WASHINGTON WOMEN'S FOUNDATION

Financial Statements
December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Washington Women's Foundation
Seattle, Washington

Opinion

We have audited the accompanying financial statements of Washington Women's Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Prior Period Financial Statements

The financial statements of Washington Women's Foundation as of December 31, 2022, were audited by other auditors whose report dated May 23, 2023, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

Auditor's 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 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.

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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.

Greenwood Ohlund

Seattle, Washington
May 14, 2024

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

ASSETS	2023	2022
Current Assets		
Cash and cash equivalents	$ 716,403	$ 1,747,582
Certificates of deposit	613,260	-
Contributions and grants receivable	3,837	3,155
Prepaid expenses and other assets	12,848	12,083
Total current assets	1,346,348	1,762,820
Investments Held for Endowment	4,137,154	4,205,143
Total assets	$ 5,483,502	$ 5,967,963
LIABILITIES AND NET ASSETS		
Current Liabilities		
Grants payable to others	$ 133,333	$ 183,333
Accounts payable	7,910	8,383
Accrued salaries and benefits	28,757	25,532
Total current liabilities	170,000	217,248
Grants Payable to Others, net of current portion	-	33,333
Total liabilities	170,000	250,581
Net Assets		
Without donor restrictions	1,277,709	1,954,818
With donor restrictions	4,035,793	3,762,564
Total net assets	5,313,502	5,717,382
Total liabilities and net assets	$ 5,483,502	$ 5,967,963

See accompanying notes to financial statements.

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Contributions and grants	$ 945,652	$ 42,903	$ 988,555	$ 939,428	$ 275,860	$ 1,215,288
Other income	5,560	-	5,560	8,469	-	8,469
Net assets released from endowment restrictions - appropriation of earnings	148,000	-	148,000	146,000	-	146,000
Net assets released from donor restrictions	126,856	(126,856)	-	329,717	(329,717)	-
Total support and revenue	1,226,068	(83,953)	1,142,115	1,423,614	(53,857)	1,369,757
Expenses						
Program services	1,676,596	-	1,676,596	1,579,334	-	1,579,334
Management and general	265,464	-	265,464	226,094	-	226,094
Fundraising	84,462	-	84,462	47,012	-	47,012
Total expenses	2,026,522	-	2,026,522	1,852,440	-	1,852,440
Change in net assets from operating activities	(800,454)	(83,953)	(884,407)	(428,826)	(53,857)	(482,683)
Non-Operating Activities						
Endowment contributions	-	1,100	1,100	-	9,450	9,450
Investment return	123,345	504,082	627,427	(214,752)	(711,174)	(925,926)
Net assets released from endowment restrictions - appropriation of earnings	-	(148,000)	(148,000)	-	(146,000)	(146,000)
Change in net assets	**(677,109)**	**273,229**	**(403,880)**	**(643,578)**	**(901,581)**	**(1,545,159)**
Net Assets, beginning of year	1,954,818	3,762,564	5,717,382	2,598,396	4,664,145	7,262,541
Net Assets, end of year	$ 1,277,709	$ 4,035,793	$ 5,313,502	$ 1,954,818	$ 3,762,564	$ 5,717,382

See accompanying notes to financial statements.

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2023 and 2022

	2023				2022			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 329,860	$ 156,808	$ 44,489	$ 531,157	$ 295,773	$ 135,371	$ 24,038	$ 455,182
Benefits	39,928	25,529	14,519	79,976	44,646	20,975	2,538	68,159
Payroll taxes	28,851	13,898	3,686	46,435	24,379	11,256	1,797	37,432
Total salaries and related	398,639	196,235	62,694	657,568	364,798	167,602	28,373	560,773
Grants to others	1,054,500	-	-	1,054,500	1,065,000	-	-	1,065,000
Meetings, events, and other office	201,509	24,267	4,632	230,408	142,182	18,348	1,656	162,186
Professional services	21,948	44,230	17,136	83,314	7,354	37,744	16,983	62,081
Other	-	732	-	732	-	2,400	-	2,400
Total expenses	$ 1,676,596	$ 265,464	$ 84,462	$ 2,026,522	$ 1,579,334	$ 226,094	$ 47,012	$ 1,852,440

See accompanying notes to financial statements.

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Cash received from:		
Donors	$ 987,108	$ 1,246,311
Interest	134,508	11,216
Other	5,560	2,064
Cash paid to:		
Personnel	(654,343)	(558,410)
Vendors	(314,927)	(217,426)
Grantees	(1,137,833)	(1,001,667)
Net cash flows from operating activities	(979,927)	(517,912)
Cash Flows from Investing Activities		
Purchases of investments	(88,592)	(21,750)
Proceeds from sales of investments	649,500	503,246
Net cash flows from investing activities	560,908	481,496
Cash Flows from Financing Activity		
Cash received from endowment contributions	1,100	9,450
Net change in cash and cash equivalents	**(417,919)**	**(26,966)**
Cash and Cash Equivalents, beginning of the year	1,747,582	1,774,548
Cash and Cash Equivalents, end of the year	$ 1,329,663	$ 1,747,582

See accompanying notes to financial statements.

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

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. The 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. The Foundation has a membership of over 280 women and has provided over $21,000,000 (unaudited) in grants to the community since its inception twenty-nine years ago.

In 2023, Washington Women's Foundation awarded over $1,000,000 in grants: $454,500 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, $90,000 in grants were distributed as follows: $45,000 in Advocacy Grants and $45,000 in Women and Girl Grants, dedicated to elevating and amplifying the voices of all who identify as women. The Foundation hosted over 52 educational events (unaudited) attended by hundreds of members and their guests (unaudited). A professional staff of 5 employees, supported by a member-elected board, 11 board and operating committees, and more than 110 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.

Use of Estimates

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

Financial Statement Presentation

In accordance with accounting principles generally accepted in the United States of America, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

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 endowment contributions and investment return, less appropriations from the endowment.

Net Assets without and with Donor Restrictions

Net assets without donor restrictions are available for support of the Foundation's operations. Certain net assets without donor restrictions are designated by the Board of Directors to support long-term purposes (the Board Discretionary Fund, see Note 3).

Some net assets with donor restrictions are temporary in nature and consist of unexpended contributions and grants restricted for particular programs or time periods. Other net assets have perpetual donor restrictions, where the principal of the contribution or grant is restricted in perpetuity and the income from which is utilized for the purposes specified by the donors. Net assets with temporary donor restrictions are transferred to net assets without donor restrictions as expenditures are incurred for the restricted programs or as the time restrictions are met. Contributions, grants, and investment returns with donor restrictions are reported as increases in net assets without donor restrictions if the restrictions are met within the same reporting period the contribution or grant, or the investment return, is earned.

Net assets with donor restrictions consist of the following at December 31:

	2023	2022
Net assets with time and purpose restrictions		
WFA Fund for Women	$ 257,936	$ 327,833
Diversity, equity and inclusion initiatives	11,641	21,634
Grantmaking	1,232	10,295
Future periods (time restricted)	22,490	17,490
Total net assets with time and purpose restrictions	293,299	377,252
Net assets with endowment restrictions		
Perpetual endowment	$ 2,858,527	$ 2,857,427
Unappropriated endowment earnings	883,967	527,885
	$ 4,035,793	$ 3,762,564

Cash and Cash Equivalents

Cash and cash equivalents represent cash in banks (other than those held within the investment portfolio). The Foundation considers all short-term securities with an original maturity of three months or less to be cash. On occasion, the Foundation has amounts deposited with financial institutions in excess of federally insured limits. The Foundation has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Certificates of Deposit

Certificates of deposit are recognized at cost plus accrued interest.

Contributions and Grants Receivable

Unconditional promises to give (pledges) are recognized as revenues in the period the pledge is received. Contributions and grants receivable that are expected to be collected in one year are recorded at net realizable value. Management reviews the collectability of contributions and grants receivable on a periodic basis and determines the appropriate amount of any allowance. The Foundation charges off receivables to the allowance when management determines that the receivables are not collectible. No allowance for accounts receivable was considered necessary at December 31, 2023 or 2022.

Fair Value Measurements

Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels that prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

Investments Held for Endowment

Investments held for endowment are reported at their fair value (Level 1 inputs such as quoted prices on national exchanges) in the statements of financial position and consist of the following at December 31:

	2023	2022
Cash and cash equivalents	$ 1,100	$ 9,450
Equity mutual funds - domestic	1,543,446	1,459,398
Equity mutual funds - international	988,885	996,924
Bond mutual funds - domestic	1,104,461	1,211,916
Bond mutual funds - international	499,262	527,455
	$ 4,137,154	$ 4,205,143

Investment return, as presented on the statements of activities, consists of interest and dividends, realized and unrealized gains and losses, less external investment fees.

Grants Payable to Others

Grant awards, although not legally binding, are reported as an expense and liability when the unconditional award is made. Grants payable at December 31, 2023 and 2022, are payable within one to five years.

Contribution and Grant Revenue Recognition

Revenue from contributions and grants is recognized when the unconditional contribution or grant award is made. Conditional contributions and grants are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met.

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 salaries and related, professional services, and meetings, events and other office, which are allocated based on estimates of time and effort.

Income Taxes

The Foundation is a nonprofit organization that is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

Reclassifications

Certain prior year balances have been reclassified in order to conform to the current year presentation.

Subsequent Events

The Foundation has evaluated subsequent events through the date these financial statements were available to be issued, which was May 14, 2024.

Note 2 – Liquidity and Availability of Resources

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 and 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, 2023 and 2022, 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 not available include amounts set aside for the Board Discretionary Fund that could be drawn upon if the Board of Directors approves that action.

	2023	2022
Financial assets:		
Cash and cash equivalents	$ 716,403	$ 1,747,582
Certificates of deposit	613,260	-
Contributions and grants receivable	3,837	3,155
Investments	4,137,154	4,205,143
Total financial assets	5,470,654	5,955,880
Endowment appropriations expected within one year	148,000	148,000
Amounts not available for general use within one year:		
Net assets with board designations (quasi-endowment)	(394,660)	(819,831)
Net assets with donor restrictions for purposes	(4,013,303)	(3,745,074)
	$ 1,210,691	$ 1,538,975

Note 3 – Endowment

The Foundation's endowment consists of a donor-restricted endowment fund, the Washington Women's Foundation's Colleen S. Willoughby Endowment (CWE), established to support the general operations of the Foundation. The Foundation's endowment also includes amounts designated by the Board of Directors, the Board Discretionary Fund (BDF), to function as an endowment. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including board-designated endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Washington Uniform Prudent Management of Institutional Funds Act (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 net assets with perpetual endowment restrictions as (a) the original value of gifts donated to the endowment, plus (b) the original value of subsequent gifts to the endowment. The remaining portion of the donor-restricted endowment earnings are classified as unappropriated endowment earnings until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Board of Directors considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the endowment fund
- The 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
- The investment policies of the Foundation

Changes in endowment net assets are as follows:

		With Donor Restrictions		
	Without Donor Restrictions	Unappropriated Endowment Earnings	Perpetual Restrictions	Total
Endowment net assets, December 31, 2021	$ 1,390,745	$ 1,385,059	$ 2,847,977	$ 5,623,781
Investment return	(226,414)	(711,174)	-	(937,588)
Contributions	-	-	9,450	9,450
Appropriation for expenditure	(344,500)	(146,000)	-	(490,500)
Endowment net assets, December 31, 2022	819,831	527,885	2,857,427	4,205,143
Investment return	76,329	504,082	-	580,411
Contributions	-	-	1,100	1,100
Appropriation for expenditure	(501,500)	(148,000)	-	(649,500)
Endowment net assets, December 31, 2023	$ 394,660	$ 883,967	$ 2,858,527	$ 4,137,154

Return Objectives and Risk Parameters

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 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.

Spending Policy and How the Investment Objectives Relate to the Spending Policy

The Foundation has a donor-restricted endowment 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. In establishing this policy, the Foundation considered the long-term expected return on its endowment as the objective is to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no endowment funds with deficiencies at December 31, 2023 or 2022.