
Colorado Women's Employment and Education,
Inc. dba Center for Work Education and
Employment

Financial Report
June 30, 2020

Colorado Women's Employment and Education, Inc. dba Center for Work Education and Employment

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Independent Auditor's Report

To the Board of Directors
Colorado Women's Employment and Education, Inc.
dba Center for Work Education and Employment

Report on the Financial Statements

We have audited the accompanying financial statements of Colorado Women's Employment and Education, Inc. dba Center for Work Education and Employment (the "Organization"), which comprise the statement of financial position as of June 30, 2020 and 2019 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 Colorado Women's Employment and Education, Inc. dba Center for Work Education and Employment as of June 30, 2020 and 2019 and the results of its activities, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 2 to the financial statements, the Organization has been impacted by the ongoing worldwide COVID-19 pandemic.

As described in Note 2 to the financial statements, the Organization adopted the provisions under Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*.

Our opinion is not modified with respect to these matters.

To the Board of Directors
Colorado Women's Employment and Education, Inc.
dba Center for Work Education and Employment

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2020 on our consideration of Colorado Women's Employment and Education, Inc. dba Center for Work Education and Employment's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Colorado Women's Employment and Education, Inc. dba Center for Work Education and Employment's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Plante & Moran, PLLC". The signature is written in a cursive, flowing style.

November 11, 2020

**Colorado Women's Employment and Education, Inc. dba Center for Work
Education and Employment**

Statement of Financial Position

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash	\$ 1,072,189	\$ 435,439
Investments	1,947,091	2,299,381
Receivables:		
Accounts receivable	423,086	454,866
Contributions receivable	77,768	45,175
Beneficial interest in assets held by the Community First Foundation	262,802	266,128
Prepaid expenses and other assets	15,459	36,087
Property and equipment - Net	<u>1,295,411</u>	<u>1,379,233</u>
Total assets	<u>\$ 5,093,806</u>	<u>\$ 4,916,309</u>
Liabilities and Net Assets		
Liabilities		
Accrued liabilities	\$ 192,887	\$ 235,110
Capital lease obligations	22,633	30,607
PPP note payable	455,000	-
Notes payable	<u>741,408</u>	<u>768,120</u>
Total liabilities	1,411,928	1,033,837
Net Assets		
Without donor restrictions:		
Undesignated	2,397,677	2,571,162
Net investment in property and equipment	531,370	580,506
Designated:		
Designated for future use	129,100	129,100
Designated for operating reserve	<u>262,000</u>	<u>262,000</u>
Total without donor restrictions	3,320,147	3,542,768
With donor restrictions	<u>361,731</u>	<u>339,704</u>
Total net assets	<u>3,681,878</u>	<u>3,882,472</u>
Total liabilities and net assets	<u>\$ 5,093,806</u>	<u>\$ 4,916,309</u>

**Colorado Women's Employment and Education, Inc. dba Center for Work
Education and Employment**

Statement of Activities and Changes in Net Assets

Years Ended June 30, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Contributions	\$ 563,062	\$ 106,768	\$ 669,830	\$ 419,766	\$ 74,175	\$ 493,941
Service fees	2,500,544	-	2,500,544	2,522,103	-	2,522,103
Special event revenue - Net of direct benefits to donors of \$24,410 (2020) and \$25,537 (2019)	87,372	-	87,372	118,608	-	118,608
Other revenue	1,007	-	1,007	3,266	-	3,266
Net assets released from restrictions	81,415	(81,415)	-	69,604	(69,604)	-
Total support and revenue	3,233,400	25,353	3,258,753	3,133,347	4,571	3,137,918
Expenses						
Program services - Employment and education	2,549,935	-	2,549,935	2,424,650	-	2,424,650
Support services:						
General and administrative	254,180	-	254,180	192,610	-	192,610
Fundraising	313,034	-	313,034	349,712	-	349,712
Total support services	567,214	-	567,214	542,322	-	542,322
Total expenses	3,117,149	-	3,117,149	2,966,972	-	2,966,972
Increase in Net Assets - Before nonoperating (loss) income	116,251	25,353	141,604	166,375	4,571	170,946
Nonoperating (Loss) Income						
Investment return - Net	(338,872)	-	(338,872)	54,926	-	54,926
Change in value of beneficial interest	-	(3,326)	(3,326)	-	(1,446)	(1,446)
(Decrease) Increase in Net Assets	(222,621)	22,027	(200,594)	221,301	3,125	224,426
Net Assets - Beginning of year	3,542,768	339,704	3,882,472	3,321,467	336,579	3,658,046
Net Assets - End of year	\$ 3,320,147	\$ 361,731	\$ 3,681,878	\$ 3,542,768	\$ 339,704	\$ 3,882,472

**Colorado Women's Employment and Education, Inc. dba Center for Work
Education and Employment**

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services		Support Services		Total
	Employment and Education	General and Administrative	Fundraising	Total	
Salaries	\$ 1,584,525	\$ 84,361	\$ 165,055	\$ 249,416	\$ 1,833,941
Payroll taxes and employee benefits	350,780	26,397	37,241	63,638	414,418
Total employee-related expenses	1,935,305	110,758	202,296	313,054	2,248,359
Occupancy	128,729	4,244	6,705	10,949	139,678
Equipment and repair	81,781	4,099	7,912	12,011	93,792
Insurance	10,696	353	557	910	11,606
Postage and delivery	1,532	82	160	242	1,774
Printing	2,169	115	1,589	1,704	3,873
Professional services	40,205	121,947	54,017	175,964	216,169
Alumni/Participant expenses	178,656	-	-	-	178,656
Marketing	-	-	21,948	21,948	21,948
Staff development	16,229	864	1,690	2,554	18,783
Dues and subscriptions	8,792	843	916	1,759	10,551
Supplies	7,322	189	370	559	7,881
Technology	9,328	497	972	1,469	10,797
Interest	41,338	1,418	2,295	3,713	45,051
Travel and meetings	8,073	430	841	1,271	9,344
Miscellaneous	921	5,741	836	6,577	7,498
Special events	-	-	5,823	5,823	5,823
Depreciation and amortization	78,859	2,600	4,107	6,707	85,566
Special events - Direct cost of benefits to donors	-	-	24,410	24,410	24,410
Total functional expenses	\$ 2,549,935	\$ 254,180	\$ 337,444	\$ 591,624	\$ 3,141,559

**Colorado Women's Employment and Education, Inc. dba Center for Work
Education and Employment**

Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services	Support Services			Total
	Employment and Education	General and Administrative	Fundraising	Total	
Salaries	\$ 1,467,911	\$ 36,950	\$ 174,671	\$ 211,621	\$ 1,679,532
Payroll taxes and employee benefits	296,728	17,948	34,232	52,180	348,908
Total employee-related expenses	1,764,639	54,898	208,903	263,801	2,028,440
Occupancy	107,939	1,894	5,466	7,360	115,299
Equipment and repair	90,897	2,122	9,611	11,733	102,630
Insurance	8,642	152	438	590	9,232
Postage and delivery	1,540	39	183	222	1,762
Printing	1,828	51	2,332	2,383	4,211
Professional services	81,642	123,261	67,167	190,428	272,070
Alumni/Participant expenses	185,220	-	-	-	185,220
Marketing	-	-	32,467	32,467	32,467
Staff development	20,566	518	2,447	2,965	23,531
Dues and subscriptions	6,394	217	761	978	7,372
Supplies	16,722	131	619	750	17,472
Technology	7,875	641	937	1,578	9,453
Interest	43,983	799	2,468	3,267	47,250
Travel and meetings	9,212	232	1,096	1,328	10,540
Miscellaneous	1,392	6,318	812	7,130	8,522
Special events	-	-	10,148	10,148	10,148
Depreciation and amortization	76,159	1,337	3,857	5,194	81,353
Special events - Direct cost of benefits to donors	-	-	25,537	25,537	25,537
Total functional expenses	\$ 2,424,650	\$ 192,610	\$ 375,249	\$ 567,859	\$ 2,992,509

**Colorado Women's Employment and Education, Inc. dba Center for Work
Education and Employment**

Statement of Cash Flows

Years Ended June 30, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ (200,594)	\$ 224,426
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	85,566	81,353
Change in value of beneficial interest	3,326	1,446
Realized/unrealized losses on investments	423,170	29,320
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable	31,780	2,057
Contribution receivable	(32,593)	80
Prepaid expenses and other assets	20,628	(18,527)
Accrued liabilities	(42,223)	8,108
Net cash provided by operating activities	289,060	328,263
Cash Flows from Investing Activities		
Acquisitions of furniture and equipment	(1,744)	(199,766)
Purchases of investments	(70,880)	(169,322)
Net cash used in investing activities	(72,624)	(369,088)
Cash Flows from Financing Activities		
Payments on capital lease obligation	(7,974)	(7,099)
Payments on notes payable	(26,712)	(25,388)
Proceeds from PPP note payable	455,000	-
Net cash provided by (used in) financing activities	420,314	(32,487)
Net Increase (Decrease) in Cash	636,750	(73,312)
Cash - Beginning of year	435,439	508,751
Cash - End of year	\$ 1,072,189	\$ 435,439
Supplemental Cash Flow Information - Cash paid for interest	\$ 45,051	\$ 47,250

Note 1 - Nature of Business

Colorado Women's Employment and Education, Inc. dba Center for Work Education and Employment (CWEE or the "Organization"), established in 1982, is a 501(c)(3) nonprofit organization that has assisted more than 15,000 low-income parents in overcoming the constraints and disparities of poverty, cultivating self-supporting families, and optimizing collaborative partnerships. CWEE was the first program in Colorado dedicated to helping low-income women gain employment as a means to transition off public assistance. The Organization's mission is to foster personal and professional transformations for low-income single-parent families through confidence building, customized skills training, and career advancement. The Organization's integrative program is a solution that reduces poverty in the community through cultivating an educated and skilled workforce and creating self-supporting families.

Historically, the Organization has served a particularly high-needs population, the majority of which experiences ongoing generational poverty. During the year ended June 30, 2020, CWEE enrolled 521 participants. All participants reported living below the federal poverty level; 90 percent of participants were women, 73 percent were single parents, 53 percent had two or more children living with them, and 80 percent were minorities.

Note 2 - Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and, accordingly, reflect all significant receivables, payables, and other liabilities.

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions.

Net Assets without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Organization.

Net Assets with Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Significant Accounting Policies (Continued)

Risks and Uncertainties

In early March 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals worldwide. In response, many countries have implemented measures to combat the outbreak that have impacted global business operations. As a result of the pandemic, the Organization has transitioned many of its employees to a remote working environment. The Organization continued to provide services to participants in a virtual environment and did not experience a decrease in grant funding. The Organization has postponed its annual fall fundraising event. The Organization has also experienced fluctuations in its investment portfolio due to ongoing market volatility. The Organization entered into a Paycheck Protection Program (PPP) loan agreement through the CARES Act (see Note 8). The extent of the ongoing pandemic on the Organization's future results of operations, cash flows, and financial condition is not known, but the Organization's position could be negatively impacted.

Cash

The Organization continually monitors its positions with, and the credit quality of, the financial institutions with which it invests. As of the statement of financial position date, and periodically throughout the year, the Organization has maintained balances in various operating accounts in excess of federally insured limits.

Accounts Receivable

Accounts receivable represent amounts due related to services revenue. The Organization uses the allowance method to record uncollectible accounts. The allowance is based on past experience and on specific analysis of the collectibility of individual accounts receivable. Management expects that all accounts receivable will be fully collectible. Accordingly, no allowance for doubtful accounts was recorded as of June 30, 2020 and 2019.

As of and for the years ended June 30, 2020 and 2019, 100 percent, for both years, of accounts receivable and 72 and 87 percent, respectively, of revenue was from two county governments.

Investments

The Organization is required to report investments in equity and debt securities with readily determinable fair values at fair values with unrealized gains and losses included in the statement of activities and changes in net assets.

Property and Equipment

Property and equipment are recorded at acquisition cost. Expenditures for maintenance, repairs, and minor replacements are charged to operations, and expenditures for major replacements and betterments in excess of \$1,500 are capitalized. Property and equipment are depreciated over their estimated useful lives, which range from 3 to 30 years, using the straight-line method. The cost of properties held under capital lease is equal to the lower of the net present value of the minimum lease payments or the fair value of the leased property at the inception of the lease. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining lease term. Amortization of capital leases is included with depreciation expense.

Note 2 - Significant Accounting Policies (Continued)

Contributions

Unconditional promises to give cash and other assets to the Organization are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional or is received. The gifts are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the year in which the gift is received are reported as contributions without donor restrictions in the accompanying financial statements.

Contributions receivable 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 future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. All contribution receivables are expected to be collected within one year. Accordingly, no discount was applied as of June 30, 2020 and 2019. An allowance for uncollectible contributions is provided when evidence indicates amounts promised by donors may not be collectible. Management expects that all contribution receivable will be fully collectible. Accordingly, no allowance for doubtful accounts was recorded as of June 30, 2020 and 2019.

Donated Services and Assets

Certain donated services are recognized as support in the statement of activities and changes in net assets. The value of these services was determined based on their estimated fair value. Many individuals volunteer their time and perform a variety of tasks that assist the Organization in its programs and general operations. The value of these services has not been recorded in the financial statements, as it does not meet the criteria for recognition under generally accepted accounting principles.

Recognition of Services Revenue

Services revenue represents monies from federal and state grants to provide personal and professional skills training, employment services and comprehensive family support to program participants. The services grants qualify as contribution revenue under Accounting Standards Update (ASU) No. 2018-08. Services revenue is recognized by the Organization as program services are provided and costs are incurred. Prepayments received under these grants are deferred until the services are provided.

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Costs have been allocated between the various programs and support services on several bases and estimates. Certain salaries and related benefits have been allocated based on time and effort. Facility and occupancy costs have been allocated based on square footage. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Colorado Women's Employment and Education, Inc. dba Center for Work Education and Employment

Notes to Financial Statements

June 30, 2020 and 2019

Note 2 - Significant Accounting Policies (Continued)

Recently Adopted Accounting Pronouncement

Effective July 1, 2019, the Organization adopted Financial Accounting Standards Board (FASB) ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The adoption did not have a material impact to the financial statements, and the Organization's revenue recognition practices were substantially unchanged as a result of applying ASU No. 2018-08.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including November 11, 2020, which is the date the financial statements were available to be issued.

Note 3 - Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of June 30, 2020 and 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	2020	2019
Cash and cash equivalents	\$ 1,072,189	\$ 435,439
Accounts receivable	423,086	454,866
Contributions receivable	77,768	45,175
Investments	1,947,091	2,299,381
Beneficial Interest in Assets Held by Community First Foundation Endowment Fund	262,802	266,128
Financial assets - At year end	3,782,936	3,500,989
Less those unavailable for general expenditures within one year due to donor-imposed restrictions	624,533	605,832
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,158,403	\$ 2,895,157

The Organization has a goal to maintain financial assets, which consist of cash, receivables, and investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$450,000 for both years ended June 30, 2020 and 2019. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 4 - Investments

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access.

Note 4 - Investments (Continued)

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

As required by U.S. GAAP, the Organization uses net asset value per share or its equivalent (practical expedient), such as member units or an ownership interest in partners' capital, to estimate the fair value of an alternative investment and requires additional fair value disclosures of the Organization's alternative investments. Certain investments that are measured at fair value using the net asset value practical expedient are not classified in the fair value hierarchy. The fair value amounts presented in the following table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

The following is a description of the valuation methodologies used for assets measured at fair value:

Money Market Funds, Mutual Funds, and Stocks

Money market funds, mutual funds, and stocks are valued at the closing price reported on the active market on which the individual securities are traded.

Hedge Funds

Hedge funds are valued at net asset value per share of the investment fund.

Beneficial Interest in Assets Held by a Foundation

This category represents funds held by Community First Foundation (CFF), the fair value of which is based upon information determined and reported by CFF. The fair value of investments held at CFF includes Levels 1, 2, and 3; however, the Organization's pro rata share of the pooled investments is not quoted in active markets and is, therefore, classified under Level 3 in the fair value hierarchy.

There were no changes to the valuation techniques used during the period.

**Colorado Women's Employment and Education, Inc. dba Center for Work
Education and Employment**

Notes to Financial Statements

June 30, 2020 and 2019

Note 4 - Investments (Continued)

The Organization has the following recurring fair value measurements as of June 30, 2020:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2020				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at June 30, 2020
Investments					
Money market funds	\$ 156,851	\$ -	\$ -	\$ -	\$ 156,851
Stocks	642,722	-	-	-	642,722
Mutual funds:					
Bond	435,349	-	-	-	435,349
International equity	349,770	-	-	-	349,770
Domestic equity	115,795	-	-	-	115,795
Total mutual funds	900,914	-	-	-	900,914
Hedge funds	-	-	-	246,604	246,604
Beneficial interest in assets held by a foundation	-	-	262,802	-	262,802
Total assets	<u>\$ 1,700,487</u>	<u>\$ -</u>	<u>\$ 262,802</u>	<u>\$ 246,604</u>	<u>\$ 2,209,893</u>

The Organization has the following recurring fair value measurements as of June 30, 2019:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2019				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at June 30, 2019
Assets					
Money market funds	\$ 165,831	\$ -	\$ -	\$ -	\$ 165,831
Stocks	930,190	-	-	-	930,190
Mutual funds:					
Bond	430,093	-	-	-	430,093
International equity	414,198	-	-	-	414,198
Domestic equity	113,537	-	-	-	113,537
Total mutual funds	957,828	-	-	-	957,828
Hedge funds	-	-	-	245,532	245,532
Beneficial interest in assets held by a foundation	-	-	266,128	-	266,128
Total assets	<u>\$ 2,053,849</u>	<u>\$ -</u>	<u>\$ 266,128</u>	<u>\$ 245,532</u>	<u>\$ 2,565,509</u>

Colorado Women's Employment and Education, Inc. dba Center for Work Education and Employment

Notes to Financial Statements

June 30, 2020 and 2019

Note 4 - Investments (Continued)

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended June 30, 2020 and 2019 are as follows:

Balance at July 1, 2019	\$ 266,128
Investment return	11,887
Fees	(2,606)
Distributions	<u>(12,607)</u>
Balance at June 30, 2020	<u>\$ 262,802</u>
Balance at July 1, 2018	\$ 267,574
Investment return	13,776
Fees	(2,612)
Distributions	<u>(12,610)</u>
Balance at June 30, 2019	<u>\$ 266,128</u>

Investment return is composed of the following:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 95,338	\$ 94,515
Unrealized/realized losses	(423,170)	(29,320)
Less investment management fees	<u>(11,040)</u>	<u>(10,269)</u>
Total	<u>\$ (338,872)</u>	<u>\$ 54,926</u>

Investments in Certain Entities that Calculate Net Asset Value per Share

The Organization has invested in a hedge fund with an income generation and capital preservation investment strategy. The fund invests in a low-volatility portfolio of diverse fixed-income securities. The fund seeks to minimize risk through security and sector diversification, while utilizing hedging strategies to reduce individual security and portfolio risk. The fair values of the investments in this fund have been calculated using net asset value per share of the investments. As of June 30, 2020 and 2019, the fair value of the fund was \$246,604 and \$245,532, respectively. There were no unfunded commitments for the fund as of June 30, 2020. The fund can be redeemed on a monthly basis, with a redemption notice period of 45 days.

Note 5 - Beneficial Interest in Assets Held by Community First Foundation Endowment Fund

In 2004, the Organization entered into a challenge grant with the Community First Foundation Endowment Fund to establish a permanent endowment fund (the "Fund") to be held by CFF. The challenge period expired on July 29, 2005. The challenge grant provided for a dollar-for-dollar match during the challenge period. The Organization granted variance power to the Fund, which allows the Fund to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of CFF's board of directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the Organization. In accordance with U.S. GAAP, the transfers were not considered to be a contribution from the Organization to the Fund but, rather, were accounted for as reciprocal transfers between the Organization and the Fund. Therefore, the transfers are reflected collectively in the statement of financial position as a beneficial interest in assets held by CFF.

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Notes to Financial Statements

June 30, 2020 and 2019

Note 5 - Beneficial Interest in Assets Held by Community First Foundation Endowment Fund (Continued)

The Fund is held and invested by CFF for the benefit of the Organization; however, the Organization will never receive the assets held by the Fund. Investment earnings are reinvested in the Fund. As of June 30, 2020 and 2019, the fair value of the assets of the Fund was \$262,802 and \$266,128, respectively. Distributions from the Fund are available to the Organization for its use. During the years ended June 30, 2020 and 2019, the Organization received distributions of \$12,607 and \$12,610, respectively, from the Fund.

Note 6 - Property and Equipment

Property and equipment are summarized as follows:

	2020	2019
Buildings	\$ 1,777,010	\$ 1,777,010
Building improvements	86,272	86,272
Furniture and equipment	93,059	105,796
Total cost	1,956,341	1,969,078
Accumulated depreciation	660,930	589,845
Net property and equipment	<u>\$ 1,295,411</u>	<u>\$ 1,379,233</u>

Depreciation and amortization expense for 2020 and 2019 was \$85,566 and \$81,353, respectively.

The building category represents the Organization's ownership of the portion of the Osage building in which it operates.

As of June 30, 2020 and 2019, equipment under capital leases is included in property and equipment and amounts to \$42,000 for both years, with \$22,400 and \$14,000, respectively, of related accumulated amortization.

Note 7 - Capital Leases

Capital lease obligations consist of the following at June 30:

	2020	2019
Capital lease with finance company, interest at 11.68 percent, monthly payments of \$928, and maturing in October 2022	\$ 22,633	\$ 30,607

The future minimum lease payments under capital leases are as follows:

Years Ending June 30	Amount
2021	\$ 11,131
2022	11,131
2023	3,705
Total minimum lease payments	25,967
Less amount representing interest	3,334
Present value of net minimum lease payments	<u>\$ 22,633</u>

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Note 8 - PPP Note Payable

During the year ended June 30, 2020, the Organization entered into a Paycheck Protection Program (PPP) loan agreement through the CARES Act for \$455,000. Under ASC 470, the Organization has elected to account for these funds as a note payable until it is repaid or legal notice of forgiveness is received. The loan is due in monthly installments of principal and interest of \$19,156 beginning in August 2021, with an interest rate of 1.00 percent. The loan matures in April 2022.

The balance of the above loan matures as follows:

Years Ending	Amount
2021	\$ -
2022	455,000
Total	<u>\$ 455,000</u>

Note 9 - Notes Payable

During the year ended June 30, 2017, the Organization entered into a note payable agreement for the purchase of a portion of the second floor of the Osage building. The note is due in monthly installments of principal and interest of \$5,718, with an interest rate of 5.45 percent, and is collateralized by the building and certain cash held by a financial institution. The note matures in January 2027.

The balance of the above debt matures as follows:

Years Ending	Amount
2021	\$ 28,342
2022	29,948
2023	31,645
2024	33,342
2025	35,329
Thereafter	582,802
Total	<u>\$ 741,408</u>

Note 10 - Net Assets

Net assets with donor restrictions as of June 30 are available for the following purposes:

	2020	2019
Time restriction	\$ 98,929	\$ 73,576
Amounts held in perpetuity	262,802	266,128
Total	<u>\$ 361,731</u>	<u>\$ 339,704</u>

Note 11 - Investment in Endowments

The Organization's endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 11 - Investment in Endowments (Continued)

Interpretation of Relevant Law

The Organization is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors of the Organization had interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

**Invested Endowment Assets Composition by Type of
Fund as of June 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 262,802	\$ 262,802

**Changes in Invested Endowment for the Fiscal Year
Ended June 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ -	\$ 266,128	\$ 266,128
Investment return - Net of fees	-	9,281	9,281
Appropriation of endowment assets for expenditure	-	(12,607)	(12,607)
Endowment net assets - End of year	\$ -	\$ 262,802	\$ 262,802

**Invested Endowment Assets Composition by Type of
Fund as of June 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 266,128	\$ 266,128

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June 30, 2020 and 2019

Note 11 - Investment in Endowments (Continued)

	Changes in Invested Endowment for the Fiscal Year Ended June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ -	\$ 267,574	\$ 267,574
Investment return - Net of fees	-	11,164	11,164
Appropriation of endowment assets for expenditure	-	(12,610)	(12,610)
Endowment net assets - End of year	<u>\$ -</u>	<u>\$ 266,128</u>	<u>\$ 266,128</u>

Underwater Endowment Funds

As of June 30, 2020 and 2019, there were no funds with deficiencies.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to achieve a return of 5 percent, net of inflation and investment expenses. The secondary investment objective is to earn a total return, net of expenses, at least equal to the portfolio's composite benchmark, as defined in its investment policy statement. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization 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 Organization 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

The Organization has a policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value over the prior 12 quarters through the calendar year end preceding the fiscal year in which the distribution is planned.

Note 12 - Retirement Plans

The Organization has adopted a qualified 403(b) plan (the "Plan") covering virtually all employees. Under provisions of the Plan, employees may elect to contribute a percentage of compensation up to certain IRS limitations. The Organization will match 50 percent of the participant's deferral contribution, not to exceed 3 percent of the participant's compensation for each payroll period. Contribution expense for the Plan was approximately \$17,000 and \$12,000 for the years ended June 30, 2020 and 2019, respectively.