

THE WOMEN'S FUND OF CENTRAL OHIO

FINANCIAL STATEMENTS

June 30, 2021 and 2020

THE WOMEN’S FUND OF CENTRAL OHIO

TABLE OF CONTENTS

	Page(s)
Independent Auditor’s Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4-5
Statements of Functional Expenses.....	6-7
Statements of Cash Flows.....	8
Notes to Financial Statements	9-19

To the Board of Directors
The Women's Fund of Central Ohio

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of The Women's Fund of Central Ohio (WFCO) which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 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 Fund of Central Ohio as of June 30, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

John Gerlach & Company LLP

Columbus, Ohio
December 14, 2021

THE WOMEN'S FUND OF CENTRAL OHIO

STATEMENTS OF FINANCIAL POSITION

As of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 775,961	\$ 629,910
Pledges receivable, net (less allowance of \$3,627 and \$6,848 in 2021 and 2020, respectively)	68,908	133,643
Prepaid expenses	4,442	73,987
Total Current Assets	<u>849,311</u>	<u>837,540</u>
Property and Equipment	90,060	90,060
Less accumulated depreciation	(82,775)	(74,584)
Net Property and Equipment	<u>7,285</u>	<u>15,476</u>
Other Assets:		
Investments	5,878,578	4,615,427
Beneficial interest in assets held by The Columbus Foundation	721	725
Pledges receivable - long-term, net (less allowance of \$1,850 and \$2,900 in 2021 and 2020, respectively)	32,690	52,060
Deposits	3,012	3,012
Total Other Assets	<u>5,915,001</u>	<u>4,671,224</u>
Total Assets	<u>\$ 6,771,597</u>	<u>\$ 5,524,240</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable	\$ 12,874	\$ 794
Accrued liabilities	64,313	56,600
Total Current Liabilities	<u>77,187</u>	<u>57,394</u>
Long-term debt (Paycheck Protection Program Loan)	94,685	90,610
Total Liabilities	<u>171,872</u>	<u>148,004</u>
Net Assets:		
Net Assets Without Donor Restrictions:		
Board designated - Endowment	2,517,641	1,975,693
Board designated - Grantmaking	277,300	325,500
Operating	177,749	268,716
Total Net Assets Without Donor Restrictions	<u>2,972,690</u>	<u>2,569,909</u>
Net assets with donor restrictions	3,627,035	2,806,327
Total Net Assets	<u>6,599,725</u>	<u>5,376,236</u>
Total Liabilities and Net Assets	<u>\$ 6,771,597</u>	<u>\$ 5,524,240</u>

See Notes to Financial Statements

THE WOMEN'S FUND OF CENTRAL OHIO

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support:			
Contributions	\$ 766,776	\$ 272,719	\$ 1,039,495
Change in value of beneficial interest in assets held by The Columbus Foundation	(4)	-	(4)
Investment income, net	27,558	36,607	64,165
Net realized and unrealized gain/(loss) on investments	514,550	684,596	1,199,146
Paycheck Protection Program Loan Forgiveness	90,610	-	90,610
	<u>1,399,490</u>	<u>993,922</u>	<u>2,393,412</u>
Net assets released from restrictions	173,214	(173,214)	-
Total Revenue and Support	<u>1,572,704</u>	<u>820,708</u>	<u>2,393,412</u>
Expenses:			
Program:			
Grants, research and public education	580,004	-	580,004
Support Services:			
Administrative expense	110,081	-	110,081
Fundraising expense	479,838	-	479,838
Total Support Services	<u>589,919</u>	<u>-</u>	<u>589,919</u>
Total Expenses	<u>1,169,923</u>	<u>-</u>	<u>1,169,923</u>
Change in Net Assets	<u>402,781</u>	<u>820,708</u>	<u>1,223,489</u>
Net Assets at Beginning of Year	2,569,909	2,806,327	5,376,236
Net Assets at End of Year	<u>\$ 2,972,690</u>	<u>\$ 3,627,035</u>	<u>\$ 6,599,725</u>

See Notes to Financial Statements

THE WOMEN'S FUND OF CENTRAL OHIO

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support:			
Contributions	\$ 550,548	\$ 54,960	\$ 605,508
Change in value of beneficial interest in assets held by The Columbus Foundation	2,339	-	2,339
Investment income, net	21,638	28,449	50,087
Net realized and unrealized gain/(loss) on investments	(64,734)	(85,999)	(150,733)
	<u>509,791</u>	<u>(2,590)</u>	<u>507,201</u>
Net assets released from restrictions	84,010	(84,010)	-
Total Revenue and Support	<u>593,801</u>	<u>(86,600)</u>	<u>507,201</u>
Expenses:			
Program:			
Grants, research and public education	<u>632,243</u>	<u>-</u>	<u>632,243</u>
Support Services:			
Administrative expense	210,769	-	210,769
Fundraising expense	348,531	-	348,531
Total Support Services	<u>559,300</u>	<u>-</u>	<u>559,300</u>
Total Expenses	<u>1,191,543</u>	<u>-</u>	<u>1,191,543</u>
Change in Net Assets	<u>(597,742)</u>	<u>(86,600)</u>	<u>(684,342)</u>
Net Assets at Beginning of Year	3,167,651	2,892,927	6,060,578
Net Assets at End of Year	<u>\$ 2,569,909</u>	<u>\$ 2,806,327</u>	<u>\$ 5,376,236</u>

See Notes to Financial Statements

THE WOMEN'S FUND OF CENTRAL OHIO

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2021

	Program Grants, Research and Public Education	Support Services			Total
		Administrative Expenses	Fundraising Expenses	Total Support Services	
Salaries	\$ 206,276	\$ 37,027	\$ 348,533	\$ 385,560	\$ 591,836
Grants awarded	327,300	-	-	-	327,300
Marketing expense - In-kind	-	-	1,500	1,500	1,500
Equipment expense	1,783	482	2,554	3,036	4,819
Meetings, convenings and events	589	-	1,305	1,305	1,894
Dues and subscriptions	-	1,206	5,893	7,099	7,099
Occupancy	23,685	6,401	33,928	40,329	64,014
Postage	55	478	200	678	733
Printing	2,088	409	411	820	2,908
Payroll processing	4,641	964	6,805	7,769	12,410
Professional fees	7,830	44,444	58,500	102,944	110,774
Supplies	-	167	44	211	211
Travel, vehicle, and staff development	5,373	1,452	8,915	10,367	15,740
Insurance expense	-	4,689	-	4,689	4,689
Technology	384	4,171	5,533	9,704	10,088
Bank service charges	-	-	3,392	3,392	3,392
Bad debt	-	-	2,325	2,325	2,325
Total Expense Before Depreciation	<u>580,004</u>	<u>101,890</u>	<u>479,838</u>	<u>581,728</u>	<u>1,161,732</u>
Depreciation	-	8,191	-	8,191	8,191
Total Expenses	<u>\$ 580,004</u>	<u>\$ 110,081</u>	<u>\$ 479,838</u>	<u>\$ 589,919</u>	<u>\$ 1,169,923</u>

See Notes to Financial Statements

THE WOMEN'S FUND OF CENTRAL OHIO

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2020

	Program Grants, Research and Public Education	Support Services			Total
		Administrative Expenses	Fundraising Expenses	Total Support Services	
Salaries	\$ 237,692	\$ 134,652	\$ 222,643	\$ 357,295	\$ 594,987
Grants awarded	325,500	-	-	-	325,500
Marketing expense - In-kind	7,758	150	5,147	5,297	13,055
Equipment expense	1,040	793	903	1,696	2,736
Meetings, convenings and events	19,074	-	-	-	19,074
Dues and subscriptions	-	1,220	3,241	4,461	4,461
Occupancy	23,076	17,610	20,039	37,649	60,725
Postage	-	-	630	630	630
Printing	2,065	-	4,332	4,332	6,397
Payroll processing	5,509	3,389	4,988	8,377	13,886
Professional fees	-	36,384	20,500	56,884	56,884
Supplies	1,107	800	1,554	2,354	3,461
Travel, vehicle, and staff development	3,097	888	2,682	3,570	6,667
Insurance expense	-	-	4,592	4,592	4,592
Other expense	6,325	-	527	527	6,852
Technology	-	6,416	7,620	14,036	14,036
Bank service charges	-	63	2,433	2,496	2,496
Bad debt	-	-	46,700	46,700	46,700
Total Expense Before Depreciation	632,243	202,365	348,531	550,896	1,183,139
Depreciation	-	8,404	-	8,404	8,404
Total Expenses	\$ 632,243	\$ 210,769	\$ 348,531	\$ 559,300	\$ 1,191,543

See Notes to Financial Statements

THE WOMEN'S FUND OF CENTRAL OHIO

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 1,223,489	\$ (684,342)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net realized and unrealized (gain)/loss on investments	(1,199,146)	150,733
Change in beneficial interest in assets held by The Columbus Foundation	4	(2,339)
Depreciation	8,191	8,404
Bad debt expense	2,325	46,700
Forgiveness of Paycheck Protection Program Loan	(90,610)	-
Decrease (increase) in assets:		
Pledges receivable	81,780	214,696
Prepaid expenses	69,545	(69,636)
Increase (decrease) in liabilities:		
Accounts payable	12,080	(8,790)
Accrued liabilities	7,713	15,484
Net Cash (Used) Provided by Operating Activities	<u>115,371</u>	<u>(329,090)</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	-	(19,448)
Purchases of investments	(6,589,506)	(2,418,599)
Proceeds from sales and maturities of investments	6,525,501	2,355,736
Net transfer of assets (to) from The Columbus Foundation	-	265,660
Net Cash Provided (Used) by Investing Activities	<u>(64,005)</u>	<u>183,349</u>
Cash Flows from Financing Activities:		
Proceeds from contributions restricted for investment in permanently restricted net assets	-	4,774
Proceeds from borrowing	94,685	90,610
Net Cash Provided by Financing Activities	<u>94,685</u>	<u>95,384</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>146,051</u>	<u>(50,357)</u>
Cash and Cash Equivalents - Beginning of Year	629,910	680,267
Cash and Cash Equivalents - End of Year	<u>\$ 775,961</u>	<u>\$ 629,910</u>

See Notes to Financial Statements

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

1. Organization

The Women's Fund of Central Ohio (WFCO) is a nonprofit foundation that was established in 2001. The mission of WFCO is *"To transform the lives of women and girls by mobilizing the collective power and passion of all women working together."* WFCO was organized to provide programs including grantmaking, research, public education, technical assistance and advancing philanthropy by women.

2. Summary of Significant Accounting Policies

Exempt Status

WFCO received a determination letter from the Internal Revenue Service dated May 30, 2002, stating that it is exempt from Federal income taxes under IRC Section 501(c)(3). WFCO is organized as an Ohio nonprofit corporation and, as such, is exempt from state income taxes.

WFCO has adopted the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) relating to uncertain tax positions. WFCO does not believe its financial statements include any uncertain tax positions.

Financial Statement Presentation

Net assets and revenues, gains and support are classified based on donor imposed restrictions. Accordingly, net assets of WFCO are classified and reported as follows:

- Without Donor Restrictions – Those resources that are not subject to donor imposed restrictions. Donor restricted contributions whose restrictions are met in the same reporting period, are classified as net assets without donor restrictions.
- With Donor Restrictions – Those resources that are subject to donor imposed restrictions that WFCO maintain them permanently or that will be satisfied by action of WFCO and/or the passage of time.

Property and Equipment

Property and equipment are recorded at cost when purchased by WFCO or at fair market value established by donors when received as an a contribution. They are depreciated using the straight-line method over the estimated useful lives of three to five years. WFCO capitalizes items with a useful life exceeding one year that have a cost greater than or equal to \$500.

Cash Equivalents

Cash equivalents include highly liquid funds with maturities of three months or less when purchased, excluding amounts classified as investments. This would include checking and money market bank accounts.

Allowance for Uncollectible Pledges Receivable

The carrying amount of pledges receivable is reduced by a valuation allowance that reflects management's best estimate of amounts deemed uncollectible.

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

2. Summary of Significant Accounting Policies (Continued)

Investments

Investments in equity and debt securities with readily determinable market values are reported at fair value. Investments with private investment companies are valued at the latest net asset value made available by the fund manager or administrator prior to the valuation date, which is believed to approximate fair market value.

Contributions

Contributions, including unconditional promises to give (pledges receivable), are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are recorded at the present value of their net realizable value, using a risk-free interest rate of 3% applicable to the years in which the promises are to be received. WFCO has allocated a reserve for uncollectible pledges based on historical experience in collecting pledges. At June 30, 2021 and 2020, the allowance for uncollectible pledges was \$5,477 and \$9,748, respectively.

Donor restricted support is reported as an increase in donor restricted net assets. When a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Donor restricted support is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

Donated Services, Materials and Equipment

WFCO receives donated services from a variety of unpaid volunteers assisting WFCO in providing program services. However, no amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer efforts has not been satisfied.

WFCO recognizes contribution revenue for marketing, printing, accounting, and event services received at the fair value of those services. During the years ended June 30, 2021 and 2020, contribution revenue recognized for those services totaled \$15,409 and \$-0-, respectively.

Estimates

Management uses estimates and assumptions when preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. WFCO expects the adoption of this new accounting standard to have minimal impact on its financial statements.

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

2. Summary of Significant Accounting Policies (Continued)

Risk and Uncertainty

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which WFCO operates. It is unknown how long these conditions will last and what the complete financial effect will be to WFCO’s financial position, operations and cash flows.

3. Pledges Receivable

Pledges receivable include the following unconditional promises to give as of June 30, net of allowance for uncollectible accounts.

	<u>2021</u>	<u>2020</u>
Pledges receivable	\$ 109,535	\$ 198,491
Less: Present value discount (3%)	2,460	3,040
Less: Allowance	5,477	9,748
Net Pledges Receivable	<u>\$ 101,598</u>	<u>\$ 185,703</u>
Amounts Due In:		
Less than one year	\$ 68,908	\$ 133,643
One to five years	32,690	52,060
Total Pledges Receivable	<u>\$ 101,598</u>	<u>\$ 185,703</u>

4. Operating Leases

WFCO leases equipment and office space under long-term non-cancelable operating lease agreements with initial or remaining lease terms in excess of one year.

The future minimum rental payments due under these leases are as follows:

<u>For the year ending June 30:</u>	<u>Amount</u>
2022	\$ 66,356
2023	67,572
2024	68,792
2025	45,500
Total	<u>\$ 248,220</u>

Total rent expense for the years ended June 30, 2021 and 2020 was \$68,833 and \$63,461, respectively.

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

5. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Time restricted for operations	\$ 91,098	\$ 166,593
Purpose restricted	175,000	-
Endowment funds	1,351,426	1,351,426
Earnings on donor restricted endowment funds available for appropriation	2,009,511	1,288,308
Total	<u>\$ 3,627,035</u>	<u>\$ 2,806,327</u>

6. Investments

WFCO has an endowment fund held with a private money manager, who invests these funds according to WFCO's investment policy. As of June 30, 2021 and 2020, investments totaled \$5,878,578 and \$4,615,427, respectively.

Investments consisted of the following:

	<u>2021</u>	<u>2020</u>
Money market	\$ 100,266	\$ 218,996
Mutual funds	637,889	178,055
Exchange traded funds	1,455,602	1,215,809
Common stocks	3,057,514	2,446,116
U.S. government bonds	257,629	485,453
Real estate investment trusts	93,371	70,998
Alternative investments	276,307	-
Total	<u>\$ 5,878,578</u>	<u>\$ 4,615,427</u>

WFCO began investing in alternative investments during 2021 in order to better diversify its investment risk. These investments may include derivative transactions as part of their portfolio. Net realized and unrealized gains (losses) of (\$11,193) and \$-0- related to such investments have been recognized in the accompanying statements of activities for 2021 and 2020, respectively. As of June 30, 2021, WFCO is committed to invest an additional \$462,500 in these alternative investments.

WFCO's investments are exposed to various risks such as interest rate, currency, liquidity, market and credit risks. Due to the level of risk associated with the investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect reported amounts. The WFCO's investments are diversified to minimize the impact of these market value fluctuations.

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

7. Concentration of Economic Risk

WFCO maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. WFCO has not experienced any losses in such accounts and does not believe it is exposed to any significant risk on cash and cash equivalents. WFCO also has invested in various securities which are subject to market fluctuations.

8. Assets and Liabilities – Fair Value Information

In accordance with the Fair Value Measurements and Disclosures Topic of the FASB ASC, all financial instruments that are being measured and reported on a fair value basis must be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

WFCO reports certain investments using the Net Asset Value (NAV) as determined by the fund manager or administrator. WFCO uses the NAV as a practical expedient to estimate the fair value of its interest therein.

Assets and liabilities measured at fair value on a recurring basis at June 30, 2021 were as follows:

Description	2021			
	Total	Level 1	Level 2	NAV
Money market	\$ 100,266	\$ 100,266	\$ -	\$ -
Mutual fund - bonds	637,889	637,889	-	-
Exchange traded funds - international stocks	425,145	425,145	-	-
Exchange traded funds - bonds	1,030,457	1,030,457	-	-
Common stocks - domestic	1,985,901	1,985,901	-	-
Common stocks - international	1,071,613	1,071,613	-	-
U.S. government bonds	257,629	257,629	-	-
Alternative investments - interest in				
limited partnership	30,416	-	-	30,416
global impact fund	245,891	-	-	245,891
Real estate investment trusts	93,371	93,371	-	-
Beneficial interest in assets held by others	721	-	721	-
Total Assets	\$ 5,879,299	\$ 5,602,271	\$ 721	\$ 276,307

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

8. Assets and Liabilities – Fair Value Information (Continued)

Assets and liabilities measured at fair value on a recurring basis at June 30, 2020 were as follows:

Description	2020			
	Total	Level 1	Level 2	NAV
Money market	\$ 218,996	\$ 218,996	\$ -	\$ -
Mutual fund - equity	178,055	178,055	-	-
Exchange traded funds - domestic stocks	104,421	104,421	-	-
Exchange traded funds - international stocks	110,113	110,113	-	-
Exchange traded funds - bonds	958,750	958,750	-	-
Exchange traded funds - commodity	42,525	42,525	-	-
Common stocks - domestic	2,213,733	2,284,731	-	-
Common stocks - international	232,383	232,383	-	-
U.S. government bonds	485,453	485,453	-	-
Real estate investment trusts	70,998	70,998	-	-
Beneficial interest in assets held by others	725	-	725	-
Total Assets	\$ 4,616,152	\$ 4,686,425	\$ 725	\$ -

The level 2 assets listed above are valued using the market approach and are determined using quoted market prices of similar assets.

The alternative investment assets listed above are valued using the latest NAV made available by the fund manager or administrator prior to the valuation date, which is believed to approximate fair market value. These assets have not been categorized in the fair value hierarchy. The fair value amounts presented are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying statements of financial position.

9. Endowment Funds

WFCO's endowment consists of several individual funds established for a variety of purposes. Its endowment includes both donor restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported on the existence or absence of donor imposed restrictions.

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

9. Endowment Funds (Continued)

Interpretation of Relevant Law

The Board of Directors of WFCO has interpreted the State of Ohio's Uniform Prudent Management Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, WFCO classifies as donor restricted net assets for its endowment (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in donor restricted net assets for endowment is classified as donor restricted net assets available for appropriation until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, WFCO considers the following factors in making a determination to appropriate or accumulate donor restricted endowment fund:

- (1) The duration and preservation of the donor restricted endowment fund
- (2) The purposes of WFCO and the donor restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of WFCO
- (7) The investment policies of WFCO

Endowment Net Asset Composition by Type of Fund:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	\$ 2,517,641	\$ 3,360,937	\$ 5,878,578
Total funds	\$ 2,517,641	\$ 3,360,937	\$ 5,878,578
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	\$ 1,975,693	\$ 2,639,734	\$ 4,615,427
Total funds	\$ 1,975,693	\$ 2,639,734	\$ 4,615,427

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

9. Endowment Funds (Continued)

Changes in Endowment Net Assets:

	2021		
	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 1,975,693	\$ 2,639,734	\$ 4,615,427
Total investment return	541,948	721,203	1,263,151
Miscellaneous	-	-	-
Endowment net assets, end of year	<u>\$ 2,517,641</u>	<u>\$ 3,360,937</u>	<u>\$ 5,878,578</u>

	2020		
	Without Donor Unrestriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 2,019,883	\$ 2,697,284	\$ 4,717,167
Total investment return	(43,320)	(57,550)	(100,870)
Miscellaneous	(870)	-	(870)
Endowment net assets, end of year	<u>\$ 1,975,693</u>	<u>\$ 2,639,734</u>	<u>\$ 4,615,427</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires WFCO to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in net assets with donor restrictions. WFCO had no such deficiencies as of June 30, 2021 and 2020.

Return Objectives and Risk Parameters

WFCO has adopted an investment policy for endowment assets that attempts to ultimately provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the original value of the endowment assets. Endowment assets include those assets of donor restricted funds that WFCO must hold in perpetuity or for a donor specified period(s) as well as board designated funds. Under its Board approved policy, WFCO's objective for these portfolios is to grow the principal with a moderate level of market risk.

Strategies Employed for Achieving Objectives

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

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

9. Endowment Funds (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The spending policy of WFCO allows for the spending of up to a rolling five percent of the prior 3 years of market value, net of expenses and calculated rate of inflation, without invading the principal balance. Because WFCO is currently trying to grow its endowment, no amounts have been appropriated to operations since WFCO's inception. WFCO's objective is to maintain the original value of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

10. Liquidity and Availability of Financial Assets

WFCO monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. WFCO has the following financial assets that could be readily made available within one year of the consolidated statement of financial position to fund expenses without limitations:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 775,961	\$ 629,910
Current pledges receivable	68,908	133,643
Investments (excluding alternative investments)	<u>5,602,271</u>	<u>4,615,427</u>
Financial assets, at year-end	<u>6,447,140</u>	<u>5,378,980</u>
Less those unavailable for general expenditures within one year, due to:		
Purpose restricted cash	(175,000)	-
Donor restricted endowment funds	(3,360,937)	(2,639,734)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,911,203</u>	<u>\$ 2,739,246</u>

WFCO has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition to financial assets available to meet general expenditures over the year, WFCO operates with a balanced budget and anticipates covering its general expenditures by utilizing gifted resources without donor imposed restrictions.

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

11. Long-Term Debt

Long-term debt consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Paycheck Protection Program loan in association with the Coronavirus Aid, Relief, and Economic Security (CARES) Act, with a bank with a fixed interest rate of 1%. Monthly payments of interest and principal in the amount of \$5,074 are set to begin on November 23, 2020. Under the terms of the CARES Act, WFCO can request all or a portion of the loan to be forgiven if WFCO meets certain criteria defined by the CARES Act. Although interest will start to accrue on November 23, 2020, no interest or principal payments will be due unless WFCO fails to file a forgiveness application within ten months after the end of its Covered Period (which ended on June 21, 2020) or the SBA denies WFCO's application for forgiveness in whole or in part. WFCO applied for and received full forgiveness for this loan in fiscal year 2021.	\$ -	\$ 90,610
WFCO received another Paycheck Protection Program loan during fiscal year 2021 with the same terms as the prior year loan, including the option for forgiveness. This loan has a fixed interest rate of 1%. Monthly payments of interest and principal in the amount of \$2,013 were set to begin on December 19, 2021. WFCO applied for and was approved for forgiveness in full, subsequent to year end.	94,685	-
Total	<u>\$ 94,685</u>	<u>\$ 90,610</u>

As of June 30, 2021, long-term debt matures as follows:

<u>Year Ending June 30:</u>	<u>Amount</u>
2022	\$ -
2023	94,685
Total	<u>\$ 94,685</u>

12. Functional Allocation of Expenses

The costs of providing the program and support services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. The expenses that are allocated include salaries, occupancy, payroll processing, insurance, and technology, all of which were allocated based upon management's judgement related to the functional use of those items.

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

13. Prior Year's Financial Statements

Certain reclassifications of the 2020 comparative information have been made to conform to the 2021 presentation.

14. Subsequent Events

Subsequent events have been evaluated through December 14, 2021 which is the date the financial statements were available to be issued.

As more fully described in Note 11, WFCO received a loan in the amount of \$94,685 as part of the Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Under the terms of the CARES act, WFCO could request forgiveness of all or a portion of the loan if they meet certain criteria. In September 2021, WFCO received notification that the entire \$94,685 was forgiven.