

THE JEANNETTE RANKIN FOUNDATION, INC.

ATHENS, GEORGIA

**REPORT ON AUDITS OF
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014**

THE JEANNETTE RANKIN FOUNDATION, INC.
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS:

STATEMENTS OF FINANCIAL POSITION	1
STATEMENTS OF ACTIVITIES	2-3
STATEMENTS OF FUNCTIONAL EXPENSES	4-5
STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7-14

SUPPLEMENTARY INFORMATION:

SCHEDULE OF INVESTMENTS	15
SCHEDULE OF NET ASSETS	16-20

Jones and Kolb
Certified Public Accountants
Atlanta, Georgia

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Jeannette Rankin Foundation, Inc.
Athens, Georgia

We have audited the accompanying financial statements of The Jeannette Rankin Foundation, Inc. (the "Foundation") 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.

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 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.

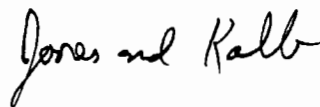
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Jeannette Rankin Foundation, Inc. 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Investments on page 15 and Schedule of Net Assets on pages 16-20 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Jones and Kalb".

June 21, 2016

THE JEANNETTE RANKIN FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

ASSETS

	2015	2014
CURRENT ASSETS		
Cash	\$ 93,437	\$ 94,664
Investments	153,354	203,056
Pledges receivable	21,623	9,200
Other current assets	3,920	3,392
Total current assets	272,334	310,312
PROPERTY AND EQUIPMENT, NET	156,237	159,323
LONG-TERM PLEDGES RECEIVABLE	26,733	15,980
RESTRICTED INVESTMENTS	584,119	584,119
Total assets	\$ 1,039,423	\$ 1,069,734

LIABILITIES AND NET ASSETS

	2015	2014
CURRENT LIABILITIES		
Scholarships payable	\$ 46,686	\$ 76,000
Accounts payable and accrued expenses	10,537	14,141
Line-of-credit	33,788	64,063
Current maturities of long-term debt	5,166	4,906
Total current liabilities	96,177	159,110
LONG-TERM DEBT, LESS CURRENT MATURITIES	117,845	122,989
Total liabilities	214,022	282,099
NET ASSETS		
Unrestricted	60,095	23,892
Temporarily restricted	181,187	179,624
Permanently restricted	584,119	584,119
Total net assets	825,401	787,635
Total liabilities and net assets	\$ 1,039,423	\$ 1,069,734

The accompanying notes to financial statements
are an integral part of these statements.

THE JEANNETTE RANKIN FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT				
Contributions	\$ 210,467	\$ 124,475	\$ -	\$ 334,942
Investment income	-	6,099	-	6,099
Miscellaneous	2,322	-	-	2,322
Special events				
Special events income	86,156	-	-	86,156
Less special events expenses	(27,521)	-	-	(27,521)
Net assets released from restrictions	129,011	(129,011)	-	-
	<u>400,435</u>	<u>1,563</u>	<u>-</u>	<u>401,998</u>
Total revenues and other support				
EXPENSES				
Program expenses	303,042	-	-	303,042
Administrative expenses	37,241	-	-	37,241
Fundraising expenses	23,949	-	-	23,949
	<u>364,232</u>	<u>-</u>	<u>-</u>	<u>364,232</u>
Total expenses				
CHANGE IN NET ASSETS	36,203	1,563	-	37,766
NET ASSETS, beginning of year	<u>23,892</u>	<u>179,624</u>	<u>584,119</u>	<u>787,635</u>
NET ASSETS, end of year	<u>\$ 60,095</u>	<u>\$ 181,187</u>	<u>\$ 584,119</u>	<u>\$ 825,401</u>

The accompanying notes to financial statements
are an integral part of this statement.

THE JEANNETTE RANKIN FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT				
Contributions	\$ 174,248	\$ 102,646	\$ -	\$ 276,894
Investment income	-	64,816	-	64,816
Miscellaneous	3,002	-	-	3,002
Special events				
Special events income	80,014	-	-	80,014
Less special events expenses	(26,745)	-	-	(26,745)
Net assets released from restrictions	268,860	(159,929)	(108,931)	-
	<u>499,379</u>	<u>7,533</u>	<u>(108,931)</u>	<u>397,981</u>
Total revenues and other support				
EXPENSES				
Program expenses	395,584	-	-	395,584
Administrative expenses	40,306	-	-	40,306
Fundraising expenses	40,421	-	-	40,421
	<u>476,311</u>	<u>-</u>	<u>-</u>	<u>476,311</u>
Total expenses				
CHANGE IN NET ASSETS	23,068	7,533	(108,931)	(78,330)
NET ASSETS, beginning of year	<u>824</u>	<u>172,091</u>	<u>693,050</u>	<u>865,965</u>
NET ASSETS, end of year	<u>\$ 23,892</u>	<u>\$ 179,624</u>	<u>\$ 584,119</u>	<u>\$ 787,635</u>

The accompanying notes to financial statements
are an integral part of this statement.

THE JEANNETTE RANKIN FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Fundraising Expenses</u>	<u>Total</u>
COMPENSATION				
Salaries	\$ 146,160	\$ 6,279	\$ 10,403	\$ 162,842
Payroll taxes	15,484	727	1,060	17,271
Retirement benefits	3,518	165	241	3,924
Total compensation	<u>165,162</u>	<u>7,171</u>	<u>11,704</u>	<u>184,037</u>
 OTHER EXPENSES				
Scholarships awarded	95,511	-	-	95,511
Accounting and audit	-	13,000	-	13,000
Facilities costs	10,257	584	834	11,675
Investment expenses	-	10,800	-	10,800
Travel	9,113	-	-	9,113
Professional fees	-	409	3,681	4,090
Telecommunications and website	3,329	341	404	4,074
Training and education	1,910	1,988	-	3,898
Dues and subscriptions	-	-	3,696	3,696
Miscellaneous	2,038	599	464	3,101
Publication and printing	2,517	155	276	2,948
Postage and freight	1,975	247	247	2,469
Insurance	1,437	487	510	2,434
Public relations	2,146	-	238	2,384
Merchant account fees	-	-	1,406	1,406
Interest	-	1,103	-	1,103
Scholarship program expense	976	-	-	976
Supplies	885	28	19	932
Total other expenses	<u>132,094</u>	<u>29,741</u>	<u>11,775</u>	<u>173,610</u>
Depreciation	<u>5,786</u>	<u>329</u>	<u>470</u>	<u>6,585</u>
Total expenses	<u>\$ 303,042</u>	<u>\$ 37,241</u>	<u>\$ 23,949</u>	<u>\$ 364,232</u>

The accompanying notes to financial statements
are an integral part of this statement.

THE JEANNETTE RANKIN FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Fundraising Expenses</u>	<u>Total</u>
COMPENSATION				
Salaries	\$ 157,346	\$ 9,003	\$ 31,679	\$ 198,028
Payroll taxes	13,559	636	929	15,124
Retirement benefits	4,327	203	296	4,826
Total compensation	<u>175,232</u>	<u>9,842</u>	<u>32,904</u>	<u>217,978</u>
OTHER EXPENSES				
Scholarships awarded	174,000	-	-	174,000
Accounting and audit	-	11,000	-	11,000
Facilities costs	9,546	636	2,056	12,238
Investment expenses	-	11,147	-	11,147
Travel	3,412	-	379	3,791
Telecommunications and website	4,981	445	786	6,212
Training and education	219	227	-	446
Dues and subscriptions	-	4,613	-	4,613
Miscellaneous	1,540	284	213	2,037
Publication and printing	7,540	319	399	8,258
Postage and freight	2,439	305	305	3,049
Insurance	1,281	486	612	2,379
Public relations	2,936	-	326	3,262
Merchant account fees	-	-	1,154	1,154
Interest	-	577	-	577
Scholarship program expense	5,534	-	-	5,534
Supplies	1,051	33	22	1,106
Total other expenses	<u>214,479</u>	<u>30,072</u>	<u>6,252</u>	<u>250,803</u>
Depreciation	<u>5,873</u>	<u>392</u>	<u>1,265</u>	<u>7,530</u>
Total expenses	<u>\$ 395,584</u>	<u>\$ 40,306</u>	<u>\$ 40,421</u>	<u>\$ 476,311</u>

The accompanying notes to financial statements
are an integral part of this statement.

THE JEANNETTE RANKIN FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 37,766	\$ (78,330)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Depreciation	6,585	7,530
Net realized/unrealized (gain)/loss on investments	15,171	(39,923)
Change in pledges receivable	(23,176)	4,450
Change in other current assets	(528)	4,797
Change in scholarships payable	(29,314)	(4,500)
Change in accounts payable and accrued expenses	(3,604)	7,320
Total adjustments	(34,866)	(20,326)
Net cash provided by (used in) operating activities	2,900	(98,656)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(197,723)	(165,254)
Proceeds from sales of investments	232,254	133,191
Purchase of furniture and equipment	(3,499)	-
Net cash provided by (used in) investing activities	31,032	(32,063)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance on line of credit	31,083	64,063
Principal payments on line of credit	(61,358)	-
Principal payments on long-term debt	(4,884)	(4,538)
Net cash provided by (used in) investing activities	(35,159)	59,525
INCREASE (DECREASE) IN CASH	(1,227)	(71,194)
CASH, Beginning of year	94,664	165,858
CASH, End of year	\$ 93,437	\$ 94,664

The accompanying notes to financial statements
are an integral part of these statements.

THE JEANNETTE RANKIN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

1. NATURE OF ACTIVITIES

The Jeannette Rankin Foundation, Inc. (the "Foundation"), located in Athens, Georgia, is a nonprofit organization dedicated to raising funds for, and awarding scholarships to, low-income women ages thirty-five and older across the United States to build better lives through college completion. The Foundation's support comes primarily from private foundation grants and individual and business donations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

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.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash

For purposes of the financial statement presentation, cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

Property and Equipment

The Foundation capitalizes all expenditures for property and equipment in excess of \$1,000. Property and equipment are stated at cost or, if donated, at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from five to ten years for furniture and equipment and fifteen to forty years for the office condominium.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

THE JEANNETTE RANKIN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Support and Revenue

Contributions are generally available for unrestricted use in the year received unless specifically restricted by the donor. Unconditional promises to give are recorded as received at their net realizable value. Grants and other contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donation. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Endowment contributions are permanently restricted by the donor. Investment earnings are reported as temporarily restricted net assets and are reclassified to unrestricted net assets upon satisfaction of time or purpose restrictions.

Donated Materials and Services

Contributions of donated noncash assets are recorded at their fair values in the period received. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills and are provided by individuals possessing those skills, and would otherwise be purchased by the Foundation. Many individuals volunteer their time to provide board, administrative, and other services that are not recognized as contributions in the financial statements since the recognition criteria under generally accepted accounting principles are not met.

Functional Allocation of Expenses

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

Income Taxes

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, the Foundation is subject to income taxes on unrelated business income. The Foundation had no tax liability as of December 31, 2015 and 2014.

Subsequent Events

Subsequent events have been evaluated by management through June 21, 2016, the date these financial statements were available to be issued.

3. PLEDGES RECEIVABLE

The Foundation records pledges receivable if the pledge is unconditional. As of December 31, 2015 and 2014, the Foundation recorded pledges receivable within one year of \$21,623 and \$9,200, respectively.

THE JEANNETTE RANKIN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Pledges receivable that are expected to be collected between 2017 and 2018 are recorded at present value as calculated in accordance with generally accepted accounting principles. The Foundation has recorded long-term pledges at December 31, 2015 and 2014, of \$26,733 and \$15,980, respectively. All pledges are considered collectible and, therefore, an allowance for uncollectible pledges was not considered necessary.

The Foundation received a pledge in 2013 of approximately \$500,000. The pledge is to be funded from a retirement account in which the donor is named as the sole beneficiary. The account owner passed away outside of the country and the account custodian has not been provided the documents they requested to release the account to the donor. The pledge is considered to be conditioned upon the distribution of the funds in the inherited retirement account to the donor and accordingly, the pledge has not been recorded.

4. INVESTMENTS

The Financial Accounting Standards Board established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs requiring that the most observable inputs be used when available. Level 1 within the hierarchy states that valuations are based on unadjusted quoted market prices for identical assets in active markets. Level 2 within the hierarchy states that valuations are based on observable inputs, other than Level 1 prices, such as quoted prices for similar assets, quoted prices in inactive markets and other inputs that may be corroborated by observable market data. As of December 31, 2015 and 2014, the only assets that are measured at fair value on a recurring basis in periods subsequent to initial recognition are investments. Such investments are classified within Level 1 or Level 2 of the valuation hierarchy.

The following is a summary of investments held at December 31:

	2015		
	Level 1	Level 2	Total
Equity mutual funds	\$ 432,529	\$ -	\$ 432,529
Fixed income mutual funds	116,517	-	116,517
Commodities	23,576	-	23,576
Money market funds	28,485	-	28,485
Equities	9,679	-	9,679
Corporate bonds	-	126,687	126,687
	<hr/>	<hr/>	<hr/>
Total investments	<u>\$ 610,786</u>	<u>\$ 126,687</u>	<u>\$ 737,473</u>

THE JEANNETTE RANKIN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2014		
	Level 1	Level 2	Total
Equity mutual funds	\$ 495,952	\$ -	\$ 495,952
Fixed income mutual funds	115,319	-	115,319
Commodities	5,679	-	5,679
Money market funds	16,618	-	16,618
Equities	11,069	-	11,069
Corporate bonds	-	142,538	142,538
	<u>-</u>	<u>142,538</u>	<u>142,538</u>
Total investments	<u>\$ 644,637</u>	<u>\$ 142,538</u>	<u>\$ 787,175</u>

Investment income for the years ended December 31, 2015 and 2014 consisted of the following:

	2015	2014
Interest and dividends	\$ 21,270	\$ 24,893
Net realized and unrealized gains (losses)	(15,171)	39,923
	<u>-</u>	<u>-</u>
Total investment income	<u>\$ 6,099</u>	<u>\$ 64,816</u>

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	2015	2014
Office condominium	\$ 191,205	\$ 191,205
Furniture and equipment	44,561	41,062
	<u>-</u>	<u>-</u>
Total property and equipment	235,766	232,267
	<u>-</u>	<u>-</u>
Less accumulated depreciation	(79,529)	(72,944)
	<u>-</u>	<u>-</u>
Total property and equipment, net	<u>\$ 156,237</u>	<u>\$ 159,323</u>

THE JEANNETTE RANKIN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

6. LINE-OF-CREDIT

During the year ended December 31, 2014, the Foundation opened a new line-of-credit with Athens First Bank and Trust. The line-of-credit allows borrowings of up to \$75,000 and was set to expire on June 2, 2015. In May 2015, the line-of-credit was extended to May 8, 2016. Interest accrues at 0.75% above the lender's prime rate with a minimum interest rate of 4.00%. The interest rate as of December 31, 2015 and 2014 was 4.25% and 4.47%, respectively. The line-of-credit had an outstanding balance of \$33,788 and \$64,063 at December 31, 2015 and 2014, respectively. The line-of-credit is secured by a second mortgage on the Foundation's office condominium.

7. LONG-TERM DEBT

The Foundation has a note payable with Athens First Bank and Trust. The note bears interest at 4.75% and requires monthly payments of principal and interest of \$905. The note matures on May 15, 2019 with a balloon payment of \$104,931. The note is secured by the office condominium and had a principal balance of \$123,011 and \$127,895 at December 31, 2015 and 2014, respectively. Mortgage interest of \$6,021 and \$6,321 was paid for the years ended December 31, 2015 and 2014, respectively, and is included in facilities costs on the statements of functional expenses.

The future scheduled maturities of the note are as follows:

Years ending December 31:

2016	\$ 5,166
2017	5,394
2018	5,656
2019	<u>106,795</u>
Total long-term debt	<u>\$ 123,011</u>

8. RESTRICTED NET ASSETS

Temporarily restricted net assets include \$133,671 and \$159,324 in investment income from endowment investments, which are restricted for scholarships at December 31, 2015 and 2014, respectively. Temporarily restricted net assets also included \$47,516 and \$20,300 of contributions restricted for other program related expenditures, as of December 31, 2015 and 2014, respectively.

THE JEANNETTE RANKIN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

During the years ended December 31, 2015 and 2014, temporarily restricted net assets of \$66,228 and \$104,679, respectively were released for scholarships awarded. In addition, during the years ended December 31, 2015 and 2014, temporarily restricted net assets of \$50,000, were released for administrative costs associated with the scholarships awarded, and an additional \$12,783 and \$5,250 was released in 2015 and 2014, respectively, for other program related expenses.

Prior to 2013, the Foundation had received \$63,892 in contributions that it originally recorded as permanently restricted. During the year ended December 31, 2014, the board reevaluated these funds and determined that these funds should only have been temporarily restricted for program purposes. The board released these funds during the year ended December 31, 2014.

During the year, ended December 31, 2014, donors released previously restricted donations of \$45,039 for the Foundation to use on program related expenditures. Permanently restricted net assets totaled \$584,119 at December 31, 2015 and 2014, and consisted of endowment fund investments to be held indefinitely (see endowment net assets activity in Note 9). The income from the endowment assets can be used for scholarships to award recipients and other related purposes.

9. ENDOWMENT

The Foundation's endowment consists of 16 individual funds that are established to provide scholarships to award recipients and other related purposes. As required by generally accepted accounting principles, net assets as of December 31, 2015 and 2014 associated with the endowment funds are classified and reported based on the existence of donor-imposed restrictions.

The Foundation has adopted investment and spending policies based on the requirements of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). The 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. As a result of this interpretation, the Foundation classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment, and accumulations to the permanent endowment made in accordance with the direction of the donor gift instrument at the time the accumulation is added to the fund. Any remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

THE JEANNETTE RANKIN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

In making a determination to appropriate or accumulate donor-restricted endowment funds, the Foundation considers the duration and preservation of the fund, the charitable purposes of the Foundation and the donor-restricted endowment fund, general economic conditions, the possible effect of inflation or deflation, the expected total return from income and the appreciation of investments, other resources of the Foundation, and the investment policies of the Foundation.

The following schedule summarizes the changes in endowment net assets and the endowment net asset composition as of and for the year ended December 31, 2015:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 159,324	\$ 584,119	\$ 743,443
Interest and dividends	21,270	-	21,270
Net realized and unrealized gains (losses)	(15,171)	-	(15,171)
Appropriation of endowment assets for expenditures	(31,752)	-	(31,752)
Total change in endowment funds	(25,653)	-	(25,653)
Endowment net assets, end of year	<u>\$ 133,671</u>	<u>\$ 584,119</u>	<u>\$ 717,790</u>

The following schedule summarizes the changes in endowment net assets and the endowment net asset composition as of and for the year ended December 31, 2014:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 152,341	\$ 693,050	\$ 845,391
Interest and dividends	24,893	-	24,893
Net realized and unrealized gains (losses)	39,923	-	39,923
Release of restriction	-	(108,931)	(108,931)
Appropriation of endowment assets for expenditures	(57,833)	-	(57,833)
Total change in endowment funds	6,983	(108,931)	(101,948)
Endowment net assets, end of year	<u>\$ 159,324</u>	<u>\$ 584,119</u>	<u>\$ 743,443</u>

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for scholarships and other related purposes while seeking to maintain the purchasing power of the endowment assets. Endowment assets are invested to maximize total return consistent with a moderate level of investment risk. Investment returns are achieved through both capital appreciation (realized and unrealized) and

THE JEANNETTE RANKIN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

The Foundation has a policy of appropriating for distribution a percentage of its endowment fund's fair value, which is determined by the Board of Directors on an annual basis. In implementing this policy, the Foundation considers the long-term expected return on its endowment. The Foundation expects its current spending practices will allow its endowment assets to grow and maintain their purchasing power as well as to provide additional real growth through new gifts and investment returns.

10. DONATED SERVICES

The values of donated services for the year ended December 31, 2015 are as follows: \$2,785 for catering and other services related to special events and \$4,947 in other miscellaneous in-kind donations.

The values of donated services for the year ended December 31, 2014 are as follows: \$4,000 for catering and other services related to special events and \$1,051 in other miscellaneous in-kind donations. Donated services are recorded by their nature and allocated to the functional areas as appropriate.

11. RETIREMENT PLAN

The Foundation maintains a SIMPLE IRA Plan, which covers substantially all employees of the Foundation. Eligible employees can elect to make salary reduction contributions up to the statutory maximum per calendar year. The Foundation matches the employee contributions up to a maximum of 3% of compensation. For the years ended December 31, 2015 and 2014, the Foundation contributed \$3,924 and \$4,826, respectively, to the plan.

12. RECLASSIFICATION

Certain prior year amounts have been reclassified to conform with current year presentation.

THE JEANNETTE RANKIN FOUNDATION, INC.
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2015

	Number of Shares/ Units	Cost	Carrying Fair Value	Unrealized Appreciation (Depreciation)
Corporate bonds				
AETNA Inc	20,000	\$ 19,658	\$ 21,324	\$ 1,666
Barclays Bank PLC	30,000	30,000	31,005	1,005
General Electric Cap Corp	30,000	30,000	32,751	2,751
Goldman Sachs Group Inc	20,000	20,000	20,277	277
United Health Group Inc	20,000	19,572	21,330	1,758
		<u>119,230</u>	<u>126,687</u>	<u>7,457</u>
Total corporate bonds				
Mutual funds				
Cohen & Steers Realty	757	10,067	10,988	921
Fidelity Advisor New	783	21,285	20,863	(422)
Henderson International	1,659	45,000	43,833	(1,167)
IShares TR Russell 2000	300	22,960	33,786	10,826
JP Morgan Income Builder	2,067	22,208	20,099	(2,109)
JP Morgan Strategic	2,125	25,000	23,575	(1,425)
Loomis Sayles SR Float	1,639	17,500	15,554	(1,946)
Neuberger Berman Strategic	2,850	31,960	30,021	(1,939)
PowerShares QQQ TR Units	850	50,763	95,081	44,318
Putnam Capital Spectrum	653	19,500	21,826	2,326
SPDR Dow Jones Indust Av	600	62,329	104,394	42,065
SPDR S&P MIDCAP 400 ETF	125	32,526	31,755	(771)
SPDR S&P 500 ETF TRUST	300	59,239	61,161	1,922
Western Asset Core Plus	5,221	59,999	59,686	(313)
		<u>480,336</u>	<u>572,622</u>	<u>92,286</u>
Total mutual funds				
Equities				
Proctor & Gamble Co	117	32	9,292	9,260
Bank of America Corp	23	1,156	387	(769)
		<u>1,188</u>	<u>9,679</u>	<u>8,491</u>
Total equities				
Money Market Funds				
		<u>28,485</u>	<u>28,485</u>	<u>-</u>
Total investments				
		<u>\$ 629,239</u>	<u>\$ 737,473</u>	<u>\$ 108,234</u>

See Independent Auditor's Report.

THE JEANNETTE RANKIN FOUNDATION, INC.
SCHEDULE OF NET ASSETS
DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Jeannette Rankin Fund				
Balance at December 31, 2014	\$ 23,892	\$ -	\$ 53,296	\$ 77,188
Contributions	210,467	84,476	-	294,943
Interest and dividends	-	2,978	-	2,978
Net realized/unrealized gains (losses)	-	(2,124)	-	(2,124)
Release of restrictions	-	-	-	-
Scholarships paid	(29,283)	(35,330)	-	(64,613)
Administrative costs of scholarships		(50,000)		
Other expenses, net of revenues	(144,981)	-	-	(144,981)
Balance at December 31, 2015	<u>60,095</u>	<u>-</u>	<u>53,296</u>	<u>113,391</u>
Cindy Short				
Balance at December 31, 2014	-	12,841	57,973	70,814
Interest and dividends	-	1,915	-	1,915
Net realized/unrealized gains (losses)	-	(1,366)	-	(1,366)
Scholarships paid	-	(2,381)	-	(2,381)
Balance at December 31, 2015	<u>-</u>	<u>11,009</u>	<u>57,973</u>	<u>68,982</u>
Doris Evans/Helen Oldfield Fund				
Balance at December 31, 2014	-	40,381	8,000	48,381
Interest and dividends	-	1,276	-	1,276
Net realized/unrealized gains (losses)	-	(910)	-	(910)
Scholarships paid	-	(2,381)	-	(2,381)
Balance at December 31, 2015	<u>-</u>	<u>38,366</u>	<u>8,000</u>	<u>46,366</u>

See Independent Auditor's Report.

THE JEANNETTE RANKIN FOUNDATION, INC.
SCHEDULE OF NET ASSETS
DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Founders Fund				
Balance at December 31, 2014	-	4,353	18,916	23,269
Interest and dividends	-	638	-	638
Net realized/unrealized gains (losses)	-	(455)	-	(455)
Scholarships paid	-	(2,381)	-	(2,381)
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Balance at December 31, 2015	-	2,155	18,916	21,071
Ethel Stuckey Fund				
Balance at December 31, 2014	-	6,005	9,320	15,325
Interest and dividends	-	425	-	425
Net realized/unrealized gains (losses)	-	(303)	-	(303)
Scholarships paid	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at December 31, 2015	-	6,127	9,320	15,447
Wilma Van Dusseldorp Fund				
Balance at December 31, 2014	-	3,146	12,550	15,696
Interest and dividends	-	425	-	425
Net realized/unrealized gains (losses)	-	(303)	-	(303)
Scholarships paid	-	(2,381)	-	(2,381)
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Balance at December 31, 2015	-	887	12,550	13,437
Mary Whitman Klerk Fund				
Balance at December 31, 2014	-	3,517	18,671	22,188
Interest and dividends	-	638	-	638
Net realized/unrealized gains (losses)	-	(455)	-	(455)
Scholarships paid	-	(2,381)	-	(2,381)
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Balance at December 31, 2015	-	1,319	18,671	19,990

See Independent Auditor's Report.

THE JEANNETTE RANKIN FOUNDATION, INC.
SCHEDULE OF NET ASSETS
DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Bertha "B" Merrill Holt Fund				
Balance at December 31, 2014	-	15,766	30,250	46,016
Interest and dividends	-	1,276	-	1,276
Net realized/unrealized gains (losses)	-	(910)	-	(910)
Scholarships paid	-	(2,381)	-	(2,381)
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Balance at December 31, 2015	-	13,751	30,250	44,001
Dr. Kenneth H. Bothwell, Jr. Fund				
Balance at December 31, 2014	-	4,361	25,000	29,361
Interest and dividends	-	851	-	851
Net realized/unrealized gains (losses)	-	(607)	-	(607)
Scholarships paid	-	(2,381)	-	(2,381)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at December 31, 2015	-	2,224	25,000	27,224
Erlanger Memorial Fund				
Balance at December 31, 2014	-	4,625	24,557	29,182
Interest and dividends	-	638	-	638
Net realized/unrealized gains (losses)	-	(455)	-	(455)
Scholarships paid	-	(2,381)	-	(2,381)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at December 31, 2015	-	2,427	24,557	26,984
Margaret Elise Shippen-(Greta) Kleiner Fund				
Balance at December 31, 2014	-	6,655	50,000	56,655
Interest and dividends	-	1,489	-	1,489
Net realized/unrealized gains (losses)	-	(1,062)	-	(1,062)
Scholarships paid	-	(2,381)	-	(2,381)
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Balance at December 31, 2015	-	4,701	50,000	54,701

See Independent Auditor's Report.

THE JEANNETTE RANKIN FOUNDATION, INC.
SCHEDULE OF NET ASSETS
DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Barbara Lawrence Fund				
Balance at December 31, 2014	-	22,101	100,261	122,362
Interest and dividends	-	3,404	-	3,404
Net realized/unrealized gains (losses)	-	(2,428)	-	(2,428)
Scholarships paid	-	(2,326)	-	(2,326)
	<u>-</u>	<u>(2,326)</u>	<u>-</u>	<u>(2,326)</u>
Balance at December 31, 2015	<u>-</u>	<u>20,751</u>	<u>100,261</u>	<u>121,012</u>
Bessie Tift Fund				
Balance at December 31, 2014	-	7,636	25,125	32,761
Interest and dividends	-	851	-	851
Net realized/unrealized gains (losses)	-	(607)	-	(607)
Scholarships paid	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2015	<u>-</u>	<u>7,880</u>	<u>25,125</u>	<u>33,005</u>
Sherrie Ford Fund				
Balance at December 31, 2014	-	9,485	50,200	59,685
Interest and dividends	-	1,489	-	1,489
Net realized/unrealized gains (losses)	-	(1,062)	-	(1,062)
Scholarships paid	-	(2,381)	-	(2,381)
	<u>-</u>	<u>(2,381)</u>	<u>-</u>	<u>(2,381)</u>
Balance at December 31, 2015	<u>-</u>	<u>7,531</u>	<u>50,200</u>	<u>57,731</u>
Mabel Davison				
Balance at December 31, 2014	-	9,485	50,000	59,485
Interest and dividends	-	1,489	-	1,489
Net realized/unrealized gains (losses)	-	(1,062)	-	(1,062)
Scholarships paid	-	(2,381)	-	(2,381)
	<u>-</u>	<u>(2,381)</u>	<u>-</u>	<u>(2,381)</u>
Balance at December 31, 2015	<u>-</u>	<u>7,531</u>	<u>50,000</u>	<u>57,531</u>

See Independent Auditor's Report.

THE JEANNETTE RANKIN FOUNDATION, INC.
SCHEDULE OF NET ASSETS
DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Forest Stewart Hillyard				
Balance at December 31, 2014	-	8,967	50,000	58,967
Interest and dividends	-	1,488	-	1,488
Net realized/unrealized gains (losses)	-	(1,062)	-	(1,062)
Scholarships paid	-	(2,381)	-	(2,381)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at December 31, 2015	-	7,012	50,000	57,012
Cash restricted for other program related expenditures				
Balance at December 31, 2014	-	20,300	-	20,300
Contributions	-	39,999	-	39,999
Release from restriction	12,783	(12,783)	-	-
Program related expenditures	(12,783)	-	-	(12,783)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at December 31, 2015	-	47,516	-	47,516
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	<u>\$ 60,095</u>	<u>\$ 181,187</u>	<u>\$ 584,119</u>	<u>\$ 825,401</u>

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