

WASHINGTON WOMEN IN NEED

FINANCIAL STATEMENTS

With Independent Accountant's Review Report

YEARS ENDED JUNE 30, 2023 AND 2022



WASHINGTON WOMEN IN NEED
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

March 28, 2024

Board of Directors
Washington Women in Need
Kirkland, Washington

We have reviewed the accompanying statement of financial position of Washington Women in Need (a nonprofit corporation), as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A Review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A Review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion. We are required to be independent of Washington Women in Need and to meet out other ethical responsibilities in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The June 30, 2022 financial statements were audited by us and we expressed an unmodified opinion on them in our report dated October 29, 2022. However, we have not performed any auditing procedures since that date.

Jacobson Jarvis & Co, PLLC

Jacobson Jarvis & Co, PLLC

WASHINGTON WOMEN IN NEED

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

	Reviewed <u>2023</u>	Audited <u>2022</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 194,367	\$ 254,374
Investments	3,144,361	1,921,681
Pledges receivable, current	300,012	259,790
Prepaid expenses and other	<u>52,605</u>	<u>31,471</u>
Total Current Assets	3,691,345	2,467,316
Pledges Receivable, non-current, net	87,747	59,001
Investments - board designated for long-term purposes	1,428,374	2,637,422
Property and Equipment, net	<u>26,477</u>	<u>40,662</u>
	<u>\$ 5,233,943</u>	<u>\$ 5,204,401</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 40,795	\$ 6,023
Accrued expenses	9,917	12,020
Grants payable	<u>119,127</u>	<u>570,202</u>
Total Current Liabilities	169,839	588,245
Net Assets		
Without donor restrictions		
Undesignated	3,235,758	1,659,943
Board designated reserves	-	1,402,991
Board designated endowment	<u>1,428,374</u>	<u>1,234,431</u>
	4,664,132	4,297,365
With donor restrictions	<u>399,972</u>	<u>318,791</u>
Total Net Assets	<u>5,064,104</u>	<u>4,616,156</u>
	<u>\$ 5,233,943</u>	<u>\$ 5,204,401</u>

WASHINGTON WOMEN IN NEED

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2023 AND 2022

	2023 - Reviewed			2022 - Audited		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Contributions and grants	\$ 120,981	\$ 458,202	\$ 579,183	\$ 288,613	\$ 266,185	\$ 554,798
Loan forgiven	-	-	-	86,235	-	86,235
Special events, net	469,462	-	469,462	449,183	-	449,183
In-kind donations	36,000	-	36,000	39,585	-	39,585
Investment return, net	614,634	-	614,634	(798,754)	-	(798,754)
Satisfaction of time requirements	318,627	(318,627)	-	102,080	(102,080)	-
Satisfaction of purpose requirements	58,394	(58,394)	-	15,271	(15,271)	-
Total Support and Revenue	1,618,098	81,181	1,699,279	182,213	148,834	331,047
Expenses						
Program services	835,500	-	835,500	1,049,943	-	1,049,943
Management and general	245,433	-	245,433	208,640	-	208,640
Fundraising and development	170,398	-	170,398	216,513	-	216,513
Total Expenses	1,251,331	-	1,251,331	1,475,096	-	1,475,096
Total Changes in Net Assets	366,767	81,181	447,948	(1,292,883)	148,834	(1,144,049)
Net Assets - Beginning of Year	4,297,365	318,791	4,616,156	5,590,247	169,957	5,760,205
Net Assets - End of Year	\$ 4,664,132	\$ 399,972	\$ 5,064,104	\$ 4,297,365	\$ 318,791	\$ 4,616,156

WASHINGTON WOMEN IN NEED

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2023 AND 2022

	2023 - Reviewed				2022 - Audited			
	Support Services			Total	Support Services			Total
	Program Services	Management & General	Fundraising		Program Services	Management & General	Fundraising	
Client grants awarded	\$ 513,348	\$ -	\$ -	\$ 513,348	\$ 765,137	\$ -	\$ -	\$ 765,137
Less unused grants awarded in prior years	(70,979)	-	-	(70,979)	(96,792)	-	-	(96,792)
	442,369	-	-	442,369	668,345	-	-	668,345
Payroll and related	292,090	86,689	54,479	433,258	232,484	76,559	53,624	362,667
Professional fees	37,194	102,082	83,549	222,825	66,291	91,796	136,596	294,683
Technology and equipment	33,367	29,989	15,812	79,168	41,046	11,150	11,451	63,647
Printing and design	1,193	5,224	7,939	14,356	12,477	2,018	10,129	24,624
Occupancy	9,377	2,675	1,556	13,608	11,559	4,652	1,333	17,544
Depreciation and amortization	9,760	2,837	1,588	14,185	9,929	2,837	1,418	14,184
Fees and taxes	-	5,602	120	5,722	-	9,600	60	9,660
Other	2,807	3,373	4,164	10,344	4,302	1,706	1,295	7,303
Insurance	2,763	3,556	450	6,769	2,810	3,392	402	6,604
Office, supplies	1,807	2,410	458	4,675	620	4,821	104	5,545
Conference and meetings	2,773	996	283	4,052	80	109	101	290
	835,500	245,433	170,398	1,251,332	1,049,943	208,640	216,513	1,475,096
Expenses included with revenues on the statement of activities:								
Investment fees	-	33,758	-	33,758	-	38,526	-	38,526
Cost of direct benefits to donors	-	-	26,645	26,645	-	-	3,290	3,290
Total Expenses	\$ 835,500	\$ 279,191	\$ 197,043	\$ 1,311,735	\$ 1,049,943	\$ 247,166	\$ 219,803	\$ 1,516,912

WASHINGTON WOMEN IN NEED

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2023 AND 2022

	Reviewed <u>2023</u>	Audited <u>2022</u>
Cash Flow From Operating Activities		
Cash received from:		
Donors	\$ 979,677	\$ 846,488
Interest income	-	509
Cash paid for:		
Grantees	(893,444)	(802,792)
Vendors	(435,361)	(375,068)
Personnel	<u>(311,882)</u>	<u>(393,533)</u>
Net Cash Used by Operating Activities	<u>(661,010)</u>	<u>(724,396)</u>
Cash Flows from Investing Activities		
Purchases of investments	(439,565)	(718,542)
Proceeds from sale of investments	<u>1,040,567</u>	<u>818,554</u>
Net Cash Provided by Investing Activities	<u>601,002</u>	<u>100,012</u>
Change in Cash and Cash Equivalents	<u>(60,008)</u>	<u>(624,384)</u>
Cash and Cash Equivalents, Beginning of Year	<u>254,374</u>	<u>878,758</u>
Cash and Cash Equivalents, End of Year	<u>\$ 194,366</u>	<u>\$ 254,374</u>
Supplemental Information		
Gain on forgiveness of note payable	<u>\$ -</u>	<u>\$ 86,235</u>

WASHINGTON WOMEN IN NEED

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Washington Women in Need (the Organization) is a Washington state nonprofit corporation, founded in 1992, that provides scholarships and supports to help Washington women facing barriers to opportunity succeed in college and careers so they, their families, and our communities can thrive.

Basis of Accounting and Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for reserves and a quasi-endowment fund.

Net Assets With Donor Restrictions – Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There were no perpetually restricted net assets at June 30, 2023 and 2022.

Cash and Cash Equivalents

At June 30, 2023 and 2022, cash and cash equivalents consist of checking, savings and money market accounts. At times, cash and cash equivalents may exceed federally insured limits. The Organization has not experienced a loss due to this risk.

Pledges Receivable

Pledges receivable are recognized in the period the pledge is received and consist of outstanding promises to give from a variety of individuals and businesses. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are initially recorded at fair value, which is measured at the present value of their future cash flows. The discounts on those amounts are computed using donor specific risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue in the statements of activities.

All account balances are unsecured. An allowance for bad debts has been established by management based on the Organization's historical experience in the collection of balances due.

WASHINGTON WOMEN IN NEED

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurements

Fair value is defined as the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Accounting standards establish a hierarchy for measuring fair value that gives the highest priority to unadjusted quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

Level 1: Fair values are based on quoted prices in active markets for identical assets and liabilities.

Level 2: Fair values are based on observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets.

Level 3: Fair values are calculated by the use of pricing models and/or discounted cash flow methodologies, and may require significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data.

Investments

Realized and unrealized gains and losses are included in the change in net assets in the statements of activities.

Property and Equipment

Property and equipment is carried at cost. Depreciation is computed using the straight-line method, currently over a period of three to seven years. The Organization follows a policy whereby it capitalizes purchases of property and equipment with a value in excess of \$2,500. When an asset is disposed of, the cost and related accumulated depreciation of the asset is removed from the accounting records, and gain or loss is recognized.

Grants Payable

Grants payable are recognized at the time the unconditional award is made. Grants payable include amounts the Organization has committed to providing for grants at year end, but has not yet remitted the full grant payment.

Unused Grants From Prior Years

The Organization's policies ensure that funding does not cause scholarship displacement and is disbursed as "last-dollar funding" to scholars who have calculated unmet financial need toward their cost of attendance. Therefore, unused grants awarded from prior years result from reduced financial need, discontinuation of school or ineligibility.

WASHINGTON WOMEN IN NEED

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenue is recognized when earned. Contributions (including those received at special events) are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Goods and Services

Donations of good and services are recorded as revenue at the estimated fair value at the date of donation if they meet the criteria for recognition. The Organization recognizes donated services if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not donated. Donated goods and services consisted of donated software for the years ended June 30, 2023 and 2022.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Rent, insurance and depreciation are allocated based on square footage. Supplies and equipment maintenance are allocated based on time and effort. Software is allocated based on determined usage. Wages are allocated based on estimates of time and effort.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1).

NOTE B - LIQUIDITY AND AVAILABILITY

The Organization's cash flow is reviewed at the monthly Finance Committee meetings and during the annual budgeting process. The Organization's current situation is very stable with the amount of cash reserves available to the Organization as well as significant reserves in the investment account. These cash reserves will be drawn upon in the event of the need for cash.

WASHINGTON WOMEN IN NEED

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE B - LIQUIDITY AND AVAILABILITY (Continued)

Financial assets available for general expenditure within one year of the statement of financial position date are as follows at June 30:

	<u>2023</u>	<u>2022</u>
Financial Assets		
Cash and cash equivalents	\$ 194,367	\$ 254,374
Investments	4,572,735	4,559,103
Receivables	<u>387,759</u>	<u>318,791</u>
Total financial assets	5,154,861	5,132,268
Less those unavailable for general expenditures within one year:		
Receivable balances to be collected in future years	(87,747)	(59,001)
Board reserves (unavailable without Board approval)	-	(1,402,991)
Board designated quasi-endowment	<u>(1,428,374)</u>	<u>(1,234,431)</u>
	<u>(1,516,121)</u>	<u>(2,696,423)</u>
Total financial assets available within one year	<u>\$ 3,638,740</u>	<u>\$ 2,435,845</u>

NOTE C - FAIR VALUE MEASUREMENTS

Assets carried at fair value on a recurring basis as of June 30, 2023 and 2022 are as follows:

	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
As of June 30, 2023				
Cash and money market funds	\$ 768,339	\$ -	\$ -	\$ 768,339
Equities	2,228,111	-	-	2,228,111
Bond funds	1,302,368	-	-	1,302,368
Exchange-traded funds	<u>273,917</u>	<u>-</u>	<u>-</u>	<u>273,917</u>
	<u>\$ 4,572,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,572,735</u>
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>(Level 3)</u>
As of June 30, 2022				
Cash and money market funds	\$ 397,859	\$ -	\$ -	\$ 397,859
Equities	2,885,269	-	-	2,885,269
Bond funds	326,186	-	-	326,186
Exchange-traded funds	<u>949,789</u>	<u>-</u>	<u>-</u>	<u>949,789</u>
	<u>\$ 4,559,103</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,559,103</u>

WASHINGTON WOMEN IN NEED

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE C - FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities carried at fair value on a nonrecurring basis using level 2 inputs generally include donated goods, facilities, and services. Long-term promises to give are valued on a nonrecurring basis using the net present value of future cash flows discounted at a risk-free rate of return, which is a level 3 input. The Organization also uses fair value concepts to test various long-lived assets for impairment.

NOTE D - PLEDGES RECEIVABLE

Pledges receivable are due as follows at June 30:

	<u>2023</u>	<u>2022</u>
Receivable in less than one year	\$ 300,012	\$ 259,790
Receivable in one to five years	99,957	66,419
Total pledges receivable	<u>399,969</u>	<u>326,209</u>
Less: Discounts to net present value (2%)	(4,210)	(2,266)
Less: Allowance for uncollectible pledges	(8,000)	(5,152)
	<u>\$ 387,759</u>	<u>\$ 318,791</u>

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Computers and equipment	\$ 20,138	\$ 20,138
Website	62,200	62,200
Furniture	2,427	2,427
	<u>84,765</u>	<u>84,765</u>
Less accumulated depreciation	(20,968)	(19,223)
Less accumulated amortization	(37,320)	(24,880)
	<u>\$ 26,477</u>	<u>\$ 40,662</u>

NOTE F - BOARD DESIGNATED NET ASSETS

The Board of Directors has designated certain investments to function as reserves for the following purposes at June 30, 2022. The Board of Directors are no longer designating certain investments to function as reserves at June 30, 2023. The following are at June 30:

	<u>2023</u>	<u>2022</u>
Building	\$ -	\$ 1,118,092
Program Commitment	-	206,835
Operating	-	78,064
	<u>\$ -</u>	<u>\$ 1,402,991</u>

WASHINGTON WOMEN IN NEED

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE F - BOARD DESIGNATED NET ASSETS (Continued)

Nature of quasi-endowment

The Board of Directors has designated a portion of net assets without donor restrictions as a quasi-endowment of which the investment return can be used for general operations or can be accumulated for future uses as determined by the Board. Since the Board designated amount resulted from an internal designation and is not donor restricted, it is classified and reported as net assets without donor restrictions. The quasi-endowment funds are included in investments on the statements of financial position.

Investment return objectives, risk parameters and strategies

The Organization has adopted investment and spending policies, approved by the Board of Directors, for the quasi-endowment to support current and long-term operations. The primary goals for the quasi-endowment are (1) to provide a reliable and growing flow of funds to the operating budget and sustain at least three months of operating reserves, and (2) to maintain perpetual and growing purchasing power of the principal. The quasi-endowment is designed to last into perpetuity, and investment decisions are taken with a 20-plus year horizon.

The Organization targets a diversified asset allocation that places a balanced approach to achieve its long-term return objectives within prudent risk constraints. The Organization receives a monthly investment performance report and meets at least annually with the investment manager to review the portfolio and investment strategy.

Spending policy

The Organization's spending policy allows distributions not subject to donor restrictions from the quasi-endowment over time. However, no distributions are presently anticipated. In establishing this policy, the Organization considered the long term expected investment return on its quasi-endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its general quasi-endowment fund to grow at an acceptable rate. This policy is consistent with the Organization's objective to maintain the purchasing power of the quasi-endowment assets as well as to provide additional real growth through investment return.

	<u>2023</u>	<u>2022</u>
Quasi-endowment net assets, beginning of year	\$ 1,234,431	\$ 1,555,092
Investments & dividends	29,312	37,860
Net appreciation (depreciation)	173,884	(343,667)
Investment management fees	<u>(9,253)</u>	<u>(14,854)</u>
Quasi-endowment net assets, end of year	<u>\$ 1,428,374</u>	<u>\$ 1,234,431</u>

WASHINGTON WOMEN IN NEED

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets are available as follows as of June 30:

	<u>2023</u>	<u>2022</u>
Available for future periods	\$ 257,582	\$ 318,791
Scholarships and support	<u>142,390</u>	<u>-</u>
	<u>\$ 399,972</u>	<u>\$ 318,791</u>

NOTE H - CONCENTRATIONS

As of June 30, 2023, 50% of pledges receivable were due from two donors. As of June 30, 2022, 58% of pledges receivable were due from two donors.

NOTE I - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to June 30, 2023 through March 28, 2024, which is the date the financial statements were available to be issued and has recognized in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at June 30, 2023, including the estimates inherent in the processing of financial statements.