

WASHINGTON WOMEN IN NEED

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2019 AND 2018



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Washington Women in Need
Kirkland, Washington

We have audited the accompanying financial statements of Washington Women in Need (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, 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.

Auditors' 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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington Women in Need 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.

A handwritten signature in cursive script that reads "Jones & Associates PLLC, CPAs".

Jones & Associates PLLC, CPAs
November 14, 2019

TEL 206.525.5170
1701 NE 104th Street
Seattle, WA 98125-7646
www.judyjonescpa.com

WASHINGTON WOMEN IN NEED
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 1,626,652	\$ 1,685,213
Pledges receivable, current	78,559	69,791
Prepaid expenses and other	30,093	27,338
Total current assets	1,735,304	1,782,342
Pledges receivable, noncurrent, net	62,376	70,961
Investments	3,814,056	3,276,016
Property and equipment, net	3,696	2,426
	\$ 5,615,432	\$ 5,131,745
 LIABILITIES AND NET ASSETS		
 LIABILITIES		
Accounts payable	\$ 775	\$ 412
Accrued expenses	14,757	12,305
Grants payable	493,606	298,584
Deferred revenue	1,950	760
Total current liabilities	511,088	312,061
 NET ASSETS		
Without Donor Restrictions		
Undesignated	2,186,981	1,963,232
Board designated reserves	1,402,991	1,402,991
Board designated endowment	1,227,620	1,157,495
	4,817,592	4,523,718
With Donor Restrictions		
	286,752	295,966
	5,104,344	4,819,684
	\$ 5,615,432	\$ 5,131,745

**WASHINGTON WOMEN IN NEED
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	\$ 615,886	\$ 116,911	\$ 732,797
Special events, net	-	580,191	580,191
In-kind contributions	43,703	-	43,703
Investment return, net	238,783	-	238,783
	898,372	697,102	1,595,474
Net asset releases:			
Satisfaction of purpose requirements	706,316	(706,316)	-
Total support and revenue	1,604,688	(9,214)	1,595,474
EXPENSES			
Program services	1,046,606	-	1,046,606
Management and general	134,149	-	134,149
Fundraising	130,059	-	130,059
Total expenses	1,310,814	-	1,310,814
 CHANGE IN NET ASSETS	 293,874	 (9,214)	 284,660
NET ASSETS			
Beginning of the year	4,523,718	295,966	4,819,684
End of the year	\$ 4,817,592	\$ 286,752	\$ 5,104,344

**WASHINGTON WOMEN IN NEED
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	\$ 608,663	\$ 68,078	\$ 676,741
Special events, net	-	462,606	462,606
In-kind contributions	39,729	-	39,729
Investment return, net	169,312	-	169,312
	817,704	530,684	1,348,388
Net asset releases:			
Satisfaction of purpose requirements	499,579	(499,579)	-
Total operating support and revenue	1,317,283	31,105	1,348,388
EXPENSES			
Program services	698,204	-	698,204
Management and general	84,381	-	84,381
Fundraising	236,055	-	236,055
Total operating expenses	1,018,640	-	1,018,640
 CHANGE IN NET ASSETS	 298,643	 31,105	 329,748
NET ASSETS			
Beginning of the year	4,225,075	264,861	4,489,936
End of the year	\$ 4,523,718	\$ 295,966	\$ 4,819,684

**WASHINGTON WOMEN IN NEED
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019**

	Program Services	Support Services		Total
		Management and General	Fundraising	
Gross direct client grants	\$ 759,626	\$ -	\$ -	\$ 759,626
Less unused reallocated grants	(53,310)	-	-	(53,310)
	<u>706,316</u>	<u>-</u>	<u>-</u>	<u>706,316</u>
Payroll and related	223,808	74,715	85,159	383,682
Technology and equipment	53,824	10,995	12,961	77,780
Professional fees	36,080	24,888	4,778	65,746
Office, supplies and postage	8,185	6,502	6,922	21,609
Printing and design	6,321	2,644	6,840	15,805
Occupancy	8,483	1,318	3,527	13,328
Fees and taxes	-	9,553	-	9,553
Other	72	648	8,443	9,163
Insurance	2,562	2,751	1,061	6,374
Depreciation	955	135	368	1,458
Total expenses	<u>1,046,606</u>	<u>134,149</u>	<u>130,059</u>	<u>1,310,814</u>
Plus expenses included with revenues on the statement of activities				
Cost of direct benefits to donors	-	-	72,910	72,910
Total functional expenses	<u>\$1,046,606</u>	<u>\$ 134,149</u>	<u>\$ 202,969</u>	<u>\$1,383,724</u>

**WASHINGTON WOMEN IN NEED
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018**

	Program Services	Support Services		Total
		Management and General	Fundraising	
Gross direct client grants	\$ 631,761	\$ -	\$ -	\$ 631,761
Less unused reallocated grants	(132,182)	-	-	(132,182)
	499,579	-	-	499,579
Payroll and related	142,475	38,591	148,691	329,757
Technology and equipment	31,787	6,417	35,563	73,767
Professional fees	6,720	25,148	11,070	42,938
Office, supplies and postage	4,986	4,126	8,711	17,823
Printing and design	-	383	15,834	16,217
Occupancy	7,295	1,044	5,047	13,386
Fees and taxes	-	73	6,692	6,765
Other	729	6,010	2,836	9,575
Insurance	2,755	2,473	943	6,171
Depreciation	1,878	116	668	2,662
	698,204	84,381	236,055	1,018,640
Plus expenses included with revenues on the statement of activities				
Cost of direct benefits to donors	-	-	66,635	66,635
Total functional expenses	\$ 698,204	\$ 84,381	\$ 302,690	\$1,085,275

**WASHINGTON WOMEN IN NEED
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions and grants	\$ 1,313,995	\$ 1,114,109
Cash received from investment income	69,195	81,061
Cash paid for grants	(511,294)	(500,253)
Cash paid to employees and suppliers	(559,277)	(462,052)
	312,619	232,865
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,728)	(3,252)
Purchase of investments	(383,378)	(378,208)
Proceeds from sale of investments	14,926	-
	(371,180)	(381,460)
 NET CHANGE IN CASH AND CASH EQUIVALENTS	 (58,561)	 (148,595)
CASH AND CASH EQUIVALENTS		
Beginning of the year	1,685,213	1,833,808
End of the year	\$ 1,626,652	\$ 1,685,213

WASHINGTON WOMEN IN NEED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities – Washington Women in Need (the Organization) is a Washington state nonprofit corporation, founded in 1992, guided by the belief that every woman is worthy, the Organization empowers women in Washington state to achieve economic stability through higher education and living wage careers.

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.

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. Net assets with donor restrictions are restricted for grants to clients and are included on the statements of financial position as a component of cash and cash equivalents and pledges receivable. There were no perpetually restricted net assets at June 30, 2019 and 2018.

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents. At June 30, 2019 and 2018, 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
JUNE 30, 2019 AND 2018

Note 1 – Nature of Activities and Summary of 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 Unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 Quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, or other inputs that can be corroborated by observable market data.
- Level 3 Inputs that are not observable that reflect management’s assumptions and estimates.

Fair value measurements apply to the Organization’s investments in equity securities and fixed income and equity mutual funds, which are classified within level 1 of the fair value hierarchy.

Investments – Investments include amounts designated by the Board for reserves and endowment. 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 \$1,000. 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.

Revenue Recognition – Revenue is recognized when earned. Contributions and grants (including those received at special events) are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of donor or grantor restrictions. When a restriction expires, that is when a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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, 2019 and 2018.

WASHINGTON WOMEN IN NEED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (Continued)

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).

New Accounting Pronouncement – On August 18, 2016, the FASB issued Accounting Standards update ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. The ASU amends the current reporting model for nonprofit organizations and enhances the required disclosures. Significant changes include presenting only two classes of net assets; adding disclosures around liquidity and the availability of resources; and providing additional information about expenses. The Organization has adopted the ASU for the year ended June 30, 2019 and has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Subsequent Events – Subsequent events were evaluated through November 14, 2019, which is the date the financial statements were available to be issued.

**WASHINGTON WOMEN IN NEED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Note 2 – Liquidity and Availability

Financial assets available for general expenditure within one year of the statement of financial position date are as follows at June 30, 2019:

Financial Assets	
Cash and cash equivalents	\$ 1,626,652
Investments	3,814,056
Receivables	140,935
Total financial assets	<u>5,581,643</u>
Less: those unavailable for general expenditures within one year:	
Receivable balances to be collected in future years	(62,376)
Board reserves (unavailable without Board approval)	(1,402,991)
Board designated endowment	<u>(1,227,620)</u>
	<u>(2,692,987)</u>
Financial assets available within one year	<u><u>\$ 2,888,656</u></u>

The Organization’s cash flow is reviewed on a monthly basis by the Finance Committee and during the annual budget for the following year. In the event of a financial emergency, the Organization would re-budget or decrease program grants to make sure every grant could be funded with the cash on hand. The Organization’s current situation is very stable with the Julie Love Pritt Foundation’s annual donation along with cash reserves. These cash reserves could be drawn upon in the event of an unanticipated liquidity need.

Note 3 – Pledges Receivable

Pledges receivable consist of the following at June 30:

	<u>2019</u>	<u>2018</u>
Receivables due in less than one year	\$ 78,559	\$ 69,791
Receivables due in one to five years	71,992	83,916
	<u>150,551</u>	<u>153,707</u>
Less discount to present value	(6,153)	(8,410)
Less allowance for uncollectible pledges	<u>(3,463)</u>	<u>(4,545)</u>
	<u><u>\$ 140,935</u></u>	<u><u>\$ 140,752</u></u>

The Organization uses a discount rate of 2% to calculate the present value of receivables due in more than one year.

WASHINGTON WOMEN IN NEED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 4 – Investments

Investments consist of the following at June 30:

	2019	2018
Money market funds	\$ 105,309	\$ 47,280
Equity securities	1,399,150	1,132,267
Mutual funds		
Fixed income	1,273,267	929,042
Equities	1,036,330	1,167,427
	<u>\$ 3,814,056</u>	<u>\$ 3,276,016</u>

Note 5 – Property and Equipment

Property and equipment consists of the following at June 30:

	2019	2018
Computers and equipment	\$ 26,300	\$ 23,572
Furniture	2,427	2,427
	<u>28,727</u>	<u>25,999</u>
Less accumulated depreciation	(25,031)	(23,573)
	<u>\$ 3,696</u>	<u>\$ 2,426</u>

Note 6 – Board Designated Reserves

The Board of Directors has designated certain investments to function as reserves for the following purposes at June 30:

	2019	2018
Building	\$ 1,118,092	\$ 1,118,092
Program commitment	206,835	206,835
Operating	78,064	78,064
	<u>\$ 1,402,991</u>	<u>\$ 1,402,991</u>

**WASHINGTON WOMEN IN NEED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Note 7 – Board Designated Endowment

Nature of Endowment – The Board of Directors has designated a portion of net assets without donor restrictions as an 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 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 endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long term. Accordingly, the Organization established a ten-year time horizon for the fund with investment objectives of generating growth in principal and income over the long term. 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 from the endowment over time. However, no distributions are presently anticipated. In establishing this policy, the Organization considered the long term expected investment return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its general endowment fund to grow at an acceptable rate. This policy is consistent with the Organization’s objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

Changes in endowment net assets are as follows for the years ended June 30:

	2019	2018
Endowment net assets, beginning of year	\$ 1,157,495	\$ 1,101,515
Investment income	26,904	34,502
Net appreciation	51,467	29,666
Investment management fees	(8,246)	(8,188)
	\$ 1,227,620	\$ 1,157,495

WASHINGTON WOMEN IN NEED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 8 – Special Events

Special events revenue is shown in the statements of activities net of consumable costs that directly benefit the participants of the event. The net revenue is composed of the following for the years ended June 30:

	2019	2018
Special events revenue	\$ 653,101	\$ 529,241
Less cost of direct donor benefit	(72,910)	(66,635)
	<u>\$ 580,191</u>	<u>\$ 462,606</u>

Note 9 – Concentrations

For the years ended June 30, 2019 and 2018, 25% and 30%, respectively, of total support and revenue was from one family.