Financial Statements
March 31, 2020

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
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, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Women's Foundation of Colorado as of March 31, 2020, 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.

Restatement of Prior Year Financial Statements
The financial statements of The Women's Foundation of Colorado as of and for the year ended March 31, 2019, were audited by other auditors, whose report dated August 20, 2019, expressed an unmodified opinion on those statements. As discussed in Note 8 to the financial statements, certain errors resulting in an understatement of total net assets and net asset classifications, were discovered during the current year. Accordingly, the 2019 beginning net asset balances have been restated to correct these errors. The other auditors reported on the 2019 financial statements before the restatement.

Eide Bailly LLP

Denver, Colorado
August 26, 2020

Assets	
Cash and cash equivalents	$ 99,838
Prepaid expenses and other assets	135,197
Operating investments	969,393
Donor-Advised Funds investments	4,245,792
Contributions receivable, net	551,935
Program-related note receivable, net	50,000
Investment in Chambers Center	2,000,000
Endowment investments	15,062,746
Total assets	$ 23,114,901
Liabilities and Net Assets	
Accounts payable and accrued expenses	$ 104,385
Accrued payroll costs	197,233
Grants payable	14,542
Total liabilities	316,160
Net Assets	
Without Donor Restrictions	
Undesignated	6,659,113
Board-designated endowment	3,804,023
	10,463,136
With Donor Restrictions	12,335,605
Total net assets	22,798,741
Total liabilities and net assets	$ 23,114,901

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue, and Gains			
Contributions and grants	$ 1,887,590	$ 1,007,831	$ 2,895,421
In-kind contributions	25,246	-	25,246
Gross special events revenue	290,510	645,495	936,005
Less costs of benefits to donors	(240,219)	-	(240,219)
Net special event revenue	50,291	645,495	695,786
Net investment loss	(620,326)	(840,644)	(1,460,970)
Net assets released from restrictions	1,927,397	(1,927,397)	-
Total support, revenue, and gains	3,270,198	(1,114,715)	2,155,483
Expenses and Losses			
Research, education and advocacy	2,320,502	-	2,320,502
Supporting services			
Management and general	589,810	-	589,810
Development and fundraising	343,545	-	343,545
Total supporting services expenses	933,355	-	933,355
Loss on uncollectable contributions receivable	-	72,860	72,860
Total expenses and losses	3,253,857	72,860	3,326,717
Change in Net Assets	16,341	(1,187,575)	(1,171,234)
Net Assets, Beginning of Year (As Restated)	10,446,795	13,523,180	23,969,975
Net Assets, End of Year	$ 10,463,136	$ 12,335,605	$ 22,798,741

	Research, Education and Advocacy	Management and General	Development and Fundraising	Direct Benefits to Donors	Total
Grants and other assistance	$ 1,134,263	$ -	$ -	$ -	$ 1,134,263
Salaries	703,999	393,577	232,386	-	1,329,962
Cost of direct benefits to donors	-	-	-	240,219	240,219
Benefits	96,870	39,373	31,654	-	167,897
Professional services	98,151	33,670	5,942	-	137,763
Payroll taxes	53,120	29,258	17,383	-	99,761
Events and travel	76,429	14,309	3,369	-	94,107
Information technology	44,080	21,322	8,732	-	74,134
Occupancy and insurance	36,541	19,750	12,025	-	68,316
Bank fees and bad debt	-	21,540	16,280	-	37,820
Advertising	30,772	1,625	3,002	-	35,399
Other	24,215	11,818	4,189	-	40,222
Office expenses	22,062	3,568	8,583	-	34,213
Total expenses by function	2,320,502	589,810	343,545	240,219	3,494,076
Less expenses included with revenues on the statement of activities					
Cost of direct benefits to donors	-	-	-	(240,219)	(240,219)
Total expenses included in the expense section on the statement of activities	$ 2,320,502	$ 589,810	$ 343,545	$ -	$ 3,253,857

Cash Flows from Operating Activities	
Change in net assets	$ (1,171,234)
Adjustments to reconcile change in net assts to net cash from (used for) operating activities	
Realized and unrealized loss on operating investments	1,208
Realized and unrealized loss on Donor-Advised Funds investments	482,866
Loss on uncollectable contributions receivable	72,860
Amortization of discount on contributions receivable	(5,755)
Contributions restricted to endowment	(1,277)
Endowment net investment loss	1,147,371
Changes in operating assets and liabilities	
Prepaid expenses and other assets	(8,141)
Contributions receivable, net	(184,181)
Accounts payable and accrued expenses	(59,716)
Accrued payroll costs	45,041
Grants payable	(97,691)
Net Cash from Operating Activities	221,351
Cash Flows from Investing Activities	
Purchases of operating investments	(2,840,760)
Proceeds from sales of operating investments	2,882,075
Additions to Donor-Advised Funds	(1,732,373)
Distributions from Donor-Advised Funds	436,344
Program-related note receivable issued	(50,000)
Withdrawals from endowment	1,135,855
Net Cash (used for) Investing Activities	(168,859)
Cash Flows from Financing Activities	
Collection of contribution restricted to endowment	1,277
Net Cash from Financing Activities	1,277
Net Change in Cash and Cash Equivalents	53,769
Cash and Cash Equivalents at Beginning of Year	46,069
Cash and Cash Equivalents at End of Year	$ 99,838

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 economic opportunities for Colorado women and their families.

In 2016 and 2017 the Foundation developed and began to implement a 5-year strategic plan whose primary goal is to focus, align, and integrate our work on livable wages to create more impact. The Foundations intends to achieve this goal through:

- Research
- Policy advocacy
- Strategic grantmaking, and
- Convening and learning

The Foundation is supported primarily through contributions from individuals and corporations, grants and investment income.

Adoption of FASB Accounting Standards Update

Financial Accounting Standards Board (FASB) issued Accounting Standards Updated (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and accounting guidance for contributions received and contributions made. This standard assists the Foundation in evaluation whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Foundation has implemented the provisions of ASU 2018-08 as of April 1, 2019 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on the net assets in connection with the implementation of ASU 2018-08.

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 promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At March 31, 2020 management believes the amount of uncollectible balances to be $60,724.

Program-related Note Receivable

The Foundation made a below-market rate loan to a non-profit organization to help further the organization's mission through impact investing. Under the terms of the agreement, several donor-advised fund holders designated a total of $50,000 in 10-year notes to the organization and $10,000 in general operating support grants. The notes will begin earning interest at the rate of 2% per year beginning January 1, 2021 with such interest paid annually beginning December 30, 2021. The organization will repay the principal and remaining interest at the maturity date of the notes. No allowance was considered necessary at March 31, 2020.

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 fair market value for comparable space as calculated per the agreement. The Foundation's calculation of fair market value of the economic interest as of March 31, 2020 is less than the minimum established in the agreement. As such the fair value of the Foundation's economic interest in the building is estimated to be $2,000,000.

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 $3,781 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 $378 per month. Operating costs billed by the University totaled $64,023 for the year ended March 31, 2020.

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 governing board 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-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation reports 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 contributions receivable, or a notification of a beneficial interest are received. Conditional promises to give, 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.

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 values of the services received.

Advertising and Promotion Costs

Advertising and promotion costs are expensed as incurred and totaled $35,399 for the year ended March 31, 2020, which included $25,246 of 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, and payroll taxes.

Income Taxes

The Foundation is organized as 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.

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. 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 values 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.

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	$	99,838
Operating investments		745,064
Donor-Advised Funds investments		3,942,175
Contributions receivable due in the next year		328,036
Endowment spending-rate distributions and appropriations		632,219
	$	5,747,332

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 5). A board-designated endowment of $3,804,023 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), 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 following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at March 31, 2020:

		Fair Value Measurements at Report Date Using		
	Total	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)	$ 331,377	$ -	$ -	$ -
Certificates of deposit	781,932	-	781,932	-
Bond mutual funds	6,571,107	6,571,107	-	-
Global equity mutual funds	11,837,026	11,837,026	-	-
Real estate mutual funds	756,489	756,489	-	-
	$ 20,277,931	$ 19,164,622	$ 781,932	$ -

Operating investments	$ 969,393
Donor-Advised Funds investments	4,245,792
Endowment investments	15,062,746
	$ 20,277,931

Note 4 - Contributions Receivable

Unconditional contributions receivable are estimated to be collected as follows as of March 31, 2020:

Within one year	$ 421,686
In one to five years	191,383
	613,069
Less allowance for uncollectable contributions receivable	(60,724)
Less discount to net present value, at rates averaging 0.23%	(410)
	$ 551,935

At March 31, 2020, one donor accounted for 20% of the total contributions receivable. Of the total contributions receivable, $25,272 was outstanding from members of the Board of Trustees. During the year ended March 31, 2020, members of the Board of Trustees contributed approximately $27,000.

Note 5 - Endowment

The Foundation's endowment (the Endowment) consists of seven 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 Foundations' 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, 2020 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, 2020, we had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 3,804,023	$ -	$ 3,804,023
Donor-restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity by donor	-	10,410,410	10,410,410
Accumulated investment gains	-	848,313	848,313
	$ 3,804,023	$ 11,258,723	$ 15,062,746

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, 2020, funds with original gift values of $444,182, fair values of $394,193, and deficiencies of $49,989 have been reported in net assets with donor restrictions. The deficiencies resulted from unfavorable market fluctuations.

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 2020, the spending rate maximum was 4 percent. 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, 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year (as previously presented)	$ 4,444,724	$ 12,901,248	$ 17,345,972
Restatement (Note 8)	(197,900)	(298,843)	(496,743)
Contributions	-	1,277	1,277
Additions to board-designated endowment	89,051	-	89,051
Net investment loss	(332,569)	(814,802)	(1,147,371)
Appropriation of endowment earnings pursuant to distribution policy:			
Donor-restricted endowment	-	(530,157)	(530,157)
Board-designated endowment	(199,283)	-	(199,283)
Endowment net assets, end of year	$ 3,804,023	$ 11,258,723	$ 15,062,746

Note 6 - 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 due	$ 495,794
Subject to expenditure for specified purpose	
Faith, Feminism, and Philanthropy	303,617
Impact investing	70,087
Beyond Our Borders	63,913
WAGES cohort	50,000
Life insurance premiums	45,792
Diversity, equity and inclusion training	25,000
Other grants and programs	22,679
	581,088

Net assets with donor restrictions (continued)	
Endowments	
Subject to appropriation and expenditure	
Programs - research, education and advocacy	708,918
Operating	45,062
Beyond Our Borders	(37,274)
Donor-advised grant making	131,607
	848,313
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	283,832
Donor-advised grant making	5,159,807
	10,410,410
Total endowments	11,258,723
	$ 12,335,605

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows for the year ended March 31, 2020:

Expiration of time restrictions	$ 1,093,156
Satisfaction of purpose restrictions	
Faith, Feminism, and Philanthropy	23,047
Scholarships	60,000
Beyond Our Borders	72,796
WAGES cohort	50,000
Life insurance premiums	15,264
Other grants and programs	82,977
	304,084
Restricted-purpose spending-rate distributions and appropriations	
Programs - research, education and advocacy	236,610
Operating	48,430
Beyond Our Borders	28,003
Donor-advised grant making	217,114
	530,157
	$ 1,927,397

Note 7 - 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 15%. The additional 15% covers 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 15% additional reimbursement described above. During the year ended March 31, 2020 the Foundation contributed $43,449 to the plan.

Note 8 - Adjustments to Previously Issued Financial Statements

During the year ended March 31, 2020, two errors were identified in the previously issued financial statements as of March 31, 2019. One resulting in an understatement of Investment in Chamber Center and net assets, in the amount of $500,000. The investment was not adjusted to reflect the 2004 amendment to the minimum economic interest buyout option. In addition, management discovered that operating reserves were erroneously included in the Endowment assets in the amount of $496,743, resulting in an overstatement of net assets with donor restrictions in the amount of $298,843 and net assets without donor restrictions- designated for board endowment in the amount of S197,900. Accordingly, the $298,843 was reclassified from the net assets with donor restrictions to net assets without donor restrictions as of March 31, 2019. There was no change to previously recorded net income for the year ended March 31, 2019.

The effect of the adjustment from the correction of these errors as of March 31, 2019 is as follows:

	As Previously Reported	Correction of Errors	As Restated
Statement of Financial Position			
Assets			
Investment in Chambers Center	$ 1,500,000	$ 500,000	$ 2,000,000
Total assets	23,898,501	500,000	24,398,501
Net Assets			
Without donor restrictions			
Undesignated	5,203,228	996,743	6,199,971
Board-designated endowment	4,444,724	(197,900)	4,246,824
	9,647,952	798,843	10,446,795
With donor restrictions	13,822,023	(298,843)	13,523,180
Total net assets	23,469,975	500,000	23,969,975
Total liabilities and net assets	$ 23,898,501	$ 500,000	$ 24,398,501

Note 9 - Subsequent Events

The Foundation's financial statements include adjustments to fair value resulting from declines in the market associated with the world-wide coronavirus pandemic. 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 this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the Foundation's financial position is not known.

In response to the financial crisis, the Foundation applied for and received two significant loans intended to provide liquidity in response to an expected decline in philanthropic giving and to reduce the reliance on the Endowment as a source of operating cash flow.

The Foundation was granted a $243,100 loan under the PPP administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Foundation is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements subsequent to yearend. The Foundation has recorded the loan as a refundable advance and will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right to return of the PPP loan. Proceeds from the loan are eligible for forgiveness if they are used for certain payroll, rent, and utility expenses. The Foundation will be required to repay any remaining balance, plus interest accrued at 1 percent, in monthly payments commencing upon notification of forgiveness or partial forgiveness. The note was administered by a bank in which a board member is the CEO and President.

In addition, the Foundation entered into a secured line of credit in the amount of $750,000. The line bears interest at a rate of the Wall Street Journal US Prime Rate plus one percentage point with a minimum annual interest rate of 4%. The line of credit is secured by approximately $2 million in fixed income securities that are held as part of the Foundation's investment portfolio.

Together, the Foundation believes that these two sources of funds are adequate to meet the current short-term cash flow needs.

The Foundation has evaluated subsequent events through August 26, 2020, the date the financial statements were available to be issued.