

WASHINGTON WOMEN'S FOUNDATION

FINANCIAL STATEMENTS  
With Independent Auditor's Report

YEARS ENDED DECEMBER 31, 2009 AND 2008

WASHINGTON WOMEN'S FOUNDATION

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	2
STATEMENTS OF FINANCIAL POSITION December 31, 2009 and 2008	3
STATEMENTS OF ACTIVITIES Years ended December 31, 2009 and 2008	4
STATEMENTS OF FUNCTIONAL EXPENSES Years ended December 31, 2009 and 2008	5
STATEMENTS OF CASH FLOWS Years ended December 31, 2009 and 2008	6
NOTES TO FINANCIAL STATEMENTS	7 - 15

INDEPENDENT AUDITOR'S REPORT

June 22, 2010

Board of Directors  
Washington Women's Foundation  
Seattle, Washington

We have audited the accompanying statement of financial position of Washington Women's Foundation (a non-profit corporation) as of December 31, 2009 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the management of Washington Women's Foundation. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington Women's Foundation as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The 2008 financial statements were reviewed by us, and our report thereon, dated August 24, 2009, stated we were not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements taken as a whole.



Jacobson Jarvis & Co, PLLC

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2009 AND 2008

	2009 <u>Audited</u>	2008 <u>Reviewed</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 1,555,931	\$ 1,381,836
Promises to give - current	21,146	13,500
Other assets	<u>2,240</u>	<u>1,200</u>
Total Current Assets	1,579,317	1,396,536
Software and Website, net of accumulated depreciation of \$18,869 and \$6,290, respectively	18,869	31,448
Promises To Give - long-term	46,073	66,780
Endowment Investments	<u>2,273,265</u>	<u>1,924,202</u>
	<u>\$ 3,917,524</u>	<u>\$ 3,418,966</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Current portion of grants payable to others	\$ 322,000	\$ 219,000
Accounts payable	1,879	8,067
Accrued expenses	12,876	10,474
Deferred revenue	<u>20,000</u>	<u>20,000</u>
Total Current Liabilities	356,755	257,541
Grants Payable to Others - less current portion above	<u>29,000</u>	<u>99,000</u>
Total Liabilities	<u>385,755</u>	<u>356,541</u>
Net Assets		
Unrestricted	420,773	123,767
Board reserve designated fund	<u>102,400</u>	<u>-</u>
Total Unrestricted Net Assets	523,173	123,767
Temporarily restricted	613,938	623,668
Permanently restricted	<u>2,394,658</u>	<u>2,314,990</u>
Total Net Assets	<u>3,531,769</u>	<u>3,062,425</u>
	<u>\$ 3,917,524</u>	<u>\$ 3,418,966</u>

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009 - Audited				2008 - Reviewed			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Operating Activities</b>								
<b>Public Support and Revenue</b>								
Grant contributions	\$ -	\$ 871,909	\$ -	\$ 871,909	\$ -	\$ 865,029	\$ -	\$ 865,029
Contributions	446,374	-	-	446,374	227,772	54,089	-	281,861
Release from board reserve	-	-	-	-	146,300	-	-	146,300
Endowment earnings transferred to operations	63,776	-	-	63,776	91,442	-	-	91,442
Event sponsorships	31,500	-	-	31,500	37,500	-	-	37,500
Investment interest and dividends, net of investment fees of \$820 and \$3,951, respectively	13,253	-	-	13,253	29,664	-	-	29,664
Other revenue	7,360	-	-	7,360	11,685	-	-	11,685
Net assets released from time restrictions	22,689	(22,689)	-	-	-	-	-	-
Net assets released from purpose restrictions	858,950	(858,950)	-	-	979,450	(979,450)	-	-
<b>Total Public Support, Revenue, and Other Support</b>	<b>1,443,902</b>	<b>(9,730)</b>	<b>-</b>	<b>1,434,172</b>	<b>1,523,813</b>	<b>(60,332)</b>	<b>-</b>	<b>1,463,481</b>
<b>Expenses</b>								
Program services	1,147,389	-	-	1,147,389	1,148,085	-	-	1,148,085
Management and general	113,934	-	-	113,934	119,982	-	-	119,982
Fundraising	31,338	-	-	31,338	25,081	-	-	25,081
<b>Total Expenses</b>	<b>1,292,661</b>	<b>-</b>	<b>-</b>	<b>1,292,661</b>	<b>1,293,148</b>	<b>-</b>	<b>-</b>	<b>1,293,148</b>
<b>Change in Net Assets from Operating Activities</b>	<b>151,241</b>	<b>(9,730)</b>	<b>-</b>	<b>141,511</b>	<b>230,665</b>	<b>(60,332)</b>	<b>-</b>	<b>170,333</b>
<b>Non-operating Activities</b>								
Endowment contributions	-	-	79,668	79,668	-	-	175,371	175,371
Endowment interest and dividends, net of investment fees of \$25,212 and \$26,006, respectively	31,296	-	-	31,296	47,060	-	-	47,060
Endowment earnings transferred to operations	(63,776)	-	-	(63,776)	(91,442)	-	-	(91,442)
Endowment investment gains and (losses) - realized and unrealized	280,645	-	-	280,645	(675,210)	-	-	(675,210)
<b>Change in Net Assets from Non-operating Activities</b>	<b>248,165</b>	<b>-</b>	<b>79,668</b>	<b>327,833</b>	<b>(719,592)</b>	<b>-</b>	<b>175,371</b>	<b>(544,221)</b>
<b>Total Change in Net Assets</b>	<b>399,406</b>	<b>(9,730)</b>	<b>79,668</b>	<b>469,344</b>	<b>(488,927)</b>	<b>(60,332)</b>	<b>175,371</b>	<b>(373,888)</b>
Net Assets - beginning of year	123,767	623,668	2,314,990	3,062,425	612,694	684,000	2,139,619	3,436,313
Net Assets - end of year	\$ 523,173	\$ 613,938	\$ 2,394,658	\$ 3,531,769	\$ 123,767	\$ 623,668	\$ 2,314,990	\$ 3,062,425

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009 - Audited				2008 - Reviewed			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 169,908	\$ 58,773	\$ 21,609	\$ 250,290	\$ 168,163	\$ 72,752	\$ 18,451	\$ 259,366
Payroll taxes	14,221	4,919	1,809	20,949	13,725	5,816	1,480	21,021
Employee benefits	9,463	3,273	1,204	13,940	5,112	715	225	6,052
Total Salaries and Related Expenses	193,592	66,965	24,622	285,179	187,000	79,283	20,156	286,439
Grants to others	820,750	-	-	820,750	840,450	-	-	840,450
Office operation expenses	89,952	14,799	5,265	110,016	98,345	12,748	3,968	115,061
Professional services	34,556	29,216	365	64,137	17,650	26,657	601	44,908
Depreciation	8,539	2,954	1,086	12,579	4,640	1,294	356	6,290
Total Expenses	<u>\$ 1,147,389</u>	<u>\$ 113,934</u>	<u>\$ 31,338</u>	<u>\$ 1,292,661</u>	<u>\$ 1,148,085</u>	<u>\$ 119,982</u>	<u>\$ 25,081</u>	<u>\$ 1,293,148</u>

WASHINGTON WOMEN'S FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009 <u>Audited</u>	2008 <u>Reviewed</u>
<b>Reconciliation of Change in Net Assets to</b>		
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 469,344	\$ (373,888)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	12,579	6,290
(Gain) loss on marketable securities	(280,645)	675,210
Donated securities	(133,692)	(100,236)
Reinvested earnings, net	(31,296)	(47,060)
Public support restricted to endowment	(79,668)	(175,371)
(Increase) decrease in		
Promises to give	(10,624)	34,564
Other assets	(1,040)	9,011
Increase (decrease) in		
Grants payable to others	33,000	(52,000)
Accounts payable	(6,188)	24
Accrued expenses	2,402	10,474
	<u>(25,828)</u>	<u>(12,982)</u>
Net Cash Used by Operating Activities		
<b>Cash Flows from Investing Activities</b>		
Purchases of software and website	-	(33,366)
Purchases of marketable securities	(142,624)	(189,471)
Sales of marketable securities	239,194	138,864
	<u>96,570</u>	<u>(83,973)</u>
Net Cash Provided (Used) by Investing Activities		
<b>Cash Flows from Financing Activities</b>		
Cash received from endowment contributions	103,353	175,371
	<u>103,353</u>	<u>175,371</u>
Net Cash Provided by Financing Activities		
Change in Cash and Cash Equivalents	174,095	78,416
Cash and Cash Equivalents - beginning of year	<u>1,381,836</u>	<u>1,303,420</u>
Cash and Cash Equivalents - end of year	<u>\$ 1,555,931</u>	<u>\$ 1,381,836</u>

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Washington Women's Foundation (the Foundation) is a nonprofit corporation whose vision is to change the course of women's philanthropy through the power of collective giving. The Foundation's mission is to educate, inspire and increase the number of women committed to philanthropy in order to strengthen community and demonstrate the impact that can result from informed, focused grant-making. The Washington Women's Foundation was founded in 1995 as a donor education and grant-making nonprofit. Today the Washington Women's Foundation has a membership of nearly 500 women and has provided more than \$9,000,000 in grants to the community since its inception.

In 2009, the Washington Women's Foundation awarded \$475,000 in pooled grant funds to five nonprofits evaluated through a rigorous review process and selected by membership vote. In addition, \$345,750 in individual grants were recommended by its members and distributed to 305 nonprofits. The Foundation hosted more than 30 educational events attended by hundreds of members and their guests. A professional staff of four full time employees supported by a member elected board, 11 board and operating committees and more than 120 volunteers conduct the work of the foundation, organizing the pooled grant selection process, offering educational programs to members and conducting outreach to the nonprofit and philanthropic community.

Basis of presentation

In accordance with financial accounting standards, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The net assets of the Foundation are classified as follows:

Unrestricted net assets are available without restriction for support of the Foundation's operations.

Temporarily restricted net assets are restricted by the donor to be used for certain purposes or future periods. Temporarily restricted net assets are available as follows:

	2009	2008
	<u>Audited</u>	<u>Reviewed</u>
Pooled grants	\$ 480,821	\$ 490,362
Individual grants	101,717	79,217
Donations for future periods	31,400	54,089
	<u>\$ 613,938</u>	<u>\$ 623,668</u>

Permanently restricted net assets are endowment gifts given with the intent that the fund be perpetual in nature, and the income derived therefrom may be used for current operations or specific purposes. The Foundation has one permanently restricted fund, the Colleen S. Willoughby Endowment.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating and non-operating activity

Operating activities include the regular business functions of the Foundation of grant-making, program management, education, member relations, contributions, fundraising, cash management, short-term investing, staff salaries and office expenses. Non-operating activities include the permanently restricted Colleen S. Willoughby Endowment held at The Seattle Foundation, including unrealized gains and losses, fees and interest and dividends.

Cash and cash equivalents

Cash and cash equivalents represent checking, savings, certificates of deposit, and money market funds held at various regional financial institutions. The Foundation maintains its cash and cash equivalents in bank accounts that may exceed federally insured limits at times during the year. The Foundation has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Endowment investments

Investments are stated at fair value based on published quotations and include donated securities pending sale. Donated securities are recorded at the mean market value on the date acquired.

The Colleen S. Willoughby Endowment Fund is held at the Seattle Foundation under a Nonprofit Endowment Agreement.

Endowment investments consist of the following:

	2009	2008
	<u>Audited</u>	<u>Reviewed</u>
Cash equivalents	\$ 4,649	\$ 41,889
Cash, marketable securities and non marketable investments held at the Seattle Foundation	<u>2,268,616</u>	<u>1,882,313</u>
	<u>\$ 2,273,265</u>	<u>\$1,924,202</u>

Promises to give

In accordance with financial accounting standards, unconditional promises to give are recognized as support in the period received. Promises to give are shown net of the allowance for uncollectible amounts. The fair value of promises to give is estimated by discounting the future cash flows using the rates currently offered for deposits of similar remaining maturities.

Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Foundation had no conditional promises to give at December 31, 2009 or 2008.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment

Property and equipment are stated at cost or, if donated, at fair value at the date of donation. Property and equipment purchases that exceed \$5,000 are capitalized as assets. Depreciation is provided using the straight-line method over the estimated useful lives of the assets of three years. The sole capitalized assets as of December 31, 2009 and 2008 were the website and database software.

Grants payable to others

Grants authorized by the Board of Directors, but unpaid at December 31, 2009, are reported as liabilities and are payable in less than five years.

Restricted and unrestricted support

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions.

Gifts of equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Federal income taxes

The Internal Revenue Service has recognized the Foundation as exempt from federal income taxes under provision of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3) and not as a private foundation.

NOTE B - BOARD RESERVE "DONOR ADVISED FUND"

In 2004, the Board of Directors established an advised fund at The Seattle Foundation "WWF Reserve" to be used for operating funds in future periods. As an advised fund, it was established as an irrevocable gift to The Seattle Foundation and therefore is not shown as an asset on Washington Women's Foundation's statement of financial position. These funds may be released upon written request. The fair value of these advised funds at December 31, 2009 and 2008, respectively, are \$324,463 and \$279,033. During the years ended December 31, 2009 and 2008, \$0 and \$146,300, respectively, was released to the Foundation.

NOTE C - PROMISES TO GIVE

The unconditional promises to give as of December 31, 2009 are due as follows:

Receivable in less than one year	\$ 44,146
Receivable in one to five years	<u>25,955</u>
	70,101
Less allowance for uncollectible accounts	(2,300)
Less discount to present value at 1.14%	<u>(582)</u>
Net unconditional promises to give	<u>\$ 67,219</u>

NOTE D - ENDOWMENT HELD BY THE SEATTLE FOUNDATION

The Washington Women's Foundation's Colleen S. Willoughby Endowment (the Endowment) was established at the Seattle Foundation through a nonprofit endowment agreement (Nonprofit Endowment Agreement). The funds are invested by the Seattle Foundation in its consolidated fund (Consolidated Fund). The Seattle Foundation was established in 1946 and since its formation has managed funds for many not-for-profit organizations in the Puget Sound Area. The Endowment's purpose is to support the operations of the Washington Women's Foundation in carrying out its mission to educate and expand the pool of women in philanthropy, to build and strengthen community through individual and pooled investments, and to demonstrate the impact that can result from informed, focused grant making. The intent is to ensure the long-term viability and sustainability of the Washington Women's Foundation. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE D - ENDOWMENT HELD BY THE SEATTLE FOUNDATION (Continued)

**Interpretation of Relevant Law**

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) was enacted by Washington State as of July 2009. Early application was allowed and in June 2009 the Board of The Seattle Foundation elected immediate application of the Act to all The Seattle Foundation's endowment funds. UPMIFA eliminates the historic dollar value threshold, an amount below which an organization could not spend from the fund, and establishes a set of prudent management and investment standards for boards to follow when managing endowment funds. Under UPMIFA, The Seattle Foundation may disburse as much of an endowment fund as it considers prudent, regardless of whether the fund is below its historic dollar value. The donor's intent that the fund be perpetual in nature must still be considered and the fund managed accordingly. The Board of Directors of Washington Women's Foundation accepts The Seattle Foundation's interpretation of UPMIFA.

Organizations subject to UPMIFA shall classify the portion of each donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets (time restricted) until appropriated for expenditure by the organization. Deficiencies in net assets are reported as unrestricted.

From time to time and under its spending policy The Seattle Foundation releases and distributes funds to the Washington Women's Foundation for its operations. During the years ended December 31, 2009 and 2008 the Seattle Foundation distributed \$63,776 and \$91,442, respectively, from the Endowment pursuant to its spending policy.

**Funds with Deficiencies**

From time to time, the fair value of assets associated with the Endowment may fall below the level that either the donor or UPMIFA requires an organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$100,693 and \$348,858 as of December 31, 2009 and 2008, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of permanently restricted contributions.

**Return Objectives and Risk Parameters**

The Washington Women's Foundation Endowment is under permanent management at The Seattle Foundation through a Nonprofit Endowment Agreement, as noted above, in order to provide for professional long term management of these funds. As a result, the Washington Women's Foundation does not have control over the return objectives, risk parameters, investment objectives or spending policy for the Endowment.

# WASHINGTON WOMEN'S FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

### NOTE D - ENDOWMENT HELD BY THE SEATTLE FOUNDATION (Continued)

The Seattle Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by endowments while seeking to maintain the purchasing power of endowment assets. Under this policy, as approved by the Board of Directors of The Seattle Foundation, endowment assets are invested in a manner that is intended to produce results that, over time, will provide a real rate of return equal to the spending rate while assuming a reasonable level of investment risk. The Seattle Foundation expects its endowment funds, over time, to provide an average real rate of return of approximately 4.5 percent annually. Currently, the expected nominal rate of return is approximately 8 percent. Actual returns in any given year may vary from these amounts.

#### **Strategies Employed for Achieving Objectives**

The Seattle Foundation, as noted above, invests the Endowment in its Consolidated Fund in which funds from all donors are commingled in a diversified asset allocation. To satisfy its long term rate of return objectives, The Seattle Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Seattle Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

#### **Spending Policy and How the Investment Objectives Relate to Spending Policy**

As noted above, the Washington Women's Foundation's Endowment is subject to the spending policy of The Seattle Foundation, and thus, the Washington Women's Foundation does not control the timing or amount of release of funds from its endowment. The Washington Women's Foundation has requested that it receive annual disbursements of all available funds under The Seattle Foundation spending policy.

While The Seattle Foundation's spending policy may be changed by its board at any time, The Seattle Foundation has a general policy of appropriating for distribution each year 4.5 percent of the Endowment's fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, The Seattle Foundation considered the long-term expected return on any endowment funds. Accordingly, over the long term, The Seattle Foundation expects the current spending policy to allow the Endowment to grow at a rate equal to inflation. This is consistent with the Washington Women's Foundation's objective to maintain the purchasing power of the Endowment's assets held in perpetuity.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE D - ENDOWMENT HELD BY THE SEATTLE FOUNDATION (Continued)  
Endowment Net Assets by Fund Type as of December 31, 2009:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Colleen S. Willoughby Endowment	<u>\$ (100,693)</u>	<u>\$ -</u>	<u>\$ 2,394,658</u>	<u>\$ 2,293,965</u>

Changes in Endowment Net Assets For the Year Ended December 31, 2009:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	<u>\$ (348,858)</u>	<u>\$ -</u>	<u>\$ 2,314,990</u>	<u>\$ 1,966,132</u>
Contributions	<u>-</u>	<u>-</u>	<u>79,668</u>	<u>79,668</u>
Investment return:				
Investment income	56,508	-	-	56,508
Investment fees	(25,212)	-	-	(25,212)
Net gains and (losses)	280,645	-	-	280,645
Total investment return	311,941	-	-	311,941
Appropriation of endowment assets for expenditure*	<u>(63,776)</u>	<u>-</u>	<u>-</u>	<u>(63,776)</u>
Endowment net assets, end of year	<u>\$ (100,693)</u>	<u>\$ -</u>	<u>\$ 2,394,658</u>	<u>\$ 2,293,965</u>

Endowment Net Assets by Fund Type as of December 31, 2008:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Colleen S. Willoughby Endowment	<u>\$ (348,858)</u>	<u>\$ -</u>	<u>\$ 2,314,990</u>	<u>\$ 1,966,132</u>

Changes in Endowment Net Assets For the Year Ended December 31, 2008:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	<u>\$ 370,734</u>	<u>\$ -</u>	<u>\$ 2,139,619</u>	<u>\$ 2,510,353</u>
Contributions	<u>-</u>	<u>-</u>	<u>175,371</u>	<u>175,371</u>
Investment return:				
Investment income	73,066	-	-	73,066
Investment fees	(26,006)	-	-	(26,006)
Net gains and (losses)	(675,210)	-	-	(675,210)
Total investment return	(628,150)	-	-	(628,150)
Appropriation of endowment assets for expenditure*	<u>(91,442)</u>	<u>-</u>	<u>-</u>	<u>(91,442)</u>
Endowment net assets, end of year	<u>\$ (348,858)</u>	<u>\$ -</u>	<u>\$ 2,314,990</u>	<u>\$ 1,966,132</u>

\*From time to time and under its spending policy The Seattle Foundation releases and distributes funds to the Washington Women's Foundation for its operations.

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE E - FAIR VALUE MEASUREMENTS

In accordance with Financial Accounting Standards, a three-tiered hierarchy of input levels is used for measuring fair value. Financial Accounting Standards defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques utilized to determine fair value are consistently applied. The three tiers of inputs used for fair value measurements 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 and can be corroborated by observable market data for substantially the full term of the assets.

Level 3: Fair values are based on unobservable data and may require significant management judgment or estimation.

The Washington Women's Foundation Endowment is invested in the Seattle Foundation's Consolidated Fund, but the Washington Women's Foundation does not have a direct claim to a portion of each individual stock, bond, or other investment within the Consolidated Fund. As of December 31, 2009, the percentage distribution of the Seattle Foundation's Consolidated Fund across the three tiers is:

Level 1:	58%
Level 2:	23%
Level 3:	20%

Because the Seattle Foundation's Consolidated Fund is comprised of many different investments with varying levels of observable inputs, the Washington Women's Foundation cannot directly corroborate the valuation of the entire Consolidated Fund itself. Therefore the Washington Women's Foundation Endowment is said to be based on Level 3 inputs with activity as follows:

	2009 <u>Audited</u>	2008 <u>Reviewed</u>
Fair Value - beginning of year	\$ 1,882,313	\$ 2,307,439
Purchases	138,174	296,038
Investment income	56,446	71,356
Investment fees	(25,185)	(25,868)
Distributions	(63,776)	(91,442)
Net gains and (losses)	280,644	(675,210)
Fair Value - end of year	<u>\$ 2,268,616</u>	<u>\$ 1,882,313</u>

WASHINGTON WOMEN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE E - 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.

NOTE F - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to December 31, 2009 through June 22, 2010, 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 December 31, 2009, including the estimates inherent in the processing of financial statements.