

WASHINGTON WOMEN'S FOUNDATION

FINANCIAL STATEMENTS
With Independent Auditor's Report

YEARS ENDED DECEMBER 31, 2022 AND 2021



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WASHINGTON WOMEN'S FOUNDATION

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Washington Women's Foundation
Seattle, Washington

Opinion

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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington Women's Foundation as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Washington Women's Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Washington Women's Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Washington Women's Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Washington Women's Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Jacobson Jarvis & Co, PLLC
Seattle, Washington
May 23, 2023

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 1,747,582	\$ 1,774,548
Promises to give	3,155	27,773
Prepaid expenses	11,351	10,014
	<u>1,762,088</u>	<u>1,812,335</u>
Endowment Investments	4,205,143	5,623,781
Property and Equipment, net	<u>732</u>	<u>3,132</u>
	<u>Total Assets</u>	<u>Total Assets</u>
	<u>\$ 5,967,963</u>	<u>\$ 7,439,248</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Current portion of grants payable to others	\$ 183,333	\$ 153,333
Accounts payable	8,383	743
Accrued expenses	25,532	22,631
	<u>217,248</u>	<u>176,707</u>
Grants Payable to Others - long term	<u>33,333</u>	<u>-</u>
	<u>Total Liabilities</u>	<u>Total Liabilities</u>
	<u>250,581</u>	<u>176,707</u>
Net Assets		
Without donor restrictions	1,954,818	2,598,396
With donor restrictions	<u>3,762,564</u>	<u>4,664,145</u>
	<u>Total Net Assets</u>	<u>Total Net Assets</u>
	<u>5,717,382</u>	<u>7,262,541</u>
	<u>Total Liabilities and Net Assets</u>	<u>Total Liabilities and Net Assets</u>
	<u>\$ 5,967,963</u>	<u>\$ 7,439,248</u>

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities						
Public support, revenue and other support						
Grant contributions	\$ -	\$ 265,870	\$ 265,870	\$ -	\$ 187,167	\$ 187,167
Contributions	930,428	9,990	940,418	1,051,748	57,500	1,109,248
Endowment earnings transferred from non-operating	146,000		146,000	181,128		181,128
Event sponsorships	9,000		9,000	2,725		2,725
Investment interest	11,216		11,216	3,747		3,747
Other revenue	8,469		8,469	4,980		4,980
Net assets released from time restrictions	50,000	(50,000)	-	17,500	(17,500)	-
Net assets released from purpose restrictions	279,717	(279,717)	-	-	-	-
Total Public Support, Revenue, and Other Support	1,434,830	(53,857)	1,380,973	1,261,828	227,167	1,488,995
Expenses						
Program services	1,579,334		1,579,334	941,935		941,935
Management and general	226,094		226,094	268,405		268,405
Fundraising	47,012		47,012	32,459		32,459
Total Expenses	1,852,440		1,852,440	1,242,799		1,242,799
Change in Net Assets from Operating Activities	(417,610)	(53,857)	(471,467)	19,029	227,167	246,196
Non-operating Activities						
Endowment contributions	-	9,450	9,450	-	41,151	41,151
Interest and dividends, net of fees	16,680	62,969	79,649	28,623	84,413	113,036
Transfers to operations - released from time restrictions	-	(146,000)	(146,000)	(47,763)	(133,365)	(181,128)
Investment gains - realized and unrealized	(242,648)	(774,143)	(1,016,791)	70,439	315,470	385,909
Change in Net Assets from Non-operating Activities	(225,968)	(847,724)	(1,073,692)	51,299	307,669	358,968
Total Change in Net Assets	(643,578)	(901,581)	(1,545,159)	70,328	534,836	605,164
Net Assets - beginning of year	2,598,396	4,664,145	7,262,541	2,528,068	4,129,309	6,657,377
Net Assets - end of year	\$ 1,954,818	\$ 3,762,564	\$ 5,717,382	\$ 2,598,396	\$ 4,664,145	\$ 7,262,541

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022				2021			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 295,773	\$ 135,371	\$ 24,038	\$ 455,182	\$ 240,994	\$ 181,253	\$ 25,868	\$ 448,115
Employee benefits	44,646	20,975	2,538	68,159	28,115	17,967	2,158	48,240
Payroll taxes	24,379	11,256	1,797	37,432	21,184	15,795	2,180	39,159
Total Salaries and Related Expenses	364,798	167,602	28,373	560,773	290,293	215,015	30,206	535,514
Grants to others	1,065,000	-	-	1,065,000	582,500	-	-	582,500
Office operation expenses	142,182	18,348	1,656	162,186	47,712	21,419	1,723	70,854
Professional services	7,354	37,744	16,983	62,081	18,912	29,571	530	49,013
Depreciation expense	-	2,400	-	2,400	2,518	2,400	-	4,918
Total Expenses	\$ 1,579,334	\$ 226,094	\$ 47,012	\$ 1,852,440	\$ 941,935	\$ 268,405	\$ 32,459	\$ 1,242,799

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Cash received from:		
Donors	\$ 1,246,311	\$ 1,271,366
Interest	11,216	3,747
Other	2,064	4,980
Cash paid for:		
Personnel	(558,410)	(570,835)
Vendors	(217,426)	(127,663)
Grantees	<u>(1,001,667)</u>	<u>(625,833)</u>
Net Cash Used by Operating Activities	<u>(517,912)</u>	<u>(44,238)</u>
Cash Flows from Investing Activities		
Purchases of marketable securities	(21,750)	(347,658)
Sales of marketable securities	<u>503,246</u>	<u>487,414</u>
Net Cash Provided by Investing Activities	<u>481,496</u>	<u>139,756</u>
Cash Flows Provided by Financing Activities		
Cash received from endowment contributions	<u>9,450</u>	<u>41,151</u>
Change in Cash and Cash Equivalents	(26,966)	136,669
Cash and Cash Equivalents - beginning of year	<u>1,774,548</u>	<u>1,637,879</u>
Cash and Cash Equivalents - end of year	<u>\$ 1,747,582</u>	<u>\$ 1,774,548</u>

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

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 Foundation 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. Washington Women's Foundation has a membership of over 313 women and has provided over \$20,000,000 in grants to the community since its inception twenty-eight years ago.

In 2022, Washington Women's Foundation awarded over \$1,000,000 in grants: \$453,000 in Collective Grant Funds to nonprofits evaluated through a member committee review process and selected by membership vote. The Foundation also awarded \$510,000 in Rest and Repair Awards in support of Black women leaders working in Washington State's nonprofit sector. In addition, \$102,000 in grants were distributed as follows: \$45,000 in Advocacy Grants, \$45,000 in Women and Girl Grants, dedicated to elevating and amplifying the voices of all who identify as women, and \$12,000 in Discretionary Grants. The Foundation hosted over 33 educational events attended by hundreds of members and their guests. A professional staff of 4.7 employees, supported by a member-elected board, nine board and operating committees, and more than 150 volunteers, conduct the work of the Foundation, organizing the collective grant selection process, offering educational programs to members, and conducting outreach to the nonprofit and philanthropic community.

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.

Basis of presentation

The Foundation presents its financial statements on an accrual basis of accounting in accordance with FASB Accounting Standards Codification (ASC) 958, Not-for-Profit Entities. Under FASB ASC 958, the Foundation is required to report information regarding its financial position and activities 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, 2022 AND 2021

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.

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.

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.

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 contribution, investment returns and appropriations.

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 that bear interest ranging from 0.35% to 3.00% and have original maturities of 12-13 months with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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. Market risk could occur and is dependent on the future changes in market prices of the various investments held. The Colleen S. Willoughby Endowment Fund and the Washington Women's Foundation Quasi-Endowment Fund (renamed the Board Discretionary Fund in early 2022) are held at Vanguard Institutional Advisory Services (Vanguard).

Promises to give

Promises to give are shown net of unrealizable amounts. Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received.

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, primarily three years. Capitalized assets as of December 31, 2022 and 2021 included website and database software with original cost of \$57,327. Depreciation expense was \$2,400 and \$4,918 in the years ended December 31, 2022 and 2021, respectively.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants payable to others

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

Support recognition

The Foundation recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return or release, are not recognized until the conditions on which they depend have been met. The Foundation had no conditional promises to give at December 31, 2022 or 2021.

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, insurance and information technology, as well as salaries, benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort.

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, 2022 and 2021, 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.

	<u>2022</u>	<u>2021</u>
Financial assets as of December 31:		
Cash and cash equivalents	\$ 1,747,582	\$ 1,774,548
Promises to give	3,155	27,773
Endowment and Board Discretionary Fund	<u>4,205,143</u>	<u>5,623,781</u>
	5,955,880	7,426,102

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE B - LIQUIDITY (Continued)

	<u>2022</u>	<u>2021</u>
Less: Restrictions on the use of financial assets		
Endowment and Board Discretionary Fund	(4,205,143)	(5,623,781)
Net assets with donor purpose restrictions	(359,762)	(373,609)
Less: net assets with time or purpose		
donor restrictions to be met in one year	17,490	57,500
Less: approved endowment		
distributions	<u>148,000</u>	<u>280,915</u>
Financial Assets Available for Operations		
Within One Year	<u>\$ 1,556,465</u>	<u>\$ 1,767,127</u>

NOTE C - 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)
As of December 31, 2022			
Domestic equity funds	\$ 1,459,398	\$ -	\$ -
International equity funds	996,924	-	-
Domestic fixed income funds	1,211,916	-	-
International fixed income funds	<u>527,455</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,195,693</u>	<u>\$ -</u>	<u>\$ -</u>
As of December 31, 2021			
Domestic equity funds	\$ 2,093,153	\$ -	\$ -
International equity funds	1,301,425	-	-
Domestic fixed income funds	1,549,873	-	-
International fixed income funds	<u>667,030</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,611,481</u>	<u>\$ -</u>	<u>\$ -</u>

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE D - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specific purpose:		
WFA Fund for Women	\$ 327,833	\$ 181,099
Diversity, equity and inclusion initiatives	21,634	21,634
Partner grants	10,295	15,376
R&R Fund	-	155,500
Donations for future periods	<u>17,490</u>	<u>57,500</u>
	377,252	431,109
Endowments:		
Colleen S. Willoughby Endowment	<u>3,385,312</u>	<u>4,233,036</u>
Total net assets with donor restrictions	<u>\$ 3,762,564</u>	<u>\$ 4,664,145</u>

NOTE E - ENDOWMENT

Washington Women’s Foundation’s Colleen S. Willoughby Endowment (CWE) was established in 2005 and the Washington Women's Foundation Quasi-Endowment (QE) was established in 2010. In early 2022 the board moved to change the name of the QE to the Board Discretionary Fund (BDF) to better express its intended purpose, which is to support Board initiatives and operations as the Board deems appropriate. The purpose of the CWE is to ensure the long-term viability and sustainability of Washington Women's Foundation. For the purposes of this note, the CWE and BDF will be referred to as the Endowment and BDF. Since February 2017, these funds have 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.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE E - ENDOWMENT (Continued)

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.

Spending Policy

During the years ended December 31, 2022 and 2021, the Foundation applied the policy of appropriating for distribution each year a maximum of four percent of the CWE's 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, 2022 and 2021, \$146,000 and \$181,128, respectively, was distributed from the Endowment.

Return Objectives

The Foundation invests the CWE 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 over time, consistent with the Foundation's objectives. The Board Discretionary Fund (BDF) maintains a higher percentage of its portfolio in fixed income with the objective of providing short term access to funds as needed.

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.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE E - ENDOWMENT (Continued)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Endowment and BDF Net Assets by Fund Type as of December 31, 2022:			
Colleen S. Willoughby Endowment	\$ -	\$ 3,385,312	\$ 3,385,312
Board Discretionary Fund (BDF)	<u>819,831</u>	<u>-</u>	<u>819,831</u>
Total Endowments	<u>\$ 819,831</u>	<u>\$ 3,385,312</u>	<u>\$ 4,205,143</u>
Changes in Endowment and BDF Net Assets For the Year Ended December 31, 2022:			
Endowment and BDF net assets, beginning of year	<u>\$ 1,390,745</u>	<u>\$ 4,233,036</u>	<u>\$ 5,623,781</u>
Board Transfer	-	-	-
Contributions	<u>-</u>	<u>9,450</u>	<u>9,450</u>
Investment return:			
Investment income	24,146	85,503	109,649
Investment fees	(7,466)	(22,534)	(30,000)
Net losses	<u>(243,094)</u>	<u>(774,143)</u>	<u>(1,017,237)</u>
Total investment return	(226,414)	(711,174)	(937,588)
Appropriation of endowment and BDF assets for expenditure	<u>(344,500)</u>	<u>(146,000)</u>	<u>(490,500)</u>
Endowment and BDF net assets, end of year	<u>\$ 819,831</u>	<u>\$ 3,385,312</u>	<u>\$ 4,205,143</u>
Endowment Net Assets by Fund Type as of December 31, 2021:			
Colleen S. Willoughby Endowment	\$ -	\$ 4,233,036	\$ 4,233,036
Board Discretionary Fund (BDF)	<u>1,390,745</u>	<u>-</u>	<u>1,390,745</u>
Total Endowments	<u>\$ 1,390,745</u>	<u>\$ 4,233,036</u>	<u>\$ 5,623,781</u>

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE E - ENDOWMENT (Continued)

Changes in Endowment Net Assets For the Year Ended December 31, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment and BDF net assets, beginning of year	\$ 1,339,225	\$ 3,925,367	\$ 5,264,592
Board Transfer	-	-	-
Contributions	-	41,151	41,151
Investment return:			
Investment income	32,690	97,459	130,149
Investment fees	(4,067)	(13,046)	(17,113)
Net gains	70,661	315,470	386,131
Total investment return	99,284	399,883	499,167
Appropriation of endowment assets for expenditure	(47,764)	(133,365)	(181,129)
Endowment net assets, end of year	<u>\$ 1,390,745</u>	<u>\$ 4,233,036</u>	<u>\$ 5,623,781</u>

NOTE F - LEASE OBLIGATION

The Foundation leases office space under a non-cancelable operating lease that was renewed on February 1, 2021 through January 31, 2023. Rent expense related to this lease was \$16,403 and \$17,441, respectively, for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, the Foundation contributed an amount equal to 3% of each eligible employee's gross wages, totaling \$9,875 and \$7,789, respectively, to the employees' SEP IRA accounts.

NOTE H - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to December 31, 2022 through May 23, 2023, 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, 2022, including the estimates inherent in the processing of financial statements. The following events arose after December 31, 2022 relating to conditions that did not exist as of December 31, 2022.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE H - SUBSEQUENT EVENTS (Continued)

The Foundation leases office space under a non-cancelable operating lease that was renewed on January 5, 2023 through December 31, 2024. The future minimum payments under this lease renewal for the years ending December 31 are as follows:

2023	\$	20,821
2024		<u>21,862</u>
	\$	<u>42,683</u>