



Financial Statements
March 31, 2021

The Women's Foundation of Colorado
(With Comparative Totals for 2020)

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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, 2021, 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, 2021, 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.

Report on Summarized Comparative Information

We have previously audited The Women's Foundation of Colorado's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 26, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Denver, Colorado
August 25, 2021

The Women's Foundation of Colorado
Statement of Financial Position
March 31, 2021
(with comparative totals for 2020)

	2021	2020
Assets		
Cash and cash equivalents	\$ 114,196	\$ 99,838
Prepaid expenses and other assets	192,753	135,197
Operating investments	2,428,304	969,393
Donor-Advised Funds investments	6,692,915	4,245,792
Contributions receivable, net	347,792	551,935
Program-related notes receivable	221,831	50,000
Investment in Chambers Center	2,000,000	2,000,000
Endowment investments	19,802,809	15,062,746
Total assets	\$ 31,800,600	\$ 23,114,901
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 86,994	\$ 104,385
Accrued payroll costs	234,973	197,233
Grants payable	15,000	14,542
Total liabilities	336,967	316,160
Net Assets		
Without Donor Restrictions		
Undesignated	10,039,320	6,659,113
Board-designated endowment	5,264,399	3,804,023
	15,303,719	10,463,136
With Donor Restrictions		
	16,159,914	12,335,605
Total net assets	31,463,633	22,798,741
Total liabilities and net assets	\$ 31,800,600	\$ 23,114,901

The Women's Foundation of Colorado
Statement of Activities
Year Ended March 31, 2021
(with comparative totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021	2020
Support, Revenue, and Gains				
Contributions and grants	\$ 2,712,144	\$ 2,479,692	\$ 5,191,836	\$ 2,895,421
Government assistance - PPP	243,100	-	243,100	-
In-kind contributions	27,500	-	27,500	25,246
Gross special events revenue	269,435	380,750	650,185	936,005
Less costs of benefits to donors	(19,767)	-	(19,767)	(240,219)
Net special event revenue	<u>249,668</u>	<u>380,750</u>	<u>630,418</u>	<u>695,786</u>
Net investment return (loss)	2,799,841	4,008,435	6,808,276	(1,460,970)
Net assets released from restrictions	<u>2,973,843</u>	<u>(2,973,843)</u>	<u>-</u>	<u>-</u>
Total support, revenue, and gains	<u>9,006,096</u>	<u>3,895,034</u>	<u>12,901,130</u>	<u>2,155,483</u>
Expenses and Losses				
Research, education and advocacy	<u>3,230,186</u>	<u>-</u>	<u>3,230,186</u>	<u>2,320,502</u>
Supporting services				
Management and general	617,663	-	617,663	589,810
Development and fundraising	<u>317,664</u>	<u>-</u>	<u>317,664</u>	<u>343,545</u>
Total supporting services expenses	<u>935,327</u>	<u>-</u>	<u>935,327</u>	<u>933,355</u>
Total expenses	<u>4,165,513</u>	<u>-</u>	<u>4,165,513</u>	<u>3,253,857</u>
Loss on uncollectable contributions receivable	-	70,725	70,725	72,860
Total expenses and losses	<u>4,165,513</u>	<u>70,725</u>	<u>4,236,238</u>	<u>3,326,717</u>
Change in Net Assets	4,840,583	3,824,309	8,664,892	(1,171,234)
Net Assets, Beginning of Year	<u>10,463,136</u>	<u>12,335,605</u>	<u>22,798,741</u>	<u>23,969,975</u>
Net Assets, End of Year	<u>\$ 15,303,719</u>	<u>\$ 16,159,914</u>	<u>\$ 31,463,633</u>	<u>\$ 22,798,741</u>

The Women's Foundation of Colorado
Statement of Functional Expenses
Year Ended March 31, 2021
(with comparative totals for 2020)

	Research, Education and Advocacy	Management and General	Development and Fundraising	Direct Benefits to Donors	Total	2020
Grants and other assistance	\$ 2,200,357	\$ -	\$ -	\$ -	\$ 2,200,357	\$ 1,134,263
Salaries	634,229	424,594	230,841	-	1,289,664	1,329,962
Professional services	126,534	43,177	10,007	-	179,718	137,763
Benefits	57,078	48,763	25,794	-	131,635	167,897
Payroll taxes	47,385	30,679	16,969	-	95,033	99,761
Occupancy and insurance	34,407	23,477	12,744	-	70,628	68,316
Information technology	46,150	12,197	7,274	-	65,621	74,134
Other	29,766	7,195	6,606	-	43,567	40,222
Advertising	29,059	295	3,509	-	32,863	35,399
Bank fees and bad debt	-	22,257	-	-	22,257	37,820
Events and travel	16,147	2,408	2,172	-	20,727	94,107
Cost of direct benefits to donors	-	-	-	19,767	19,767	240,219
Office expenses	9,074	2,621	1,748	-	13,443	34,213
Total expenses by function	3,230,186	617,663	317,664	19,767	4,185,280	3,494,076
Less expenses included with revenues on the statement of activities						
Cost of direct benefits to donors	-	-	-	(19,767)	(19,767)	(240,219)
Total expenses included in the expense section on the statement of activities	\$ 3,230,186	\$ 617,663	\$ 317,664	\$ -	\$ 4,165,513	\$ 3,253,857

The Women's Foundation of Colorado
Statement of Cash Flows
Year Ended March 31, 2021
(with comparative totals for 2020)

	2021	2020
Operating Activities		
Change in net assets	\$ 8,664,892	\$ (1,171,234)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Realized and unrealized (gain) loss on operating investments	(6,322)	1,208
Realized and unrealized (gain) loss on Donor-Advised Funds investments	(1,343,962)	482,866
Loss on uncollectable contributions receivable	-	72,860
Amortization of discount on contributions receivable	(299)	(5,755)
Contributions restricted to endowment	(247,860)	(1,277)
Endowment net investment (return) loss	(5,342,587)	1,147,371
Changes in operating assets and liabilities		
Prepaid expenses and other assets	(57,556)	(8,141)
Contributions receivable, net	204,442	(184,181)
Accounts payable and accrued expenses	(17,391)	(59,716)
Accrued payroll costs	37,740	45,041
Grants payable	458	(97,691)
Net Cash from Operating Activities	1,891,555	221,351
Investing Activities		
Purchases of operating investments	(4,606,312)	(2,840,760)
Proceeds from sales of operating investments	3,083,168	2,882,075
Additions to Donor-Advised Funds	(1,580,728)	(1,732,373)
Distributions from Donor-Advised Funds	548,122	436,344
Cash receipts from collection of program loans	8,169	-
Issuance of program-related notes	(180,000)	(50,000)
Withdrawals from endowment	602,524	1,135,855
Net Cash used for Investing Activities	(2,125,057)	(168,859)
Financing Activities		
Collection of contributions restricted to endowment	247,860	1,277
Net Cash from Financing Activities	247,860	1,277
Net Change in Cash and Cash Equivalents	14,358	53,769
Cash and Cash Equivalents at Beginning of Year	99,838	46,069
Cash and Cash Equivalents at End of Year	\$ 114,196	\$ 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 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 Foundation intends to achieve this goal through strategic grantmaking and community engagement in these three overarching areas:

- Research
- Policy advocacy
- Education through opportunities for convening and learning

The Foundation's year ended March 31, 2021 was impacted greatly by the COVID-19 pandemic. As it took hold immediately before the beginning of the fiscal year, there was a great deal of uncertainty about how it would impact the economy and, more specifically, the lives of the women of Colorado and their families. In response to this uncertainty, The Foundation's leadership took swift and decisive action to ensure its sustainability and to continue meeting its constituents' growing needs. These actions included identifying and implementing budget reductions, improving liquidity, and reducing reliance on its investments, while allowing The Foundation to reach out to and serve the community in ways that The Foundation never has in its 35-year history by issuing a record high 258 grants for over \$2.2 million.

In late March of 2020 and during the first quarter of the fiscal year, The Foundation launched the Women and Families of Colorado Relief Fund (WFCO Relief Fund). The fund was seeded by two large grants from The Colorado Health Foundation intended to rapidly and responsively distribute general operating grants to 501(c)(3) and other tax-exempt organizations addressing the emergency needs of Colorado women and their families who were most impacted by COVID-19. These funds were augmented by numerous private contributions allowing The Foundation to make \$782,500 in grants to 102 organizations based in 24 Colorado counties and impacting women and families in all 64 counties in the state.

Concurrent with the WFCO Relief Fund, The Foundation took two important steps to ensure its financial sustainability during the pandemic. In April 2020, The Foundation received a \$243,100 loan through the Small Business Administration's Paycheck Protection Program (PPP) (Note 7). The funding enabled The Foundation to retain its entire staff at current salary levels for two months at a time when The Foundation most needed to carry out its mission.

In May 2020, The Foundation entered a line of credit agreement with its bank, providing \$750,000 in liquidity and allowing the organization to depend less on its reserves and endowment as sources of funding. As the fiscal year ensued, the response of the community in terms of contributions and grants and the recovery of the financial markets provided sufficient liquidity that the Foundation never drew on the line (Note 6).

As the reality of the 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 in September 2020. The fund is led by an advisory council comprised of women of color from across Colorado who will steer grantmaking decisions in semiannual cycles for at least three years. To show our commitment, the Board of Trustees committed \$50,000 of endowment funds each year for the next three years to the fund. In its first year, over \$1.2 million was contributed to the fund and, in the first grantmaking cycle in March 2021, the advisory council recommended grants totaling \$199,500 to 22 organizations serving primarily rural communities in the state.

Upon completion of the fiscal year, The Foundation experienced record highs for three key metrics:

- Contributions and grants of over \$6.1 million
- Grants – 258 grants made for over \$2.2 million
- Investments with fair value of over \$28.9 million

Research and learning from The Foundation's grantee partners, coupled with the experience gained during the pandemic, led the organization to initiate a refresh of its 2017 strategic plan. The resulting 2021-2025 Strategic Framework maintains the vision, mission and values while also focusing on holistic and flexible gender, racial and economic equity strategic approaches to economic opportunity. The Strategic Framework was unanimously approved by The Foundation's Board of Trustees in May of 2021.

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, 2020, 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, 2021 management estimates the amount of uncollectible balances to be \$45,165.

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 \$221,831 as of March 31, 2021. No allowance was considered necessary at March 31, 2021 as each of the borrowers have met their payment obligations. In June 2021, The Foundation was informed by the borrower of the 3% note that they would exercise their prepayment option for the unpaid balance of the loan.

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, 2021 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 \$3,855 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 \$350 per month. Operating costs billed by the University totaled \$58,623 for the year ended March 31, 2021.

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 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. Special event revenue includes revenue generated from the event and contributions received at the event.

A portion of The Foundation's revenue is derived from cost-reimbursable government contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when The Foundation incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Foundation received no advance payments on contracts and grants as of March 31, 2021.

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.

Advertising and Promotion Costs

Advertising and promotion costs are expensed as incurred and totaled \$32,863 for the year ended March 31, 2021, 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, occupancy and insurance, and information technology. The Foundation allocated overhead expenses such as professional services, other, advertising, events and travel, 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.

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.

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	\$ 114,196
Operating investments	678,728
Donor-Advised Funds investments	6,242,803
Contributions receivable due in the next year	198,588
Program-related notes receivable due in one year	28,575
Endowment spending-rate distributions and appropriations	565,764
	<u>\$ 7,828,654</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 8). The Foundation's board-designated endowment of \$5,264,399 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.

The Women's Foundation of Colorado

Notes to Financial statements

March 31, 2021

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, 2021:

	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)	\$ 2,292,482	\$ -	\$ -	\$ -
Certificates of deposit	930,000	-	930,000	-
Bond mutual funds	6,480,362	6,480,362	-	-
Domestic and global equity mutual funds	19,167,797	19,167,797	-	-
Real estate mutual funds	53,387	53,387	-	-
	<u>\$ 28,924,028</u>	<u>\$ 25,701,546</u>	<u>\$ 930,000</u>	<u>\$ -</u>
Operating investments	\$ 2,428,304			
Donor-Advised Funds investments	6,692,915			
Endowment investments	19,802,809			
	<u>\$ 28,924,028</u>			

Note 4 - Contributions Receivable

Unconditional contributions receivable are estimated to be collected as follows as of March 31, 2021:

Within one year	\$ 274,389
In one to five years	118,677
	393,066
Less allowance for uncollectable contributions receivable	(45,165)
Less discount to net present value, at rates averaging 0.11%	(109)
	\$ 347,792

Of the total contributions receivable, \$39,517 was outstanding from members of the Board of Trustees. During the year ended March 31, 2021, members of the Board of Trustees contributed approximately \$83,600.

Note 5 - Program-related Notes Receivable

Program-related notes receivables consist of the following at March 31, 2021:

3% note receivable, quarterly principal and interest of \$3,527, matures on July 1, 2028	\$ 94,669
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, matures on June 1, 2025	77,162
2% note receivable, interest only payments until loan maturity, full principal and interest payments due on January 1, 2031	50,000
	\$ 221,831

Future maturities of notes receivables are as follows:

Years Ending March 31,	
2022	\$ 28,575
2023	29,272
2024	29,987
2025	30,715
2026	18,995
Thereafter	84,287
	\$ 221,831

Note 6 - Line of Credit

The Foundation entered into a secured line of credit in the amount of \$750,000. 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% (4.25% at March 31, 2021). The line of credit is secured by \$1.5 million in fixed income securities that are held as part of The Foundation's investment portfolio. Principal and interest are due at maturity on May 11, 2021. There was no outstanding balance owed at March 31, 2021. In June 2021, the amount of the line was reduced to \$500,000 as The Foundation believed this amount better met its liquidity needs with the recovery of the fair values of the investment portfolio. The agreement extends the maturity date two years and 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 new agreement is secured by \$666,667 in fixed income securities that are held as part of The Foundation's investment portfolio.

Note 7 - Paycheck Protection Program (PPP)

The Foundation was granted a \$243,100 loan under the Paycheck Protection Program (PPP), administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and was fully guaranteed by the Federal Government. The Foundation was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Foundation initially recorded the loan as a refundable advance and subsequently recorded the forgiveness in accordance with guidance for conditional contributions when there was no longer a measurable performance or other barrier and a right of return of the PPP loan. Proceeds from the loan were used for certain payroll, rent, and utility expenses. On March 10, 2021, The Foundation received notification of full forgiveness of the loan and recorded the forgiveness as government assistance on this date.

Note 8 - Endowment

The Foundation's endowment (the Endowment) consists of eight 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, 2021 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, 2021, we had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 5,264,399	\$ -	\$ 5,264,399
Donor-restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity by donor	-	10,660,770	10,660,770
Accumulated investment gains	-	3,877,640	3,877,640
	<u>\$ 5,264,399</u>	<u>\$ 14,538,410</u>	<u>\$ 19,802,809</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, 2021, 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.

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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 2021, 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, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 3,804,023	\$ 11,258,723	\$ 15,062,746
Contributions	-	247,860	247,860
Additions to board-designated endowment	57,500	-	57,500
Net investment gain	1,402,876	3,939,711	5,342,587
Appropriation of endowment earnings pursuant to distribution policy:			
Donor-restricted endowment	-	(907,884)	(907,884)
Endowment net assets, end of year	<u>\$ 5,264,399</u>	<u>\$ 14,538,410</u>	<u>\$ 19,802,809</u>

Note 9 - 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	\$ 321,288
Subject to expenditure for specified purpose	
Women & Girls of Color Fund	647,591
Faith, Feminism, and Philanthropy	350,000
Beyond Our Borders	100,112
Momentum Fund grant	55,305
WFN/Gates Foundation grant	42,222
Life insurance premiums	30,528
Other grants and programs	74,458
	<u>1,300,216</u>
Endowments	
Subject to appropriation and expenditure	
Programs - research, education and advocacy	1,841,126
Operating	369,571
Beyond Our Borders	7,115
Donor-advised grant making	1,659,828
	<u>3,877,640</u>
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	289,582
Donor-advised grant making	5,404,417
	<u>10,660,770</u>
Total endowments	<u>14,538,410</u>
	<u>\$ 16,159,914</u>

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Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows for the year ended March 31, 2021:

Expiration of time restrictions	\$ 800,369
Satisfaction of purpose restrictions	
Women & Families of Colorado Relief Fund	731,750
Women & Girls of Color Fund	199,500
Faith, Feminism, and Philanthropy	-
Beyond Our Borders	63,539
Impact investing	75,089
Scholarships	-
WFN/Gates Foundation grant	52,778
WAGES cohort	50,000
WomenGive	35,500
Life insurance premiums	15,264
Other grants and programs	42,170
	<u>1,265,590</u>
Restricted-purpose spending-rate distributions and appropriations	
Programs - research, education and advocacy	568,814
Operating	-
Beyond Our Borders	23,685
Donor-advised grant making	315,385
	<u>907,884</u>
	<u>\$ 2,973,843</u>

Note 10 - 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 15% reimbursement described above. From July 1, 2020 to March 31, 2021, the University's match was reduced to 4% of salary as a cost reduction measure in response to the pandemic. During the year ended March 31, 2021, The Foundation contributed \$57,669 to the plan. Effective April 1, 2021, the University restored the match back to the original value of 8%.

Note 11 - 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 this unprecedented situation. With the recovery in The Foundation's investment portfolio that occurred as of March 31, 2021, 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 25, 2021, the date the financial statements were available to be issued.