



Financial Statements
March 31, 2022

The Women's Foundation of Colorado
(With Comparative Totals for 2021)

The Women's Foundation of Colorado

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Independent Auditor's Report

To the Board of Trustees
The Women's Foundation of Colorado
Denver, Colorado

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of The Women's Foundation of Colorado, which comprise the statement of financial position as of March 31, 2022, 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 The Women's Foundation of Colorado as of March 31, 2022, 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 (GAAS). 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 The Women's Foundation of Colorado 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.

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; 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 The Women's Foundation of Colorado's ability to continue as a going concern for 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 GAAS 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.


In performing an audit in accordance with GAAS, 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 The Women's Foundation of Colorado'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 The Women's Foundation of Colorado'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.

Report on Summarized Comparative Information

We have previously audited The Women's Foundation of Colorado's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 25, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Denver, Colorado

August 17, 2022

The Women's Foundation of Colorado
Statement of Financial Position
March 31, 2022
(with comparative totals for 2021)

	2022	2021
Assets		
Cash and cash equivalents	\$ 111,920	\$ 114,196
Prepaid expenses and other assets	230,757	192,753
Operating investments	2,757,315	2,428,304
Donor-Advised Funds investments	8,420,730	6,692,915
Contributions receivable, net	532,385	347,792
Program-related notes receivable	319,859	221,831
Investment in Chambers Center	2,235,000	2,000,000
Endowment investments	19,490,371	19,802,809
Total assets	\$ 34,098,337	\$ 31,800,600
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 70,075	\$ 86,994
Accrued payroll costs	261,419	234,973
Grants payable	10,925	15,000
Refundable advance	200,000	-
Total liabilities	542,419	336,967
Net Assets		
Without Donor Restrictions		
Undesignated	12,231,838	10,039,320
Board-designated endowment	5,350,701	5,264,399
	17,582,539	15,303,719
With Donor Restrictions	15,973,379	16,159,914
Total net assets	33,555,918	31,463,633
Total liabilities and net assets	\$ 34,098,337	\$ 31,800,600

The Women's Foundation of Colorado

Statement of Activities

Year Ended March 31, 2022

(with comparative totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	2022	2021
Operating Support and Revenue				
Contributions and grants	\$ 2,920,794	\$ 1,583,794	\$ 4,504,588	\$ 5,191,836
Government assistance - PPP	-	-	-	243,100
In-kind contributions	20,750	-	20,750	27,500
Gross special events revenue	892,907	262,600	1,155,507	650,185
Less costs of benefits to donors	(244,827)	-	(244,827)	(19,767)
Net special event revenue	648,080	262,600	910,680	630,418
Net assets released from restrictions	2,363,949	(2,363,949)	-	-
Total support and revenue	5,953,573	(517,555)	5,436,018	6,092,854
Expenses and Losses				
Research, education and advocacy	3,204,152	-	3,204,152	3,230,186
Supporting services				
Management and general	626,468	-	626,468	617,663
Development and fundraising	331,342	-	331,342	317,664
Total supporting services expenses	957,810	-	957,810	935,327
Total expenses	4,161,962	-	4,161,962	4,165,513
Loss on uncollectable contributions receivable	-	66,077	66,077	70,725
Total expenses and losses	4,161,962	66,077	4,228,039	4,236,238
Change in net assets before non-operating gains	1,791,611	(583,632)	1,207,979	1,856,616
Non-Operating Gains				
Net investment return	252,209	397,097	649,306	6,808,276
Change in value of investment in Chambers Center	235,000	-	235,000	-
Total non-operating gains	487,209	397,097	884,306	6,808,276
Change in Net Assets	2,278,820	(186,535)	2,092,285	8,664,892
Net Assets, Beginning of Year	15,303,719	16,159,914	31,463,633	22,798,741
Net Assets, End of Year	\$ 17,582,539	\$ 15,973,379	\$ 33,555,918	\$ 31,463,633

The Women's Foundation of Colorado
Statement of Functional Expenses
Year Ended March 31, 2022
(with comparative totals for 2021)

	Research, Education and Advocacy	Management and General	Development and Fundraising	Direct Benefits to Donors	2022	2021
Grants and other assistance	\$ 2,116,817	\$ -	\$ -	\$ -	\$ 2,116,817	\$ 2,200,357
Salaries	662,853	422,489	252,543	-	1,337,885	1,289,664
Cost of direct benefits to donors	-	-	-	244,827	244,827	19,767
Professional services	113,338	40,863	5,638	-	159,839	179,718
Benefits	49,063	43,936	18,987	-	111,986	131,635
Payroll taxes	48,956	30,924	19,167	-	99,047	95,033
Information technology	62,937	24,830	9,993	-	97,760	65,621
Occupancy and insurance	34,832	22,768	13,308	-	70,908	70,628
Other	37,347	11,002	5,429	-	53,778	43,567
Events and travel	45,634	4,294	2,179	-	52,107	20,727
Advertising and promotion	20,534	661	2,286	-	23,481	32,863
Bank fees and bad debt	-	21,298	-	-	21,298	22,257
Office expenses	11,841	3,403	1,812	-	17,056	13,443
Total expenses by function	3,204,152	626,468	331,342	244,827	4,406,789	4,185,280
Less expenses included with revenues on the statement of activities						
Cost of direct benefits to donors	-	-	-	(244,827)	(244,827)	(19,767)
Total expenses included in the expense section on the statement of activities	\$ 3,204,152	\$ 626,468	\$ 331,342	\$ -	\$ 4,161,962	\$ 4,165,513

The Women's Foundation of Colorado

Statement of Cash Flows

Year Ended March 31, 2022

(with comparative totals for 2021)

	2022	2021
Operating Activities		
Change in net assets	\$ 2,092,285	\$ 8,664,892
Adjustments to reconcile change in net assts to net cash from (used for) operating activities		
Realized and unrealized gain on Donor-Advised Funds	(151,488)	(1,343,962)
Loss on uncollectable contributions receivable	66,077	70,725
Amortization of discount on contributions receivable	(6,054)	(299)
Contributions restricted to endowment	(1,000)	(247,860)
Endowment net investment return	(531,079)	(5,342,587)
Change in value of investment in Chambers Center	(235,000)	-
Changes in operating assets and liabilities		
Prepaid expenses and other assets	(38,004)	(57,556)
Contributions receivable	(244,616)	133,717
Accounts payable and accrued expenses	(16,919)	(17,391)
Accrued payroll costs	26,446	37,740
Grants payable	(4,075)	458
Refundable advance	200,000	-
Net Cash from Operating Activities	1,156,573	1,897,877
Investing Activities		
Purchases of operating investments	(2,735,146)	(4,612,634)
Proceeds from sales of operating investments	2,500,000	3,083,168
Additions to Donor-Advised Funds	(2,839,890)	(1,580,728)
Distributions from Donor-Advised Funds	1,169,698	548,122
Issuance of program-related notes	(225,000)	(180,000)
Cash receipts from collection of program-related notes	126,972	8,169
Withdrawals from endowment	843,517	602,524
Net Cash used for Investing Activities	(1,159,849)	(2,131,379)
Financing Activities		
Collection of contributions restricted to endowment	1,000	247,860
Net Cash from Financing Activities	1,000	247,860
Net Change in Cash and Cash Equivalents	(2,276)	14,358
Cash and Cash Equivalents at Beginning of Year	114,196	99,838
Cash and Cash Equivalents at End of Year	\$ 111,920	\$ 114,196

Note 1 - Principal Activities and Significant Accounting Policies**Organization**

The Women's Foundation of Colorado, Inc. ("The Foundation") is a Colorado non-profit corporation founded in 1986. The vision of The Foundation is a future where Colorado women and girls of every background and identity prosper. The Foundation's mission is catalyzing community to advance and accelerate opportunities for Colorado women and their families.

Beginning in 2020, The Foundation's board and staff revisited the 2017- 2021 strategic plan. The board and staff knew a more focused framework was working, but needed to ensure that The Foundation's work remains adaptive, responsive, and relevant in a rapidly evolving environment. The resulting 2021-2025 strategic framework is a statement of intent and a document of hope that women of every background and identity in Colorado have not just enough, but what they truly need to thrive. Rooted in a clear commitment to gender, racial, and economic equity, the refreshed strategic framework continues to address the acute challenges of today while cultivating women's and girls' unlimited potential for tomorrow.

The framework outlines the investments The Foundation will make in systems change as well as in the inherent leadership and talents of women through flexible and holistic resources, so they can transform their lives, their families, their businesses, and their communities. The Women's Foundation of Colorado boldly stands on its vision, mission, and values with a sharpened focus to the work and challenges facing us all. It is also a pledge to ensuring The Foundation's long-term sustainability through ongoing best practices. The four goals of strategic framework include:

1. Focus, align, and integrate our statewide work on gender, racial, and economic equity,
2. Ensure The Foundation's sustainability as a statewide community foundation meeting the current and future needs of Colorado women and their families,
3. Inspire bold community action by using a myriad of persuasive communications tools and messaging,
4. Leverage innovative strategies and virtual tools to enhance our statewide relevance.

As the reality of the COVID-19 pandemic unfolded, it became clear that women and, in particular, women of color were among the populations most negatively impacted. In response, The Foundation launched the Women & Girls of Color Fund (WGCF) in September 2020. The WGCF is a community-developed, community-led field-of-interest fund dedicated to supporting organizations led by women-of-color and nonbinary-people-of-color. The WGCF was informed through The Foundation's existing programmatic work, research, community survey, influencers conversations and framework committee. In the second cycle of the fund, the fund advisors focused on Front Range initiatives. The fund's advisory council selected 21 organizations headquartered from El Paso County to Larimer County and serving all 64 Colorado counties to receive \$255,000 in unrestricted funding. Grants range from \$10,000 to \$20,000 and each executive director received an additional \$750 for self-care or personal or professional development.

Established in 2021, the WAGES cohort evolved to become WINcome. Through WINcome, The Foundation and our grantee partners will demonstrate that individuals can advance economically when they are trusted to make their own decisions about what they and their families need. The Foundation will fund organizations promoting gender, racial, and economic equity by providing direct cash assistance to women experiencing poverty or facing barriers to economic security, to supplement their incomes and complement the services received through partners' programs. In alignment with Foundation's priority to improve access to flexible and holistic resources, partners may offer support securing resources such as:

- Jobs with pay and benefits that satisfy basic needs, close the gender and racial income gap, and support economic security;
- Education and training, and ongoing opportunities to upskill and reskill;
- Money and resources to start and grow businesses;
- Child care and other caregiver support;
- Support for basic human needs, such as food, housing, health care, and transportation;
- Supporting public policy and systems changes to improve access to and increase public investment in flexible resources and holistic supports that foster economic opportunity, security, and equity.

Three women-led social ventures will receive investment funding from The Foundation's Women's Impact Investing Giving Circle (WIIGC) totaling \$125,000. This is the second year that The Foundation's donors have come together to directly invest in social ventures (projects, nonprofits, for-profits, start-ups, and ideas) through the giving circle.

Upon completion of the fiscal year, The Foundation continued a trajectory of increased commitment to the community it serves demonstrated by three key metrics:

- Contributions and grants received of approximately \$5.7 million;
- 178 grants made for over \$2.1 million;
- Investments with fair value of over \$30.6 million.

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with The Foundation's audited financial statements for the year ended March 31, 2021, from which the summarized information was derived.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to perpetual endowments are excluded from this definition.

Investments

Investment purchases are recorded at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return (loss) is reported in the statement of activities and consists of interest and dividend income and realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Contributions Receivable

Unconditional contributions receivable expected to be collected within one year are recorded at net realizable value. Unconditional contributions receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discount is included in contribution revenue in the statement of activities. Management determines the allowance for uncollectible contributions receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectible. At March 31, 2022 management estimates the amount of uncollectible balances to be \$66,540.

Program-related Note Receivables

The Foundation makes below-market rate loans to non-profit organizations to help further The Foundation's mission through impact investing. These loans were funded by several donor-advised fund holders totaling \$319,859 as of March 31, 2022. No allowance was considered necessary at March 31, 2022 as each of the borrowers have met their payment obligations.

Investment in Chambers Center

The Foundation entered into an agreement in 2000 with the University of Denver (the University) to raise funds to construct, furnish, and equip a building that houses the University's Colorado Women's College and The Foundation's operations. The building is known as the Merle Catherine Chambers Center for the Advancement of Women. The University owns the building, including the initial furniture and equipment, and also retains all liabilities with respect to its ownership. The Foundation holds an economic interest in the building through the joint fundraising for the capital project.

The agreement allows The Foundation to withdraw its occupancy and relinquish its economic interest in the building upon six months' notice. If The Foundation makes this election, the University agrees to purchase The Foundation's interest in the use of the building at the greater of \$2,000,000 or a market value for comparable space as calculated per the agreement. The Foundation's calculation of the economic interest as of March 31, 2022 is \$2,235,000. Accordingly, The Foundation adjusted the carrying value of its economic interest to that amount and recognized a change in value of investment of \$235,000 during the year.

The agreement also stipulates a lease with the University of actual operating and maintenance costs plus 10% to fund a maintenance and capital reserve, based upon the square footage occupied by The Foundation for 99 years with an unlimited option to renew for successive 99-year periods. The Foundation is billed monthly by the University for its share of operating costs at the Merle Catherine Chambers Center. The current rate is \$3,626 per month and will be adjusted annually to reflect actual costs incurred. In addition, The Foundation is required to fund its share of an operating reserve account for the building on a monthly basis at a rate equal to 10% of its share of operating costs. The current rate is \$330 per month. Operating costs billed by the University totaled \$57,491 for the year ended March 31, 2022.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor 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 Foundation's Board of Trustees has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation reports both conditional and unconditional contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 restrictions.

Revenue and Revenue Recognition

The Foundation records contributions when cash, securities or other assets, an unconditional contribution receivable, or a notification of a beneficial interest are received. Conditional contributions receivable, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. Conditional contributions of \$200,000 for which the entire amount was received in advance of The Foundation meeting certain matching requirements on an annual basis have been recognized as a refundable advance in the accompanying statement of financial position. The Foundation records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to The Foundation's program services, general and administrative, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair value of the services received. No significant contributions of such goods or services were received during the year ended March 31, 2022.

Advertising and Promotion Costs

Advertising and promotion costs are expensed as incurred and totaled \$23,481 for the year ended March 31, 2022, which included no in-kind advertising expenses.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 based on time and effort are salaries, benefits, payroll taxes, information technology, and occupancy and insurance. The Foundation allocated overhead expenses such as professional services, other, events and travel, advertising and promotion, and office expenses based on percentage of personnel expenses.

Income Taxes

The Foundation is organized as a Colorado nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). The Foundation has been determined not to be a private foundation. The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, The Foundation is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Foundation determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Foundation believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The entities would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

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 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 and those differences could be material.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Foundation's ongoing activities. Non-operating activities are limited to resources that generate return from investments.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, The Foundation has not experienced losses in any of these accounts. Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from corporate partners and foundations supportive of the Foundation's mission. Credit risk associated with program-related notes receivables is considered limited due to the initial vetting process of the recipients and ongoing monitoring. Investment recommendations on fund manager and portfolio allocations are made by an investment consultant to management and the Investment Committee of the Board of Trustees. Although the fair value of investments are subject to fluctuation on a year-to-year basis, management and the Investment Committee believe that the investment policies and guidelines are prudent for the long-term welfare of The Foundation.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

The Foundation is closely monitoring its investment portfolio, operations, liquidity, and capital resources and is actively working to minimize the current and future impact of the market condition fluctuations resulting from political and consumer unrest. With the recovery in The Foundation's investment portfolio that occurred as of March 31, 2022, the operating and grantmaking reserves already in place, and the line of credit, The Foundation believes that there is sufficient liquidity to meet its current short-term cash flow needs. As of the date of issuance of these financial statements, the full impact to The Foundation's financial position is not known.

The Foundation has evaluated subsequent events through August 17, 2022, the date the financial statements were available to be issued.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use to purposes more narrow than The Foundation's ongoing programmatic activities and services in support of those activities within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 111,920
Operating investments	1,225,567
Donor-Advised Funds investments	7,971,154
Contributions receivable due in the next year	245,928
Program-related notes receivable due in one year	46,898
Endowment spending-rate distributions and appropriations	<u>604,884</u>
	<u><u>\$ 10,206,351</u></u>

The Foundation holds variance power over the majority of funds received and invested in its portfolio. With variance power, these funds are available for expenditure at any time and thus are included in the table above. However, it is The Foundation's expectation that the deployment of these funds will occur over a much longer period of time to meet the needs of the community and The Foundation's mission. This expectation is present in the underlying investment horizon of The Foundation's portfolio, which anticipates an annual spending rate of approximately 4% of a 12-quarter trailing average of the fair market value of the endowment investments.

Over the last five years, unrestricted support has represented the majority of The Foundation's annual operating expenses. The Foundation attempts to raise unrestricted contributions and grant funds each year which meet or exceed its annual operating budget. The operating budget is defined as personnel costs and other cash expenses not related to grantmaking. Grant expenses and some other program expenses are funded through donor contributions and grants which are restricted as to purpose and by investment income allocated to donor-advised and special interest funds and to The Foundation's endowment.

The Foundation manages its cash available to meet total expenditures in several significant ways:

- Preparing an annual operating budget that highlights the difference between unrestricted income and operating expenses and requires approval by the Board of Trustees to incur an operating deficit in any given year,
- Establishing an Investment Policy designed to balance risk and return to achieve The Foundation's short-term liquidity requirements and its long-term financial sustainability goals,
- Operating under a spending policy designed to ensure long-term sustainability of The Foundation's endowment,
- Maintaining adequate liquid assets to satisfy short-term operating cash needs and annual grantmaking requirements.

Endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Accumulated earnings on donor-restricted endowment funds are subject to an annual spending draw as necessary to fund grant expenditures as determined by the Board of Trustees (Note 7). The Foundation's board-designated endowment of \$5,350,701 is subject to the same annual spending policy. Although the Foundation does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditures as part of the annual endowment spending appropriation, if applicable), these amounts could be made available if necessary.

Note 3 - Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to The Foundation's assessment of the quality, risk or liquidity profile of the asset.

A significant portion of The Foundation's investment assets are classified within Level 1 because they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values or closing market prices. Certificates of deposits are valued by the custodians using pricing models based on time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2.

The Foundation uses Net Asset Value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, to estimate the fair values of a pooled investment fund which does not have a readily determinable fair value. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

The following table presents assets measured at fair value on a recurring basis, except those measured at cost or NAV as identified below, at March 31, 2022:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Cash and money market (at cost)	\$ 2,239,820	\$ -	\$ -	\$ -
Certificates of deposit	680,000	-	680,000	-
Bond mutual funds	7,447,936	7,447,936	-	-
Domestic and global equity mutual funds	20,121,767	20,121,767	-	-
Real estate mutual funds	64,918	64,918	-	-
Private equity fund at NAV	113,975	-	-	-
	<u>\$ 30,668,416</u>	<u>\$ 27,634,621</u>	<u>\$ 680,000</u>	<u>\$ -</u>
Operating investments	\$ 2,757,315			
Donor-Advised Funds investments	8,420,730			
Endowment investments	<u>19,490,371</u>			
	<u>\$ 30,668,416</u>			

Investments in certain funds that are measured at fair value using NAV per share as a practical expedient were as follows at March 31, 2022:

	Net Asset Value	Unfunded Commitments	Redemption Frequency
Private equity fund	<u>\$ 113,975</u>	<u>\$ 395,000</u>	Upon fund termination

Private equity funds focus on buyout, growth equity, and/or distressed debt. These investments are not readily redeemable, but a secondary market does exist. The nature of the investments in this category is that distributions are received through the liquidation of the underlying assets in the fund. The term of this investment fund is 10 years.

Note 4 - Contributions Receivable

Unconditional contributions receivable are estimated to be collected as follows as of March 31, 2022:

Within one year	\$ 333,896
In one to five years	<u>271,193</u>
	605,089
Less allowance for uncollectable contributions receivable	(66,540)
Less discount to net present value, at rates averaging 2.12%	<u>(6,164)</u>
	<u><u>\$ 532,385</u></u>

Of the total contributions receivable, \$35,252 was outstanding from members of the Board of Trustees. During the year ended March 31, 2022, members of the Board of Trustees contributed approximately \$87,700.

Note 5 - Program-related Notes Receivable

Program-related notes receivable consist of the following at March 31, 2022:

2% note receivable, quarterly principal and interest of \$5,267, matures on October 1, 2026	\$ 85,639
Two 2% notes receivable, interest only payments for the first six months, then monthly payments of principal and interest of \$775 for remainder of term, mature on June 1, 2025	59,220
2% note receivable, interest only payments until loan maturity, full principal and interest payments due on January 1, 2031	50,000
Two 2% notes receivable, quarterly interest only payments for the first year, then quarterly payments of principal and interest of \$1,330 for remainder of term, mature on October 13, 2028 and November 13, 2028	60,000
2% note receivable, quarterly interest only payments for the first year, then quarterly payments of principal and interest of \$2,866 for remainder of term, matures on January 14, 2029	<u>65,000</u>
	<u><u>\$ 319,859</u></u>

Future maturities of notes receivables are as follows:

<u>Years Ending March 31,</u>	
2023	\$ 46,898
2024	57,800
2025	58,973
2026	46,967
2027	26,554
Thereafter	<u>82,667</u>
	<u>\$ 319,859</u>

Note 6 - Line of Credit

The Foundation entered into a two-year secured line of credit in the amount of \$500,000. Borrowings under the line bear interest at a rate of the Wall Street Journal US Prime Rate plus one percentage point with a minimum annual interest rate of 4% (4.50% at March 31, 2022). The line of credit is secured by \$666,667 in fixed income securities that are held as part of The Foundation's investment portfolio. Principal and interest are due at maturity on June 9, 2023. There was no outstanding balance owed at March 31, 2022.

Note 7 - Endowment

The Foundation's endowment (the Endowment) consists of nine individual funds established and restricted by donors to provide annual funding for specific activities. The Endowment also includes certain net assets without donor restrictions designated for endowment by the Board of Trustees.

The Foundation's Board of Trustees has interpreted the Colorado 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 of March 31, 2022 there were no such donor stipulations. As a result of this interpretation, The Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization.

As of March 31, 2022, we had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 5,350,701	\$ -	\$ 5,350,701
Donor-restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity by donor	-	10,661,770	10,661,770
Accumulated investment gains	-	3,477,900	3,477,900
	<u>\$ 5,350,701</u>	<u>\$ 14,139,670</u>	<u>\$ 19,490,371</u>

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law but chose to suspend distributions from these funds until such time as the deficiencies are recovered via market returns. At March 31, 2022, no endowment funds held at The Foundation were considered to be underwater.

Investment and Spending Policies

Investment and spending policies for the Endowment were adopted that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets to provide the necessary capital to fund the spending policy and to cover the costs of managing the Endowment investments. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to maximize utilization of investments which preserve principal, maximize income commensurate with risk, provide liquidity to help ensure adequate reserves, and fit within The Foundation's preference of acceptable principal and interest risk.

To satisfy its long-term rate-of-return objectives, The Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and 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 within prudent risk constraints.

An endowment spending-rate formula is used to determine the maximum amount to spend from the Endowment, including those endowments deemed to be underwater, each year. The rate, determined and adjusted from time to time by the Board of Trustees, is applied to the average fair value of the endowment investments for the prior 12 quarters at December 31 of each year to determine the spending amount for the upcoming year. During fiscal year 2022, the spending rate maximum was 4 percent, and the distribution was allocated to accumulated unappropriated investment gains. Accordingly, over the long term, The Foundation expects the current spending policy to allow its endowment to grow, net of spending, at the rate of inflation or greater over the investment horizon thus maintaining the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

Changes in Endowment net assets for the year ended March 31, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 5,264,399	\$ 14,538,410	\$ 19,802,809
Contributions	-	1,000	1,000
Net investment gain	136,302	394,777	531,079
Appropriation of endowment earnings pursuant to distribution policy	(50,000)	(794,517)	(844,517)
Endowment net assets, end of year	<u>\$ 5,350,701</u>	<u>\$ 14,139,670</u>	<u>\$ 19,490,371</u>

Note 8 - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

Subject to the passage of time

Promises to give that are not restricted by donors, but which are unavailable for expenditure until paid	\$ 517,121
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Subject to expenditure for specified purpose

Women & Girls of Color Fund	587,911
Faith, Feminism, and Philanthropy	350,000
Beyond Our Borders	99,576
Momentum Fund grant	55,305
WomenGive	45,502
Life insurance premiums	15,264
Annual Luncheon	99,000
Other grants and programs	64,030
	1,316,588

Endowments

Subject to appropriation and expenditure	
Programs - research, education and advocacy	1,546,634
Operating	400,555
Donor-advised grant making	1,530,711
	3,477,900

Perpetual in nature, earnings from which are subject to endowment spending policy appropriation

Programs - research, education and advocacy	4,110,859
Operating	855,912
Beyond Our Borders	290,582
Donor-advised grant making	5,404,417
	10,661,770

Total endowments

14,139,670

\$ 15,973,379

The Women's Foundation of Colorado

Notes to Financial Statements

March 31, 2022

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows for the year ended March 31, 2022:

Expiration of time restrictions	\$ 802,997
Satisfaction of purpose restrictions	
Aditi Foundation grant	200,000
Women & Girls of Color Fund	257,068
Beyond Our Borders	68,000
WINcome	100,000
WFN/Gates Foundation grant	42,222
WomenGive	1,500
Life insurance premiums	15,264
Other grants and programs	82,381
	<u>766,435</u>
Restricted-purpose spending-rate distributions and appropriations	
Programs - research, education and advocacy	462,031
Beyond Our Borders	11,690
Donor-advised grant making	320,796
	<u>794,517</u>
	<u>\$ 2,363,949</u>

Note 9 - Employee Benefit Plan

As part of its agreement with the University of Denver, the University processes The Foundation's payroll and is reimbursed for actual payroll costs plus a fee as a percentage of employee salaries. The fee is intended to cover The Foundation's share of employer taxes and benefits, including a tax-sheltered retirement plan sponsored by the University. All full-time, permanent Foundation employees are eligible for participation in this plan, which includes a matching contribution of 8% of an employee's salary. This contribution is funded by The Foundation and is part of the reimbursement described above. During the year ended March 31, 2022, The Foundation contributed \$52,760 to the plan.