

**THE WOMEN'S FUND OF CENTRAL OHIO**

**FINANCIAL STATEMENTS**

**June 30, 2019 and 2018**

THE WOMEN’S FUND OF CENTRAL OHIO

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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, 2019 and 2018, 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, 2019 and 2018 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  
October 11, 2019

THE WOMEN'S FUND OF CENTRAL OHIO

STATEMENTS OF FINANCIAL POSITION

As of June 30, 2019 and 2018

|   | <u>2019</u>         | <u>2018</u>         |
|---|---------------------|---------------------|
| <u>ASSETS</u>   |                     |                     |
| Current Assets:   |                     |                     |
| Cash and cash equivalents   | \$ 680,267          | \$ 1,104,781        |
| Pledges receivable, net (less allowance of \$19,202 and \$12,105 in 2019 and 2018, respectively)            | 364,841             | 459,365             |
| Prepaid expenses  | 4,351               | 7,932               |
| Total Current Assets  | <u>1,049,459</u>    | <u>1,572,078</u>    |
| Property and Equipment  | 70,612              | 81,364              |
| Less accumulated depreciation   | (66,180)            | (74,787)            |
| Net Property and Equipment  | <u>4,432</u>        | <u>6,577</u>        |
| Other Assets:   |                     |                     |
| Investments   | 4,703,298           | 4,488,992           |
| Beneficial interest in assets held by The Columbus Foundation   | 264,045             | 258,659             |
| Pledges receivable - long-term, net (less allowance of \$4,730 and \$11,808 in 2019 and 2018, respectively) | 87,032              | 227,022             |
| Deposits  | 3,012               | 3,012               |
| Total Other Assets  | <u>5,057,387</u>    | <u>4,977,685</u>    |
| Total Assets  | <u>\$ 6,111,278</u> | <u>\$ 6,556,340</u> |
| <u>LIABILITIES AND NET ASSETS</u>   |                     |                     |
| Current Liabilities:  |                     |                     |
| Accounts payable  | \$ 9,584            | \$ 5,544            |
| Accrued liabilities   | 41,116              | 29,951              |
| Total Current Liabilities   | <u>50,700</u>       | <u>35,495</u>       |
| Net Assets:   |                     |                     |
| Net Assets Without Donor Restriction:   |                     |                     |
| Board designated - Endowment  | 2,019,883           | 1,941,639           |
| Board designated - Grantmaking  | 290,033             | 263,000             |
| Operating   | 857,735             | 1,122,460           |
| Total Net Assets Without Donor Restrictions   | <u>3,167,651</u>    | <u>3,327,099</u>    |
| Net assets with donor restrictions  | 2,892,927           | 3,193,746           |
| Total Net Assets  | <u>6,060,578</u>    | <u>6,520,845</u>    |
| Total Liabilities and Net Assets  | <u>\$ 6,111,278</u> | <u>\$ 6,556,340</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, 2019

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
|---|-------------------------------|----------------------------|---------------------|
| Revenues, Gains and Other Support:  |                               |                            |                     |
| Contributions   | \$ 852,466                    | \$ 43,482                  | \$ 895,948          |
| Change in value of beneficial interest in<br>assets held by The Columbus Foundation | 4,675                         | -                          | 4,675               |
| Investment income, net  | 19,939                        | 26,113                     | 46,052              |
| Net realized and unrealized gain on<br>investments                                  | 34,004                        | 46,151                     | 80,155              |
|   | <u>911,084</u>                | <u>115,746</u>             | <u>1,026,830</u>    |
| Net assets released from restrictions   | 416,565                       | (416,565)                  | -                   |
| Total Revenue and Support   | <u>1,327,649</u>              | <u>(300,819)</u>           | <u>1,026,830</u>    |
| Expenses:   |                               |                            |                     |
| Program:  |                               |                            |                     |
| Grants, research and public education   | 963,154                       | -                          | 963,154             |
| Support Services:   |                               |                            |                     |
| Administrative expense  | 201,061                       | -                          | 201,061             |
| Fundraising expense   | 322,882                       | -                          | 322,882             |
| Total Support Services  | <u>523,943</u>                | <u>-</u>                   | <u>523,943</u>      |
| Total Expenses  | <u>1,487,097</u>              | <u>-</u>                   | <u>1,487,097</u>    |
| Change in Net Assets  | <u>(159,448)</u>              | <u>(300,819)</u>           | <u>(460,267)</u>    |
| Net Assets at Beginning of Year   | 3,327,099                     | 3,193,746                  | 6,520,845           |
| Net Assets at End of Year   | <u>\$ 3,167,651</u>           | <u>\$ 2,892,927</u>        | <u>\$ 6,060,578</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, 2018

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
|---|-------------------------------|----------------------------|---------------------|
| Revenues, Gains and Other Support:  |                               |                            |                     |
| Contributions   | \$ 1,337,094                  | \$ 297,801                 | \$ 1,634,895        |
| Change in value of beneficial interest in<br>assets held by The Columbus Foundation | 2,174                         | -                          | 2,174               |
| Investment income, net  | 28,711                        | 39,410                     | 68,121              |
| Net realized and unrealized gain on<br>investments                                  | 36,712                        | 51,865                     | 88,577              |
|   | <u>1,404,691</u>              | <u>389,076</u>             | <u>1,793,767</u>    |
| Net assets released from restrictions   | 442,727                       | (442,727)                  | -                   |
| Total Revenue and Support   | <u>1,847,418</u>              | <u>(53,651)</u>            | <u>1,793,767</u>    |
| Expenses:   |                               |                            |                     |
| Program:  |                               |                            |                     |
| Grants, research and public education   | <u>1,109,624</u>              | <u>-</u>                   | <u>1,109,624</u>    |
| Support Services:   |                               |                            |                     |
| Administrative expense  | 258,800                       | -                          | 258,800             |
| Fundraising expense   | 385,200                       | -                          | 385,200             |
| Total Support Services  | <u>644,000</u>                | <u>-</u>                   | <u>644,000</u>      |
| Total Expenses  | <u>1,753,624</u>              | <u>-</u>                   | <u>1,753,624</u>    |
| Change in Net Assets  | <u>93,794</u>                 | <u>(53,651)</u>            | <u>40,143</u>       |
| Net Assets at Beginning of Year   | 3,233,305                     | 3,247,397                  | 6,480,702           |
| Net Assets at End of Year   | <u>\$ 3,327,099</u>           | <u>\$ 3,193,746</u>        | <u>\$ 6,520,845</u> |

See Notes to Financial Statements

THE WOMEN'S FUND OF CENTRAL OHIO

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2019

|  | <b>Program</b>                                 | <b>Support Services</b>    |                         |                              | <b>Total</b>        |
|--|--|----------------------------|-------------------------|------------------------------|---------------------|
|  | Grants,<br>Research<br>and Public<br>Education | Administrative<br>Expenses | Fundraising<br>Expenses | Total<br>Support<br>Services |                     |
| Salaries                               | \$ 392,882                                     | \$ 83,839                  | \$ 71,565               | \$ 155,404                   | \$ 548,286          |
| Grants awarded                         | 290,033  | -                          | -                       | -                            | 290,033             |
| Marketing expense - In-kind            | -  | 385                        | -                       | 385                          | 385                 |
| Equipment expense                      | 1,331  | 385                        | -                       | 385                          | 1,716               |
| Meetings, convenings and events        | 104,557  | 125                        | 97,415                  | 97,540                       | 202,097             |
| Dues and subscriptions                 | 2,539  | 572                        | -                       | 572                          | 3,111               |
| Occupancy                              | 43,689   | 11,285                     | 9,367                   | 20,652                       | 64,341              |
| Postage                                | -  | 707                        | 1,831                   | 2,538                        | 2,538               |
| Printing                               | 3,841  | 6,314                      | 8,166                   | 14,480                       | 18,321              |
| Payroll processing                     | 5,436  | 1,838                      | 946                     | 2,784                        | 8,220               |
| Professional fees                      | 74,349   | 63,962                     | 37,084                  | 101,046                      | 175,395             |
| Supplies                               | 85   | 5,108                      | 120                     | 5,228                        | 5,313               |
| Travel, vehicle, and staff development | 6,354  | 6,838                      | 588                     | 7,426                        | 13,780              |
| Insurance expense                      | -  | 4,458                      | -                       | 4,458                        | 4,458               |
| Other expense                          | 33,816   | 424                        | -                       | 424                          | 34,240              |
| Technology                             | 4,242  | 10,460                     | 1,716                   | 12,176                       | 16,418              |
| Bank service charges                   | -  | 2,216                      | 524                     | 2,740                        | 2,740               |
| Bad debt                               | -  | -                          | 93,560                  | 93,560                       | 93,560              |
| Total Expense Before Depreciation      | <u>963,154</u>                                 | <u>198,916</u>             | <u>322,882</u>          | <u>521,798</u>               | <u>1,484,952</u>    |
| Depreciation                           | -  | 2,145                      | -                       | 2,145                        | 2,145               |
| Total Expenses                         | <u>\$ 963,154</u>                              | <u>\$ 201,061</u>          | <u>\$ 322,882</u>       | <u>\$ 523,943</u>            | <u>\$ 1,487,097</u> |

See Notes to Financial Statements



THE WOMEN'S FUND OF CENTRAL OHIO

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2018

|  | <b>Program</b>                                 | <b>Support Services</b>    |                         |                              | <b>Total</b>        |
|--|--|----------------------------|-------------------------|------------------------------|---------------------|
|  | Grants,<br>Research<br>and Public<br>Education | Administrative<br>Expenses | Fundraising<br>Expenses | Total<br>Support<br>Services |                     |
| Salaries                                 | \$ 422,564                                     | \$ 112,569                 | \$ 179,188              | \$ 291,757                   | \$ 714,321          |
| Grants awarded                           | 263,000  | -                          | -                       | -                            | 263,000             |
| Marketing expense - In-kind              | 35,133   | 7,500                      | 22,567                  | 30,067                       | 65,200              |
| Equipment expense                        | -  | 385                        | -                       | 385                          | 385                 |
| Meetings, convenings and events          | 163,288  | -                          | 73,090                  | 73,090                       | 236,378             |
| Dues and subscriptions                   | 4,611  | 225                        | 305                     | 530                          | 5,141               |
| Occupancy                                | 25,281   | 9,365                      | 9,365                   | 18,730                       | 44,011              |
| Postage                                  | 9,221  | 481                        | 3,185                   | 3,666                        | 12,887              |
| Printing                                 | 31,560   | 933                        | 10,342                  | 11,275                       | 42,835              |
| Payroll processing                       | 6,986  | 1,006                      | 2,793                   | 3,799                        | 10,785              |
| Professional fees                        | 77,817   | 52,283                     | 6,225                   | 58,508                       | 136,325             |
| Supplies                                 | 5,877  | 1,619                      | 2,357                   | 3,976                        | 9,853               |
| Travel, vehicle, and staff development   | 19,211   | 42,309                     | 5,444                   | 47,753                       | 66,964              |
| Insurance expense                        | -  | 4,322                      | -                       | 4,322                        | 4,322               |
| Other expense                            | 34,158   | 3,102                      | 230                     | 3,332                        | 37,490              |
| Technology                               | 10,917   | 3,321                      | 12,340                  | 15,661                       | 26,578              |
| Bank service charges                     | -  | 10,962                     | 705                     | 11,667                       | 11,667              |
| Bad debt                                 | -  | -                          | 57,064                  | 57,064                       | 57,064              |
| <b>Total Expense Before Depreciation</b> | <b>1,109,624</b>                               | <b>250,382</b>             | <b>385,200</b>          | <b>635,582</b>               | <b>1,745,206</b>    |
| Depreciation                             | -  | 8,418                      | -                       | 8,418                        | 8,418               |
| <b>Total Expenses</b>                    | <b>\$ 1,109,624</b>                            | <b>\$ 258,800</b>          | <b>\$ 385,200</b>       | <b>\$ 644,000</b>            | <b>\$ 1,753,624</b> |

See Notes to Financial Statements

THE WOMEN'S FUND OF CENTRAL OHIO

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2019 and 2018

|   | <u>2019</u>       | <u>2018</u>         |
|---|-------------------|---------------------|
| Cash Flows from Operating Activities:   |                   |                     |
| Change in net assets  | \$ (460,267)      | \$ 40,143           |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                   |                     |
| Net realized and unrealized gain on investments   | (80,155)          | (88,577)            |
| Contributions restricted for long-term investment   | -                 | (6,950)             |
| Change in beneficial interest in assets held by The Columbus Foundation                     | (4,675)           | (2,174)             |
| Depreciation  | 2,145             | 8,418               |
| Bad debt expense  | 93,560            | 57,064              |
| (Increase) decrease in assets:  |                   |                     |
| Pledges receivable  | 131,860           | 97,335              |
| Prepaid expenses  | 3,581             | (683)               |
| Increase (decrease) in liabilities:   |                   |                     |
| Accounts payable  | 4,040             | (16,598)            |
| Accrued liabilities   | 11,165            | (33,344)            |
| Net Cash Provided (Used) by Operating Activities  | <u>(298,746)</u>  | <u>54,634</u>       |
| Cash Flows from Investing Activities:   |                   |                     |
| Purchases of property and equipment   | -                 | (1,428)             |
| Purchases of investments  | (1,734,250)       | (1,688,236)         |
| Proceeds from sales and maturities of investments   | 1,600,099         | 1,511,129           |
| Net transfer of assets (to) from The Columbus Foundation                                    | (711)             | (590)               |
| Net Cash Used by Investing Activities   | <u>(134,862)</u>  | <u>(179,125)</u>    |
| Cash Flows from Financing Activities:   |                   |                     |
| Proceeds from contributions restricted for investment in permanently restricted net assets  | 9,094             | 24,950              |
| Net Cash Provided by Financing Activities   | <u>9,094</u>      | <u>24,950</u>       |
| Increase (Decrease) in Cash and Cash Equivalents  | <u>(424,514)</u>  | <u>(99,541)</u>     |
| Cash and Cash Equivalents - Beginning of Year   | 1,104,781         | 1,204,322           |
| Cash and Cash Equivalents - End of Year   | <u>\$ 680,267</u> | <u>\$ 1,104,781</u> |

See Notes to Financial Statements

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

**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 has received a determination letter from the Internal Revenue Service dated May 30, 2002, stating that WFCO 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 and changes therein 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 reported as net assets without donor restrictions.
- With Donor Restrictions – Those resources subject to donor imposed restriction that they be maintained permanently by WFCO or will be satisfied either by action of the WFCO and/or passage of time.

**Property and Equipment**

Property and equipment are recorded at cost when purchased by WFCO, and at fair market value established by donors when received as an in-kind contribution. They are depreciated on 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 are greater than or equal to \$500.

**Cash Equivalents**

Cash equivalents include highly liquid investments with maturities of three months or less when purchased, excluding amounts classified as investments.

**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, 2019

**2. Summary of Significant Accounting Policies (Continued)**

**Investments**

Investments are recorded at fair value based on quoted market prices.

**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, 2019 and 2018, the allowance for uncollectible pledges was \$23,932 and \$23,913, respectively.

Donor-restricted support is reported as an increase in donor restricted net assets. When a restriction expires (that is, 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. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period 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, and event services received at the fair value of those services. During the years ended June 30, 2019 and 2018, contribution revenue recognized for those services totaled \$385 and \$65,200, respectively.

**Estimates**

Management uses estimates and assumptions in 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, 2019. 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. We expect the adoption of this new accounting standard to have minimal impact on our financial statements.

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

**3. Pledges Receivable**

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

|                                   | <u>2019</u>       | <u>2018</u>       |
|-----------------------------------|-------------------|-------------------|
| Pledges receivable                | \$ 478,643        | \$ 720,620        |
| Less: Present value discount (3%) | 2,838             | 10,320            |
| Less: Allowance                   | 23,932            | 23,913            |
| Net Pledges Receivable            | <u>\$ 451,873</u> | <u>\$ 686,387</u> |
|                                   |                   |                   |
| Amounts Due In:                   |                   |                   |
| Less than one year                | \$ 364,841        | \$ 459,365        |
| One to five years                 | 87,032            | 227,022           |
| Total Pledges Receivable          | <u>\$ 451,873</u> | <u>\$ 686,387</u> |

**4. Operating Leases**

WFCO leases office space under a long-term operating lease agreement having initial or remaining lease term in excess of one year and expiring through February 2025.

The future minimum rental payments due under the lease are as follows:

| <u>For the year ending June 30:</u> | <u>Amount</u>     |
|-------------------------------------|-------------------|
| 2020                                | \$ 55,439         |
| 2021                                | 56,449            |
| 2022                                | 62,756            |
| 2023                                | 63,972            |
| 2024                                | 65,192            |
| Thereafter                          | 44,000            |
| Total                               | <u>\$ 347,808</u> |

Total rent expense for the years ended June 30, 2019 and 2018 was \$66,058 and \$44,396, respectively.

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

**5. Net Assets with Donor Restrictions**

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

|   | <u>2019</u>         | <u>2018</u>         |
|---|---------------------|---------------------|
| Time restricted for operations  | \$ 175,643          | \$ 568,726          |
| Purpose restricted  | 20,000              | -                   |
| Endowment funds   | 1,351,426           | 1,351,426           |
| Earnings on donor restricted endowment funds<br>available for appropriation | 1,345,858           | 1,273,594           |
| Total   | <u>\$ 2,892,927</u> | <u>\$ 3,193,746</u> |

**6. Investments**

WFCO has an endowment fund held at two private money managers, who invest these funds according to WFCO's investment policy. As of June 30, 2019 and 2018, investments totaled \$4,703,298 and \$4,488,992, respectively.

Investments consisted of the following:

|                        | <u>2019</u>         | <u>2018</u>         |
|------------------------|---------------------|---------------------|
| Marketable Securities: |                     |                     |
| Money market           | \$ 75,203           | \$ 50,791           |
| Mutual funds           | 215,691             | 120,722             |
| Exchange traded funds  | 1,092,567           | 1,010,900           |
| Common stocks          | 2,570,957           | 2,617,843           |
| U.S. government bonds  | 748,880             | 688,736             |
| Total                  | <u>\$ 4,703,298</u> | <u>\$ 4,488,992</u> |

**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.

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

**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.

Assets and liabilities measured at fair value on a recurring basis at June 30, 2019 and 2018 were as follows:

| Description                                  | 2019                |                     |                   |             |
|--|---------------------|---------------------|-------------------|-------------|
|  | Total               | Level 1             | Level 2           | Level 3     |
| Marketable Securities:                       |                     |                     |                   |             |
| Money market                                 | \$ 75,203           | \$ 75,203           | \$ -              | \$ -        |
| Mutual fund - equity                         | 215,691             | 215,691             | -                 | -           |
| Exchange traded funds - domestic stocks      | 95,720              | 95,720              | -                 | -           |
| Exchange traded funds - international stocks | 147,370             | 147,370             | -                 | -           |
| Exchange traded funds - bonds                | 849,477             | 849,477             | -                 | -           |
| Common stocks - domestic                     | 2,430,021           | 2,430,021           | -                 | -           |
| Common stocks - international                | 140,936             | 140,936             | -                 | -           |
| U.S. government bonds                        | 748,880             | 748,880             | -                 | -           |
| Beneficial interest in assets held by others | 264,045             | -                   | 264,045           | -           |
| Total Assets                                 | <u>\$ 4,967,343</u> | <u>\$ 4,703,298</u> | <u>\$ 264,045</u> | <u>\$ -</u> |

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

| Description                                  | 2018                |                     |                   |             |
|--|---------------------|---------------------|-------------------|-------------|
|  | Total               | Level 1             | Level 2           | Level 3     |
| Marketable Securities:                       |                     |                     |                   |             |
| Money market                                 | \$ 50,791           | \$ 50,791           | \$ -              | \$ -        |
| Mutual fund - equity                         | 120,722             | 120,722             | -                 | -           |
| Exchange traded funds - domestic stocks      | 62,046              | 62,046              | -                 | -           |
| Exchange traded funds - international stocks | 124,283             | 124,283             | -                 | -           |
| Exchange traded funds - bonds                | 824,571             | 824,571             | -                 | -           |
| Common stocks - domestic                     | 2,353,177           | 2,353,177           | -                 | -           |
| Common stocks - international                | 264,666             | 264,666             | -                 | -           |
| U.S. government bonds                        | 688,736             | 688,736             | -                 | -           |
| Beneficial interest in assets held by others | 258,659             | -                   | 258,659           | -           |
| Total Assets                                 | \$ <u>4,747,651</u> | \$ <u>4,488,992</u> | \$ <u>258,659</u> | \$ <u>-</u> |

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

**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.

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:



THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

**9. Endowment Funds (Continued)**

- (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:

|                 | 2019                                    |                                    |                     |
|-----------------|---|------------------------------------|---------------------|
|                 | <u>Without Donor<br/>Unrestrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>        |
| Endowment funds | \$ 2,019,883                            | \$ 2,697,284                       | \$ 4,717,167        |
| Total funds     | <u>\$ 2,019,883</u>                     | <u>\$ 2,697,284</u>                | <u>\$ 4,717,167</u> |
|                 | 2018                                    |                                    |                     |
|                 | <u>Without Donor<br/>Restrictions</u>   | <u>With Donor<br/>Restrictions</u> | <u>Total</u>        |
| Endowment funds | \$ 1,941,639                            | \$ 2,625,020                       | \$ 4,566,659        |
| Total funds     | <u>\$ 1,941,639</u>                     | <u>\$ 2,625,020</u>                | <u>\$ 4,566,659</u> |

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

**9. Endowment Funds (Continued)**

Changes in Endowment Net Assets:

|  | 2019                           |                           |                     |
|--|--------------------------------|---------------------------|---------------------|
|  | Without Donor<br>Restriction   | With Donor<br>Restriction | Total               |
| Endowment net assets,<br>beginning of year | \$ 1,941,639                   | \$ 2,625,020              | \$ 4,566,659        |
| Total investment return                    | 53,244                         | 72,264                    | 125,508             |
| Contributions                              | -                              | -                         | -                   |
| Transfers                                  | 25,000                         | -                         | 25,000              |
| Endowment net assets,<br>end of year       | <u>\$ 2,019,883</u>            | <u>\$ 2,697,284</u>       | <u>\$ 4,717,167</u> |
|  | 2018                           |                           |                     |
|  | Without Donor<br>Unrestriction | With Donor<br>Restriction | Total               |
| Endowment net assets,<br>beginning of year | \$ 1,777,030                   | \$ 2,526,795              | \$ 4,303,825        |
| Total investment return                    | 64,609                         | 91,275                    | 155,884             |
| Contributions                              | -                              | 6,950                     | 6,950               |
| Transfers                                  | 100,000                        | -                         | 100,000             |
| Endowment net assets,<br>end of year       | <u>\$ 1,941,639</u>            | <u>\$ 2,625,020</u>       | <u>\$ 4,566,659</u> |

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

**9. Endowment Funds (Continued)**

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, 2019 and 2018.

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.

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 four 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>2019</u>         | <u>2018</u>         |
|--|---------------------|---------------------|
| Cash and cash equivalents  | \$ 680,267          | \$ 1,104,781        |
| Current pledges receivable   | 364,841             | 459,365             |
| Investments  | <u>4,703,298</u>    | <u>4,488,992</u>    |
| Financial assets, at year-end  | <u>5,748,406</u>    | <u>6,053,138</u>    |
| Less those unavailable for general expenditures within one year, due to:               |                     |                     |
| Purpose restricted cash  | (20,000)            | -                   |
| Donor restricted endowment funds   | (1,351,426)         | (1,351,426)         |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 4,376,980</u> | <u>\$ 4,701,712</u> |

THE WOMEN'S FUND OF CENTRAL OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

**10. Liquidity and Availability of Financial Assets (Continued):**

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.

**11. 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.

**12. Prior Year's Financial Statements**

Certain reclassifications of the 2018 comparative information have been made to conform to the 2019 presentation. Reclassifications had no effect on cumulative net assets.

**13. Subsequent Events**

Subsequent events have been evaluated through October 11, 2019, which is the date the financial statements were available to be issued.