	1,013,973	333,188
Cash and cash equivalents, end of year	\$ 31,281	\$ 1,013,973

The International Women's Media Foundation

Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: The International Women's Media Foundation (the Foundation) was organized as a nonprofit corporation in 1989 in accordance with the laws of the State of Delaware. The Foundation is dedicated to strengthening the role of women journalists worldwide. The media is not truly free and representative without the equal voice of women. Since 1990, The Foundation has celebrated the courage of women journalists who overcome threats and oppression to report and bear witness to global issues. Through its programs and grants, they empower women journalists with the training, opportunities, and support to become leaders in the news industry.

Income taxes: The Foundation is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as other than a private foundation within the meaning of Section 509(a)(1) of the Internal Revenue Code.

Basis of accounting: The accompanying financial statements have been prepared on the accrual basis of accounting. Revenue, other than contributions, is recognized when earned and expense is recognized when the obligation is incurred.

Use of estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from estimates.

Cash and cash equivalents: The Foundation includes operating cash, which is a demand deposit account, as cash and cash equivalents. From time to time, the Foundation holds cash in its operating account which may be related to donor restricted funds. Furthermore, cash, bank deposit accounts, and certificates of deposit that are held in the investment portfolio are not included in cash and cash equivalents because these assets are held for long-term investment purposes.

Prepaid expenses and other assets: Prepaid expenses and other assets primarily consist of costs paid in advance of the period in which the Foundation expects to incur the obligation. However, a portion of this financial statement line also includes receivables which are recorded at net realizable value. The Foundation provides for probable losses on receivables using the allowance method. The allowance is determined based on management's experience and collection efforts. Balances that remain outstanding after the Foundation has used reasonable collection efforts are written off. The Foundation has recorded an allowance for doubtful accounts totaling \$5,000 and \$0 at June 30, 2015 and 2014, respectively.

Contributions: Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending upon the existence and/or nature of donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, as applicable. Within temporarily restricted net assets, amounts are reclassified to unrestricted net assets as purpose restrictions are satisfied or when time restrictions expire.

International Summit: The Foundation had a contract with a division of the Ford Foundation to manage event planning and logistics for an international summit in January 2015 related to Women Digital News Entrepreneurs. Revenue related to the contract for services was recognized as the services were provided.

The International Women's Media Foundation

Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Program services: Program services descriptions are as follows:

Training and research: The Foundation sponsors training programs and a major research project as described below.

Participants in the Foundation's training programs become highly skilled investigative journalists. They earn promotions and awards as a result of the reporting skills acquired through the Foundation's training programs and bring positive change to their newsrooms. The Foundation's reporting fellows become specialists through exposure to a wide variety of experts and they produce high-quality, in-depth reporting on issues of global importance through a gendered perspective.

The Foundation participated in a global survey of security risks for women journalists. The survey, created in conjunction with International News Safety Institute (INSI), produced much-needed data on the challenges faced by women in news media around the world. The Foundation and INSI jointly published a report entitled "Violence and Harassment against Women in the News Media: A Global Picture" to provide the first comprehensive picture of the dangers faced by many women working in news media around the world. The report describes the types of violence and threats female journalists encounter and considers how these incidents affect their ability to conduct their work.

Courage Awards: Since 1990, the Courage in Journalism Award honors women journalists who set themselves apart by their extraordinary bravery, and the Lifetime Achievement Award is given in recognition of media industry pioneers who kick down barriers to equality and justice. Since 1990, the Foundation has honored more than 100 women journalists from 54 countries

Supporting services: Supporting services descriptions are as follows:

General and administrative: The general and administrative service includes expenditures related to administrative functions, such as maintaining the office space, and managing the financial and governance responsibilities of the Foundation.

Fundraising: The fundraising service includes expenditures that encourage and secure financial support for the Foundation.

Functional allocation of expenses: The costs of providing various program and supporting services have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

The International Women's Media Foundation

Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Reclassifications: Certain accounts relating to the prior year have been reclassified to conform to the current year presentation with no effect on previously reported net income. In particular, prepaid amounts totaling \$1,224 which were previously reported as a reduction of accounts payable and accrued expense at June 30, 2014 were reclassified to prepaid expense and other assets for the current year presentation. In addition, amounts reported in the statement of activities for the year ended June 30, 2014 were reclassified as follows:

	<u>Previously Reported</u>	<u>Reclassification</u>	<u>Currently Reported</u>
Unrestricted activities			
Courage Awards	\$ 965,748	\$ 115,000	\$ 1,080,748
In-kind contributions	26,978	(26,978)	-
Contributions	51,613	26,978	78,591
Temporarily restricted activities			
Contributions	819,200	(115,000)	704,200
	<u>\$ 1,863,539</u>	<u>\$ -</u>	<u>\$ 1,863,539</u>

Measure of operations: The Foundation does not include investment income in the change in unrestricted net assets from operations.

B. CONCENTRATIONS

Credit risk: The Foundation maintains cash, bank deposit accounts, and certificates of deposit with various financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. Government. The uninsured portions of these accounts are backed solely by the assets of the underlying institution. Therefore, the failure of an underlying institution could result in financial loss to the Foundation. However, the Foundation has not experienced losses on these balances in the past, and management believes the risk of loss, if any, to be insignificant. Furthermore, bank deposit programs maximize available FDIC insurance coverage by diversifying deposits across a range of institutions. Thus, the Foundation minimizes its risk of loss by taking advantage of higher FDIC insurance coverage than would be available through a single institution.

Market risk: The Foundation's investments include equity securities which may be exposed to market and credit risks. Therefore, the Foundation's investments in equity securities may be subject to significant fluctuations in fair value. As a result, the equity securities reported in the accompanying financial statements may not be reflective of their value during subsequent periods.

The International Women's Media Foundation

Notes to the Financial Statements

C. INVESTMENTS

In accordance with generally accepted accounting principles, the Foundation uses the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes;

Level 2 – Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace, such as yield curves or other market data;

Level 3 – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts.

Investments valued using Level 1 inputs include equity securities, the fair values of which were based on quoted prices for identical assets in active markets. Investments recorded at cost, such as cash, bank deposit accounts, and certificates of deposit, are not required to be classified in one of the Levels prescribed by the fair value hierarchy.

Investments consisted of the following at June 30,:

	2015	2014
Investments, at cost		
Cash	\$ 120,847	\$ 434,400
Bank deposit program	9,643,903	641,247
Certificates of deposit	219,331	225,521
Investments, at fair value		
Equity securities	<u>10,384</u>	<u>11,123</u>
	<u>\$ 9,994,465</u>	<u>\$ 1,312,291</u>

The Foundation has two endowment funds which are described in Note F. In relation to the endowment funds, investments included donor restricted funds totaling \$1,394,990 at June 30, 2015 and operating cash and investments included donor restricted funds totaling \$1,396,544 at June 30, 2014.

The International Women's Media Foundation

Notes to the Financial Statements

C. INVESTMENTS - CONTINUED

Investment income consisted of the following for the years ended June 30,:

2015	Temporarily		Total
	Unrestricted	Restricted	
Interest and dividends	\$ 1,138	\$ 10,177	\$ 11,315
Net loss on investments	(740)	(6,190)	(6,930)
	\$ 398	\$ 3,987	\$ 4,385

2014	Temporarily		Total
	Unrestricted	Restricted	
Interest and dividends	\$ 250	\$ 10,073	\$ 10,323
Net (loss) gain on investments	3,121	(4,625)	(1,504)
	\$ 3,371	\$ 5,448	\$ 8,819

Investment management fees were included in general and administrative expense in the accompanying statements of activities. Investment management fees totaled \$1,030 and \$1,116 for the year ended June 30, 2015 and 2014, respectively.

D. PROPERTY AND EQUIPMENT

Acquisitions of property and equipment greater than \$1,000 are recorded at cost and depreciated or amortized using the straight-line method over the following estimated useful lives: website – 3 years; furniture and equipment – 3 to 7 years; and leasehold improvements – over the lesser of the remaining term of the office lease or the estimated useful life of the improvements.

Property and equipment consisted of the following at June 30,:

	2015	2014
Website	\$ 253,103	\$ 253,103
Furniture and equipment	8,693	5,718
Leasehold improvements	116,045	116,045
	377,841	374,866
Less accumulated depreciation and amortization	(326,041)	(309,167)
	\$ 51,800	\$ 65,699

The International Women's Media Foundation

Notes to the Financial Statements

E. NET ASSETS

Unrestricted net assets: Unrestricted net assets include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation.

Temporarily restricted net assets: Temporarily restricted net assets include those net assets whose use by the Foundation has been donor restricted by either specific purpose or implied time restrictions. Net assets are released from restrictions either due to the satisfaction of a purpose restriction or as a result of the expiration of a time restriction.

Temporarily restricted net assets consisted of the following as of and for the years ended June 30,:

2015	Beginning Balance	Support	Releases	Ending Balance
Buffet - Africa Great Lakes	\$ -	\$ 5,000,000	\$ (681,192)	\$ 4,318,808
Buffet - The Fund for Women Journalists	-	3,800,000	(171,532)	3,628,468
Buffet - Neidringhaus Courage Event in Berlin	-	200,000	(200,000)	-
Buffet - Eastern DRC Reporting Fellowship	152,674	-	(152,674)	-
Elizabeth Neuffer Fellowship	100,397	47,400	(44,146)	103,651
Emergency Fund	106,285	27,220	(37,916)	95,589
Courage Awards Events (time restriction)	25,000	35,000	(25,000)	35,000
Google Hackathon	-	-	(8,734)	(8,734)
Endowments	-	3,987	(3,845)	142
Security App Translations	-	89,200	(89,200)	-
UNESCO - Freedom Day Riga	-	10,000	(10,000)	-
	\$ 384,356	\$ 9,212,807	\$ (1,424,239)	\$ 8,172,924

2014	Beginning Balance	Support	Releases	Ending Balance
Buffet - Eastern DRC Reporting Fellowship	\$ -	\$ 483,086	\$ (330,412)	\$ 152,674
Emergency Fund	11,000	95,935	(650)	106,285
Elizabeth Neuffer Fellowship	105,649	37,700	(42,952)	100,397
Courage Awards Events (time restriction)	285,000	25,000	(285,000)	25,000
HIV / AIDS Investigative Reporting Fellowship	87,544	-	(87,544)	-
Supporting Women Entrepreneurs	18,474	5,500	(23,974)	-
Food Security of the Sahrawi Peoples	17,212	-	(17,212)	-
Tindouf Refugee Camps in Algeria	-	56,979	(56,979)	-
Endowments	-	5,448	(5,448)	-
	\$ 524,879	\$ 709,648	\$ (850,171)	\$ 384,356

Permanently restricted net assets: Permanently restricted net assets include gifts which are required by donors to be held in perpetuity.

The International Women’s Media Foundation

Notes to the Financial Statements

E. NET ASSETS – CONTINUED

Restatement: The Foundation has restated beginning net assets by classification in order to properly classify time restricted contributions related to the Courage Awards.

Thus, beginning net assets at July 1, 2014 were restated as follows:

	Previously Reported	Restatement	Currently Reported
Net assets			
Unrestricted	\$ 329,809	\$ 115,000	\$ 444,809
Temporarily restricted	499,356	(115,000)	384,356
Permanently restricted	1,399,726	-	1,399,726
	\$ 2,228,891	\$ -	\$ 2,228,891

F. ENDOWMENTS

The Foundation’s endowments include two donor-restricted endowment funds which have been classified within permanently restricted net assets. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Courage Awards: The Courage in Journalism Awards (Courage Awards) fund provides awards of \$5,000 for up to four recipients annually. The total amount of annual awards may not exceed \$20,000. Investment income from the fund is classified as temporarily restricted until appropriated for spending on awards. In any given year, if the investment income exceeds \$20,000, the excess funds may be used for the direct costs associated with administration of the awards, but for no other purpose.

Niedringhaus: The Anja Niedringhaus Courage in Photojournalism Award (Niedringhaus) fund provides an annual award to recognize the leadership of individual photojournalists working in conflict areas. The award recipients will be recommended by the Foundation’s Awards Committee.

Interpretation of Relevant Law

The Board of Directors has interpreted Delaware’s Uniform Prudent Management of Institutional Funds Act of (UPMIFA) such that the law underlies the Foundation’s net asset classification of donor-restricted endowment funds as requiring the preservation of the fair value of the original gift. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, and (2) the original value of subsequent gifts to the permanent endowment. Absent explicit direction from the donor regarding the classification of investment income from the permanently restricted endowments, investment income is recorded in temporarily restricted activities until appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

The International Women's Media Foundation

Notes to the Financial Statements

F. ENDOWMENTS - CONTINUED

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for the underlying endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that achieve constant growth of the endowment funds. Actual returns in any given year may vary from that objective.

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, the Foundation relies on an earnings and safety of principal strategy in which investment returns are achieved primarily through current yield (interest and dividends). The Foundation targets a diversified asset allocation that places more emphasis on fixed income securities than equity securities to achieve its long-term return objectives while remaining within prudent risk constraints.

Spending Policy

The central objective of the Foundation's spending policy is to preserve the purchasing power of the Foundation's endowment funds while simultaneously providing awards and fellowships. The Foundation's endowments each have a specified dollar limit on the amount that can be spent each year.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor originally contributed as an endowment fund to the Foundation. In accordance with generally accepted accounting principles, deficiencies of this nature have been reported within unrestricted net assets. Due to continued appropriations as deemed prudent by the Board of Directors, the Courage Awards endowment fund has reported a deficiency in unrestricted net assets totaling \$4,878 and \$3,182 at June 30, 2015 and 2014, respectively.

Endowment funds consisted of the following at June 30,:

2015	Unrestricted	Temporarily		Permanently	Total
		Restricted	Restricted		
Niedringhaus	\$ -	\$ 142	\$ 1,000,000		\$ 1,000,142
Courage Awards	(4,878)		399,726		394,848
	\$ (4,878)	\$ 142	\$ 1,399,726		\$ 1,394,990

2014	Unrestricted	Temporarily		Permanently	Total
		Restricted	Restricted		
Niedringhaus	\$ -	\$ -	\$ 1,000,000		\$ 1,000,000
Courage Awards	(3,182)		399,726		396,544
	\$ (3,182)	\$ -	\$ 1,399,726		\$ 1,396,544

The International Women's Media Foundation

Notes to the Financial Statements

F. ENDOWMENTS - CONTINUED

Changes in endowment net assets consisted of the following for the year ended June 30, 2015:

2015	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds, July 1, 2014	\$ (3,182)	\$ -	\$ 1,399,726	\$ 1,396,544
Net investment return				
Interest and dividends	3,182	6,995		10,177
Net loss on investments		(6,190)		(6,190)
Investment fees		(150)		(150)
	3,182	655	-	3,837
Appropriations	(4,878)	(513)		(5,391)
Endowment funds, June 30, 2015	\$ (4,878)	\$ 142	\$ 1,399,726	\$ 1,394,990

Changes in endowment net assets consisted of the following for the year ended June 30, 2014:

2014	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds, July 1, 2013	\$ -	\$ -	\$ 399,726	\$ 399,726
Contribution			1,000,000	1,000,000
Net investment return				
Interest and dividends		10,073		10,073
Net loss on investments		(4,625)		(4,625)
Investment fees		(150)		(150)
	-	5,298	-	5,298
Appropriations	(3,182)	(5,298)		(8,480)
Endowment funds, June 30, 2014	\$ (3,182)	\$ -	\$ 1,399,726	\$ 1,396,544

The International Women's Media Foundation

Notes to the Financial Statements

G. SPECIAL EVENTS

The Courage in Journalism Awards are considered special events which are held every October in New York and Los Angeles.

Special events revenue represents both a contribution and an exchange transaction as payment for the direct benefits provided to the attendees at the events. The fair value of meals and entertainment provided at the events are considered direct benefits to attendees and have been reported in program services expense at actual cost which totaled \$101,100 and \$113,734 during the years ended June 30, 2015 and 2014, respectively.

The Foundation allocates joint costs relating to its special events which are held to raise support for the Foundation's mission. The special events include an educational aspect for participants because the events raise awareness about the courage of women journalists who overcome threats and oppression to speak out on global issues. Therefore, costs which are not related to fundraising have also been included in program services expense.

Special events consisted of the following for the years ended June 30,:

	2015	2014
Courage Awards		
Contribution revenue	\$ 1,486,004	\$ 1,083,407
Exchange revenue	101,100	113,734
In-kind advertising	<u>30,500</u>	<u>168,607</u>
	1,617,604	1,365,748
Courage Awards		
Program services	704,341	617,783
Fundraising	<u>295,818</u>	<u>194,738</u>
	<u>1,000,159</u>	<u>812,521</u>
	<u>\$ 617,445</u>	<u>\$ 553,227</u>

The International Women's Media Foundation

Notes to the Financial Statements

H. IN-KIND CONTRIBUTIONS

The Foundation received donated advertisements, which were recorded at the estimated fair value that was provided by the donor.

Donated services, such as pro bono legal services, are recognized as contributions and expense in accordance with generally accepted accounting principles (GAAP). In order to meet the criteria for recognition in the financial statements, contributions of in-kind services must (a) create or enhance non-financial assets or (b) require specialized skills, be performed by people with those skills, and would otherwise be purchased by the Foundation.

In-kind contributions consisted of the following for the years ended June 30,:

	2015	2014
Legal services	\$ 37,130	\$ 20,218
Courage Awards advertisements	30,500	168,607
Body armor	-	4,760
Fellowship stipend	-	2,000
	<u>\$ 67,630</u>	<u>\$ 195,585</u>

The Courage Awards are special events, as described in Note G, and include in-kind contributions of advertisements.

I. RETIREMENT PLAN

The Foundation has a 401(k) contribution savings plan (the Plan) available to substantially all eligible employees. Upon completion of one year of service, participants' contributions, up to a maximum of 4% of their base compensation, are matched 100% by the Foundation. The Foundation's contributions to the Plan totaled \$9,916 and \$7,188 for the years ended June 30, 2015 and 2014, respectively.

J. COMMITMENTS AND CONTINGENCIES

Office lease: The Foundation has an operating lease for office space which expires August 2019. The office lease contains an abatement of the first three months of rent related to the extended term of the lease and an escalation clause which adjusts annual base rentals. The lease also contains a pass through clause relating to real estate taxes and operating expenses, which are not included in base rentals. In addition, the lease provided a tenant improvement allowance of \$97,650 which will be amortized over the life of the lease.

Generally accepted accounting principles (GAAP) require that the cost of the build-out be capitalized within property and equipment and amortized over the term of the lease. GAAP also requires that the lease incentive along with the abatement and scheduled rent increases resulting from the escalation of base rentals be recorded as a liability and amortized ratably over the term of the lease so as to record rent expense on a straight-line basis over the term of the lease. The deferred rent and lease incentive liability totaled \$102,498 and \$116,948 at June 30, 2015 and 2014, respectively.

The International Women's Media Foundation

Notes to the Financial Statements

J. COMMITMENTS AND CONTINGENCIES - CONTINUED

Rent expense related to the office lease totaled \$148,533 and \$140,043 for the years ended June 30, 2015 and 2014, respectively.

Future minimum cash basis rent payments as required by the office lease are as follows:

Year Ending June 30,	Amount
2016	\$ 158,300
2017	162,300
2018	166,300
2019	170,500
2020	28,500
	<u>\$ 685,900</u>

Sublease: The Foundation also subleases a portion of its office space to two tenants in accordance with month to month sublease agreements. Rental income related to the subleases totaled \$11,370 and \$24,548 for the years ended June 30, 2015 and 2014, respectively.

Employment letter of agreement: The Foundation has a letter of agreement with a key employee. Under the terms of the letter of agreement, should employment be terminated without cause, the Foundation would be obligated to pay severance, as described in the letter of agreement.

Hotel contracts: The Foundation has agreements with hotels in New York and California to provide meeting facilities and room accommodations for future Courage events which will be held in October 2016. The agreements contain various attrition clauses whereby the Foundation may be liable for liquidated damages in the event of cancellation or lower than anticipated attendance.

K. SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 18, 2016, which is the date the financial statements were available to be issued.

In particular, significant funding was provided by a donor during the year ending June 30 2016. The Foundation received a donor restricted contribution totaling \$5,000,000 for *Adelante: Strengthening the Outlook, Impact and Safety of Women Journalists in Latin America*.