

**HIGH WATER WOMEN  
FOUNDATION, INC.**

**Financial Statements  
For the Years Ended  
December 31, 2012  
and  
December 31, 2011**

**Independent Auditor's Report**

To the Board of Directors of  
High Water Women Foundation, Inc.

We have audited the accompanying financial statements of High Water Women Foundation, Inc. which comprise the statements of financial position as of December 31, 2012 and December 31, 2011 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.

***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 from material misstatement.

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of High Water Women Foundation, Inc. as of December 31, 2012 and December 31, 2011 and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Condon O'Meara McGinty + Donnelly LLP*

August 2, 2013

**HIGH WATER WOMEN FOUNDATION, INC.**

**Statements of Financial Position**

**Assets**

	<b>December 31</b>	
	<b><u>2012</u></b>	<b><u>2011</u></b>
Cash	\$ 289,774	\$ 401,116
Pledges receivable	10,005	10,325
Prepaid expenses	<u>15,155</u>	<u>16,946</u>
<b>Total assets</b>	<b><u>\$ 314,934</u></b>	<b><u>\$ 428,387</u></b>

**Liabilities and Net Assets**

<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ <u>5,013</u>	\$ <u>17,749</u>
<b>Net assets</b>		
Unrestricted	283,333	342,715
Temporarily restricted	<u>26,588</u>	<u>67,923</u>
Total net assets	<u>309,921</u>	<u>410,638</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 314,934</u></b>	<b><u>\$ 428,387</u></b>

See notes to financial statements.

**HIGH WATER WOMEN FOUNDATION, INC.**

**Statements of Activities**

**For the Year Ended December 31**

	<b>2012</b>			<b>2011</b>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenue and support</b>						
Special events, net of direct expenses of \$151,574 and \$170,740 in 2012 and 2011, respectively	\$ 159,858	-	\$ 159,858	\$ 281,147	-	\$ 281,147
Contributions	126,536	10,335	136,871	179,854	67,923	247,777
Interest	505	-	505	697	-	697
Net assets released from restrictions	<u>51,670</u>	<u>(51,670)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>338,569</u>	<u>(41,335)</u>	<u>297,234</u>	<u>461,698</u>	<u>67,923</u>	<u>529,621</u>
<b>Expenses</b>						
Program services	<u>257,204</u>	<u>-</u>	<u>257,204</u>	<u>288,844</u>	<u>-</u>	<u>288,844</u>
Supporting services						
Management and general	117,277	-	117,277	98,288	-	98,288
Fundraising	<u>23,470</u>	<u>-</u>	<u>23,470</u>	<u>27,108</u>	<u>-</u>	<u>27,108</u>
Total supporting services	<u>140,747</u>	<u>-</u>	<u>140,747</u>	<u>125,396</u>	<u>-</u>	<u>125,396</u>
Total expenses	<u>397,951</u>	<u>-</u>	<u>397,951</u>	<u>414,240</u>	<u>-</u>	<u>414,240</u>
<b>Increase (decrease) in net assets</b>	<u>(59,382)</u>	<u>(41,335)</u>	<u>(100,717)</u>	<u>47,458</u>	<u>67,923</u>	<u>115,381</u>
<b>Net assets, beginning of year</b>	<u>342,715</u>	<u>67,923</u>	<u>410,638</u>	<u>295,257</u>	<u>-</u>	<u>295,257</u>
<b>Net assets, end of year</b>	<u>\$ 283,333</u>	<u>\$ 26,588</u>	<u>\$ 309,921</u>	<u>\$ 342,715</u>	<u>\$ 67,923</u>	<u>\$ 410,638</u>

See notes to financial statements.

# HIGH WATER WOMEN FOUNDATION, INC.

## Statements of Functional Expenses

For the Year Ended December 31

	2012			2011			
	<u>Program</u>	<u>Supporting Services</u> Management and General		<u>Program</u>	<u>Supporting Services</u> Management and General		<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$
Grants	8,000	-	8,000	99,381	-	99,381	99,381
Backpack program	117,185	-	117,185	99,489	-	99,489	99,489
Salary and related	74,886	59,243	153,301	67,175	63,239	130,414	152,611
Professional fees	24,738	23,699	48,437	-	27,513	27,513	27,513
Donor database	-	25,767	25,767	-	3,215	3,215	3,215
Telephone	-	80	80	5	20	25	25
Office supplies	1,573	793	2,386	4,217	1,057	5,274	5,356
Credit card fees	1,643	390	5,010	1,957	130	2,087	5,986
Books and subscriptions	-	607	607	-	457	457	457
Events and meetings	28,989	3,659	33,949	16,374	586	16,960	17,875
Insurance	-	2,365	2,365	-	731	731	731
Internet – web design	-	389	389	-	404	404	404
Other	190	285	475	246	936	1,182	1,197
<b>Total</b>	<b>\$ 257,204</b>	<b>\$ 117,277</b>	<b>\$ 397,951</b>	<b>\$ 288,844</b>	<b>\$ 98,288</b>	<b>\$ 387,132</b>	<b>\$ 414,240</b>

See notes to financial statements.

**HIGH WATER WOMEN FOUNDATION, INC.**

**Statements of Cash Flows**

	<b>For the</b>	
	<b>Year Ended</b>	
	<b>December 31</b>	
	<u>2012</u>	<u>2011</u>
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$ (100,717)	\$ 115,381
Adjustments to reconcile increase (decrease) in net assets to net increase (decrease) in cash		
(Increase) decrease in assets		
Pledges receivable	320	23,550
Prepaid expenses	1,791	(16,946)
(Decrease) in liabilities		
Accounts payable and accrued expenses	<u>(12,736)</u>	<u>(25,994)</u>
<b>Net increase (decrease) in cash</b>	<b>(111,342)</b>	<b>95,991</b>
<b>Cash, beginning of year</b>	<u><b>401,116</b></u>	<u><b>305,125</b></u>
<b>Cash, end of year</b>	<u><b>\$ 289,774</b></u>	<u><b>\$ 401,116</b></u>

See notes to financial statements.

## HIGH WATER WOMEN FOUNDATION, INC.

### Notes to Financial Statements December 31, 2012 and December 31, 2011

#### Note 1 – Nature of organization

Founded in 2005 and incorporated as a 501(c)(3) by a small group of senior women from the hedge fund community, High Water Women Foundation, Inc. (the “Foundation”) has grown to engage women throughout the financial services sector in philanthropic giving and volunteerism. We now have more than 3,000 members across the financial services spectrum and partnerships with approximately 15 nonprofit organizations.

Our grant support for nonprofit organizations and support for our initiatives is accomplished solely through funds raised and contributed by our members and generous funding partners.

Our name derives from the high water mark measure that incentivizes hedge funds to outperform their last best gains. By seeking to surpass prior achievements with each new endeavor, our organization and our members produce amazing results.

#### Note 2 – Summary of significant accounting policies

##### Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The following comprise the significant accounting policies of the Foundation.

Under accounting principles generally accepted in the United States of America, net assets and revenue and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation are classified and reported as follows:

##### Unrestricted

Unrestricted net assets are not subject to donor-imposed stipulations and may be expendable for any purpose in performing the primary objectives of the Foundation. The Foundation records contributions as unrestricted revenue unless the donor stipulates time or other limits on the use of the donated assets. The Foundation’s policy is to record contributions with donor imposed restrictions that are met in the year that the contributions are received as unrestricted revenue.

##### Temporarily restricted

Temporarily restricted net assets consist of net assets subject to donor-imposed stipulations that will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

**HIGH WATER WOMEN FOUNDATION, INC.****Notes to Financial Statements (continued)  
December 31, 2012 and December 31, 2011****Note 2 – Summary of significant accounting policies (continued)****Cash equivalents**

Cash equivalents consist of highly liquid short-term investments with original maturities of 90 days or less. As of December 31, 2012, the Foundation had no cash equivalents.

**Pledges receivable**

Pledges receivable are all expected to be collected during 2013.

**Allowance for doubtful accounts**

The Foundation has not provided for an allowance for doubtful accounts for any potentially uncollectible receivables. Such estimate is based on management's experience, subsequent receipts and current economic conditions.

**Functional expenses**

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

**Donated services**

The Foundation receives donated services rendered by volunteers who have donated significant amounts of their time to the Foundation's activities. No amounts have been reflected in the financial statements for donated services inasmuch as no objective basis is available to measure the value of such services.

**Concentrations of credit risk**

The Foundation's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and pledges receivable. The Foundation places its cash with what it believes to be a quality financial institution. At times the Foundation's cash balances exceeded the FDIC insured limit. The Foundation has not experienced any losses to date with its cash. Pledges receivable consist of amounts due from donors. Management monitors the collectibility of the receivables. The Foundation believes no significant risk of loss is likely as a result of concentrations of credit risk with respect to its cash and pledges receivable.



**HIGH WATER WOMEN FOUNDATION, INC.**

**Notes to Financial Statements (continued)  
December 31, 2012 and December 31, 2011**

**Note 2 – Summary of significant accounting policies (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 disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events

The Foundation evaluated events and transactions for potential recognition or disclosure through August 2, 2013, which is the date the financial statements were available to be issued.

**Note 3 – Temporarily restricted net assets**

Temporarily restricted net assets are available for the purposes of funding the following programs and are released from donor restrictions by incurring expenses or approving grants to satisfy the purposes specified. The following is a summary of activity in the temporarily restricted net assets for the years ended December 31, 2012 and December 31, 2011:

	Balance at December 31, <u>2011</u>	<u>Additions</u>	Net assets Released from <u>Restrictions</u>	Balance at December 31, <u>2012</u>
Financial Literacy				
Education Program	\$ 51,670	\$ 7,000	\$ (51,670)	\$ 7,000
Backpack Program	<u>16,253</u>	<u>3,335</u>	<u>-</u>	<u>19,588</u>
Total	<u>\$ 67,923</u>	<u>\$ 10,335</u>	<u>\$ (51,670)</u>	<u>\$ 26,588</u>
	Balance at December 31, <u>2010</u>	<u>Additions</u>		Balance at December 31, <u>2011</u>
Financial Literacy				
Education Program	\$ -	\$ 51,670	\$ 51,670	\$ 51,670
Backpack Program	<u>-</u>	<u>16,253</u>	<u>16,253</u>	<u>16,253</u>
Total	<u>\$ -</u>	<u>\$ 67,923</u>	<u>\$ 67,923</u>	<u>\$ 67,923</u>

**HIGH WATER WOMEN FOUNDATION, INC.****Notes to Financial Statements (continued)  
December 31, 2012 and December 31, 2011****Note 4 – Tax status**

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). The Foundation is classified as a public charity as described in Section 170(b)(1)(A)(vi) of the Code and not as a private foundation. The Foundation qualifies for the maximum charitable contribution deductions for donors as permitted under the Code. As of December 31, 2012, no amounts have been recognized for uncertain income tax positions. In addition, the Foundation’s 2009 tax returns and forward are subject to the usual review by the appropriate authorities.