

WASHINGTON WOMEN'S FOUNDATION

FINANCIAL STATEMENTS
With Independent Auditor's Report

YEARS ENDED DECEMBER 31, 2018 AND 2017



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WASHINGTON WOMEN'S FOUNDATION

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

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INDEPENDENT AUDITOR'S REPORT

May 28, 2019

Board of Directors
Washington Women's Foundation
Seattle, Washington

We have audited the accompanying financial statements of Washington Women's Foundation (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to in the first paragraph of this letter present fairly, in all material respects, the financial position of Washington Women's Foundation as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Jacobson Jarvis & Co, PLLC

Jacobson Jarvis & Co, PLLC

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 1,423,415	\$ 1,430,037
Prepaid expenses	5,585	2,196
	<u>1,429,000</u>	<u>1,432,233</u>
Endowment Investments	4,132,588	4,474,437
Property and Equipment, net	43,069	52,327
	<u>\$ 5,604,657</u>	<u>\$ 5,958,997</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Current portion of grants payable to others	\$ 235,833	\$ 275,333
Accounts payable	3,110	8,458
Accrued expenses	38,488	23,032
	<u>277,431</u>	<u>306,823</u>
Grants Payable to Others - long term	67,334	-
	<u>344,765</u>	<u>306,823</u>
Net Assets		
Without donor restrictions	1,458,438	1,575,382
With donor restrictions	3,801,454	4,076,792
	<u>5,259,892</u>	<u>5,652,174</u>
Total Liabilities and Net Assets	<u>\$ 5,604,657</u>	<u>\$ 5,958,997</u>

See notes to financial statements.

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities						
Public support, revenue and other support						
Grant contributions	\$ -	\$ 859,028	\$ 859,028	\$ -	\$ 913,017	\$ 913,017
Contributions	351,823	73,386	425,209	790,109	77,600	867,709
Endowment earnings transferred from non-operating	147,896		147,896	140,586		140,586
Event sponsorships	20,750		20,750	28,750		28,750
Investment interest	10,349		10,349	8,117		8,117
Other revenue	8,578		8,578	19,901		19,901
Net assets released from time restrictions	55,100	(55,100)	-	35,500	(35,500)	-
Net assets released from purpose restrictions	902,312	(902,312)	-	940,101	(940,101)	-
Total Public Support, Revenue, and Other Support	1,496,808	(24,998)	1,471,810	1,963,064	15,016	1,978,080
Expenses						
Program services	1,272,351		1,272,351	1,274,453		1,274,453
Management and general	226,169		226,169	207,185		207,185
Fundraising	27,266		27,266	23,636		23,636
Total Expenses	1,525,786		1,525,786	1,505,274		1,505,274
Change in Net Assets from Operating Activities	(28,978)	(24,998)	(53,976)	457,790	15,016	472,806
Non-operating Activities						
Endowment contributions		32,001	32,001		26,205	26,205
Interest and dividends, net of investment fees of \$11,477 and \$14,303, respectively	25,961	71,594	97,555	19,720	60,151	79,871
Transfers to operations - released from time restrictions	(29,317)	(118,579)	(147,896)	(23,779)	(116,807)	(140,586)
Investment (losses) gains - realized and unrealized	(84,610)	(235,356)	(319,966)	96,693	334,525	431,218
Change in Net Assets from Non-operating Activities	(87,966)	(250,340)	(338,306)	92,634	304,074	396,708
Total Change in Net Assets	(116,944)	(275,338)	(392,282)	550,424	319,090	869,514
Net Assets - beginning of year	1,575,382	4,076,792	5,652,174	1,024,958	3,757,702	4,782,660
Net Assets - end of year	<u>\$ 1,458,438</u>	<u>\$ 3,801,454</u>	<u>\$ 5,259,892</u>	<u>\$ 1,575,382</u>	<u>\$ 4,076,792</u>	<u>\$ 5,652,174</u>

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018				2017			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 229,910	\$ 139,589	\$ 21,132	\$ 390,631	\$ 201,090	\$ 128,645	\$ 19,129	\$ 348,864
Payroll taxes	18,064	10,852	1,575	30,491	16,429	10,599	1,474	28,502
Employee benefits	29,956	15,868	2,091	47,915	22,909	10,986	1,001	34,896
Total Salaries and Related Expenses	277,930	166,309	24,798	469,037	240,428	150,230	21,604	412,262
Grants to others	848,500	-	-	848,500	913,000	-	-	913,000
Office operation expenses	92,708	23,270	1,411	117,389	93,279	25,993	1,232	120,504
Professional services	40,622	34,923	1,057	76,602	27,746	30,962	800	59,508
Depreciation expense	12,591	1,667	-	14,258	-	-	-	-
Total Expenses	<u>\$ 1,272,351</u>	<u>\$ 226,169</u>	<u>\$ 27,266</u>	<u>\$ 1,525,786</u>	<u>\$ 1,274,453</u>	<u>\$ 207,185</u>	<u>\$ 23,636</u>	<u>\$ 1,505,274</u>

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Cash received from:		
Donors	\$ 1,304,987	\$ 1,798,476
Interest	10,349	8,117
Other	8,578	19,901
Cash paid for:		
Personnel	(457,319)	(417,992)
Vendors	(198,990)	(196,568)
Grantees	<u>(820,666)</u>	<u>(863,666)</u>
Net Cash (Used) Provided by Operating Activities	<u>(153,061)</u>	<u>348,268</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	(5,000)	(29,607)
Purchases of marketable securities	(164,388)	(3,987,452)
Sales of marketable securities	<u>283,826</u>	<u>3,612,415</u>
Net Cash Provided (Used) by Investing Activities	<u>114,438</u>	<u>(404,644)</u>
Cash Flows Provided by Financing Activities		
Cash received from endowment contributions	<u>32,001</u>	<u>26,205</u>
Change in Cash and Cash Equivalents	(6,622)	(30,171)
Cash and Cash Equivalents - beginning of year	<u>1,430,037</u>	<u>1,460,208</u>
Cash and Cash Equivalents - end of year	<u>\$ 1,423,415</u>	<u>\$ 1,430,037</u>

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Washington Women's Foundation (the Foundation) is a nonprofit corporation whose vision is to change the course of women's philanthropy through the power of collective giving. Washington Women's Foundations is a strong and inclusive collective of informed women who together influence community transformation through individual and collective discovery, high-impact grant making and by listening to and respecting all voices in our community. Today Washington Women's Foundation has a membership of about 420 women and has provided over \$18,000,000 in grants to the community since its inception twenty-two years ago.

In 2018, Washington Women's Foundation awarded \$500,000 in pooled grant funds to five nonprofits evaluated through a rigorous review process and selected by membership vote. In addition, \$306,250 in individual grants were recommended by its members and distributed to 279 nonprofits. The Foundation hosted 47 educational events attended by hundreds of members and their guests. A professional staff of five employees, supported by a member-elected board, nine board and operating committees and more than 180 volunteers, conduct the work of the Foundation, organizing the pooled grant selection process, offering educational programs to members, and conducting outreach to the nonprofit and philanthropic community.

Adoption of new accounting pronouncement

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly.

Basis of presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, certain net assets as a board-designated endowment.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions restricted by donors are reported as increases in net assets with donor restrictions when received. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released from restriction when the assets are placed in service.

Cash and cash equivalents

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

The Foundation has certificates of deposit, which bear interest ranging from .901% to 1.35% and have maturities of 12 to 24 months with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

Fair value measurements

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

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

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

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

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Investments

Investments are stated at fair value. The Colleen S. Willoughby Endowment Fund and the Washington Women's Foundation Quasi-Endowment Fund were both held at Seattle Foundation as Designated Funds until February 2017, when the funds were transferred to and are now being held at Vanguard Institutional Advisory Services (Vanguard).

Promises to give

In accordance with financial accounting standards, unconditional promises to give are recognized as support in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Foundation had no conditional promises to give at December 31, 2018 or 2017.

Property and equipment

Property and equipment are stated at cost or, if donated, at fair value at the date of donation. Property and equipment purchases that exceed \$5,000 are capitalized as assets. Depreciation is provided using the straight-line method over the estimated useful lives of the assets of three years. Capitalized assets as of December 31, 2018 included new website and database software with original cost of \$57,327. Capitalized assets as of December 31, 2017 included fully-depreciated website and database software with original cost of \$37,738 and website in development costs of \$29,607. Depreciation expense was \$14,258 in the year ended December 31, 2018. There was no depreciation expense for the year ended December 31, 2017.

Grants payable to others

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

Operating and non-operating activity

Operating activities include the regular business functions of the Foundation of grant-making, program management, education, member relations, contributions, fundraising, cash management, short-term investing, staff salaries, and office expenses. Non-operating activities include the donor restricted Colleen S. Willoughby Endowment and the Board Designated Washington Women's Foundation Quasi-Endowment.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional allocation of expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation and amortization, salaries, benefits, payroll taxes, professional services, office expenses, information technology, insurance, and other, which are allocated on the basis of estimates of time and effort.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Federal income taxes

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

Net unrelated business income, if any, is subject to federal income taxes under Sections 512 and 514. Taxable amount includes dollars paid for bus passes provided for employees.

NOTE B - LIQUIDITY

The Foundation's working capital and cash flow have seasonal variations during the year attributable to the annual receipts for memberships and contributions being received during two distinct periods of the year. The Foundation manages its liquidity and reserves by maintaining adequate liquid assets to fund near-term operating needs, sufficient reserves to provide long term stability and by operating within a prudent range of financial soundness.

The following table represents the financial assets as of December 31, 2018, reduced by amounts not available for general use within one year of the statement of financial position date because of donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for general expenditure in the following year. Amounts not available include amounts set aside for the quasi-endowment that could be drawn upon if the board of directors approves that action.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE B - LIQUIDITY (Continued)

Financial assets as of December 31:

	<u>2018</u>
Cash and cash equivalents	\$ 1,423,415
Endowment Investments	<u>4,132,588</u>
	5,556,003
Less: Restrictions on the use of financial assets	
Endowment investments	(4,132,588)
Net assets with donor restrictions	(1,111,075)
Less: net assets with time or purpose	
donor restrictions to be met in 2019	247,527
Less: endowment earnings included	
donor restrictions to be met in 2019	346,686
Less: approved 2019 endowment	
distribution	<u>159,300</u>
Financial Assets Available for Operations	
Within One Year	<u>\$ 1,065,853</u>

NOTE C - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are as follows at December 31:

	<u>2018</u>	<u>2017</u>
Subject to expenditure for specific purpose:		
Pooled grants	\$ 481,690	\$ 514,703
Individual grants	153,000	144,750
Partner grants	32,172	24,334
Diversity, equity and inclusion initiatives	51,141	32,500
Accumulated endowment earnings	346,686	629,027
Donations for future periods	<u>46,386</u>	<u>73,100</u>
	<u>1,111,075</u>	<u>1,418,414</u>
Endowments:		
Colleen S. Willoughby Endowment	<u>2,690,379</u>	<u>2,658,378</u>
Total net assets with donor restrictions	<u>\$ 3,801,454</u>	<u>\$ 4,076,792</u>

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE D - ENDOWMENT

Washington Women's Foundation's Colleen S. Willoughby Endowment was established in 2005 and the Washington Women's Foundation Quasi-Endowment was established in 2010. The purpose of both funds is to ensure the long-term viability and sustainability of Washington Women's Foundation. For the purposes of this note, both the Endowment and Quasi-Endowment will be referred to as the Endowment.

Until February 2017, the Endowment was held at the Seattle Foundation, which was established in 1946 and since its formation has managed funds for many nonprofit organizations in the Puget Sound Area. The Endowment was invested in the Seattle Foundation Balanced Pool Fund. Since February 2017, the Endowment has been held at Vanguard and invested in a diversified group of indexed mutual funds.

Interpretation of Relevant Law

The Board of Directors of Washington Women's Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

As a result of the interpretations, the Foundation classifies net assets associated with endowment funds based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as enacted by the State of Washington as allowing the spending of its endowment funds as it determines is prudent, regardless of whether the fund value is below its historic dollar value, unless a donor has provided specific spending limits under the terms of the original donation. In determining an appropriate and prudent spending rate, the Foundation considers the following factors:

1. Duration and preservation of the endowment fund;
2. The purposes of the Foundation and donor-restricted endowment funds;
3. General economic conditions;
4. The possible effect of inflation or deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Foundation; and
7. The investment policies of the Foundation.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE D - ENDOWMENT (Continued)

Spending Policy

The Foundation has a policy of appropriating for distribution each year a maximum of four percent of the portfolio's average fair value over the prior 12 quarters through the calendar year end preceding the fiscal year in which the distribution is planned. During the years ended December 31, 2018 and 2017, \$147,896 and \$140,586 was distributed from the Endowment, respectively.

Return Objectives

The Foundation invests its portfolio with the objectives of preserving the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of the Foundation. The Foundation expects the current spending policy to allow its endowment to grow at a rate equal to the rate of inflation, consistent with the Foundation's objectives.

Strategies Employed for Achieving Objectives

The Foundation believes that the strategic allocation of portfolio assets across broadly defined financial asset and sub-asset categories with varying degrees of risk, return, and return correlation will be the most significant determinant of long-term investment returns and portfolio asset value stability. Accordingly, portfolio assets will be managed as a diversified portfolio composed of two major components: an equity portion and a fixed income portion. The expected role of portfolio equity investments will be to maximize the long-term real growth of portfolio assets, while the role of fixed income investments will be to generate current income, provide for more stable periodic returns, and provide some protection against a prolonged decline in the market value of portfolio equity investments.

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Endowment Net Assets by Fund Type as of December 31, 2018:			
Colleen S. Willoughby Endowment	\$ -	\$ 3,037,065	\$ 3,037,065
WWF Quasi-Endowment	<u>1,095,523</u>	<u>-</u>	<u>1,095,523</u>
Total Endowments	<u>\$ 1,095,523</u>	<u>\$ 3,037,065</u>	<u>\$ 4,132,588</u>

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE D - ENDOWMENT (Continued)

	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Endowment Net Assets For the Year Ended December 31, 2018:			
Endowment net assets, beginning of year	\$ 1,183,175	\$ 3,287,405	\$ 4,470,580
Board Transfer	601	-	601
Contributions	<u>-</u>	<u>32,001</u>	<u>32,001</u>
Investment return:			
Investment income	29,016	80,016	109,032
Investment fees	(3,055)	(8,422)	(11,477)
Net losses	<u>(84,897)</u>	<u>(235,356)</u>	<u>(320,253)</u>
Total investment return	(58,936)	(163,762)	(222,698)
Appropriation of endowment assets for expenditure	<u>(29,317)</u>	<u>(118,579)</u>	<u>(147,896)</u>
Endowment net assets, end of year	<u>\$ 1,095,523</u>	<u>\$ 3,037,065</u>	<u>\$ 4,132,588</u>

Endowment Net Assets by Fund Type as of December 31, 2017:

Colleen S. Willoughby Endowment	\$ -	\$ 3,287,405	\$ 3,287,405
WWF Quasi-Endowment	<u>1,183,175</u>	<u>-</u>	<u>1,183,175</u>
Total Endowments	<u>\$ 1,183,175</u>	<u>\$ 3,287,405</u>	<u>\$ 4,470,580</u>

Changes in Endowment Net Assets For the Year Ended December 31, 2017:

Endowment net assets, beginning of year	\$ 604,980	\$ 2,983,331	\$ 3,588,311
Board Transfer	62,000	-	62,000
Contributions	<u>422,939</u>	<u>26,205</u>	<u>449,144</u>
Investment return:			
Investment income	23,234	70,940	94,174
Investment fees	(3,514)	(10,789)	(14,303)
Net gains	<u>97,315</u>	<u>334,525</u>	<u>431,840</u>
Total investment return	117,035	394,676	511,711
Appropriation of endowment assets for expenditure	<u>(23,779)</u>	<u>(116,807)</u>	<u>(140,586)</u>
Endowment net assets, end of year	<u>\$ 1,183,175</u>	<u>\$ 3,287,405</u>	<u>\$ 4,470,580</u>

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE E - FAIR VALUE MEASUREMENTS

Fair value of assets measured on a recurring basis (at least annually) are as follows:

	Quoted Prices (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
As of December 31, 2018				
Domestic equity funds	\$ 1,416,448	\$ -	\$ -	\$ 1,416,448
International equity funds	936,060	-	-	936,060
Domestic fixed income funds	1,233,569	-	-	1,233,569
International fixed income funds	532,361	-	-	532,361
	<u>\$ 4,118,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,118,438</u>
As of December 31, 2017				
Domestic equity funds	\$ 1,653,668	\$ -	\$ -	\$ 1,653,668
International equity funds	1,138,468	-	-	1,138,468
Domestic fixed income funds	1,251,547	-	-	1,251,547
International fixed income funds	418,154	-	-	418,154
	<u>\$ 4,461,837</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,461,837</u>

NOTE F - LEASE OBLIGATION

The Foundation leases office space under a non-cancelable operating lease that was renewed on February 1, 2018. Increase in base rent is 1.5% for each of the periods starting February 1, 2019 and February 1, 2020. The future established minimum payments under the previous lease and this lease renewal for the years ending December 31 are as follows:

2019	\$ 15,641
2020	15,880
2021	1,325
	<u>\$ 32,846</u>

Rent expense related to this lease was \$15,413 and \$15,183, respectively, for the years ended December 31, 2018 and 2017, and was included in office operation expenses.

NOTE G - RETIREMENT PLAN

The Foundation offers a SEP IRA to employees who have completed one year of service. For the years ended December 31, 2018 and 2017, the Foundation contributed an amount equal to 3% of each eligible employee's gross wages, totaling \$11,198 and \$7,040, respectively, to the employees' SEP IRA accounts.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE H - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to December 31, 2018 through May 28, 2019, which is the date the financial statements were available to be issued, and has recognized in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at December 31, 2018, including the estimates inherent in the processing of financial statements.