

**SOCIETY OF WOMEN ENGINEERS  
ENDOWMENT FUND, INC.**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT**

**JUNE 30, 2022 AND 2021**

**SOCIETY OF WOMEN ENGINEERS  
ENDOWMENT FUND, INC.**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
Society of Women Engineers  
Endowment Fund, Inc.  
500 Westover Drive, #15679  
Sanford, North Carolina 27330

### **Opinion**

We have audited the accompanying financial statements of Society of Women Engineers Endowment Fund, Inc., which comprise the statements of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Society of Women Engineers Endowment Fund, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Society of Women Engineers Endowment Fund, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Society of Women Engineers Endowment Fund, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Society of Women Engineers Endowment Fund, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Society of Women Engineers Endowment Fund Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Report on Summarized Comparative Information**

We have previously audited Society of Women Engineers Endowment Fund Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated January 3, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

PORTE BROWN LLC  
Certified Public Accountants



Elk Grove Village, Illinois  
January 9, 2023

**SOCIETY OF WOMEN ENGINEERS ENDOWMENT FUND, INC.**

**STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2022**

(with summarized information for the year ended June 30, 2021)

**ASSETS**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total 2022</b>	<b>Total 2021</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 555,387	\$ -	\$ 555,387	\$ 637,354
Investments	2,830,621	9,480,382	12,311,003	14,148,747
Receivables	6,185	-	6,185	8,533
Due from Society of Women Engineers	7,850	-	7,850	101,981
<b>TOTAL ASSETS</b>	<b>\$ 3,400,043</b>	<b>\$ 9,480,382</b>	<b>\$ 12,880,425</b>	<b>\$ 14,896,615</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 897
Due to Society of Women Engineers	-	368,600	368,600	288,600
	-	368,600	368,600	289,497
<b>NET ASSETS</b>	3,400,043	9,111,782	12,511,825	14,607,118
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,400,043</b>	<b>\$ 9,480,382</b>	<b>\$ 12,880,425</b>	<b>\$ 14,896,615</b>

The accompanying notes are an integral part of these financial statements.

**SOCIETY OF WOMEN ENGINEERS ENDOWMENT FUND, INC.**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2022**

(with summarized information for the year ended June 30, 2021)

	<b>2022</b>			
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>2021 Total</b>
<b>REVENUES</b>				
Contributions	\$ 85,087	\$ 372,200	\$ 457,287	\$ 599,957
Investment (loss) income, net	(603,844)	(1,348,054)	(1,951,898)	3,183,341
Net assets released from restrictions	452,412	(452,412)	-	-
	<u>(66,345)</u>	<u>(1,428,266)</u>	<u>(1,494,611)</u>	<u>3,783,298</u>
<b>EXPENSES</b>				
Program services	408,825	-	408,825	301,912
Administrative	191,857	-	191,857	137,341
	<u>600,682</u>	<u>-</u>	<u>600,682</u>	<u>439,253</u>
<b>CHANGE IN NET ASSETS</b>	<u>(667,027)</u>	<u>(1,428,266)</u>	<u>(2,095,293)</u>	<u>3,344,045</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>4,067,070</u>	<u>10,540,048</u>	<u>14,607,118</u>	<u>11,263,073</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 3,400,043</u>	<u>\$ 9,111,782</u>	<u>\$ 12,511,825</u>	<u>\$ 14,607,118</u>

The accompanying notes are an integral part of these financial statements.

**SOCIETY OF WOMEN ENGINEERS ENDOWMENT FUND, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2022**

(with summarized information for the year ended June 30, 2021)

	<u>Program Services</u>	<u>Administrative</u>	<u>2022 Total</u>	<u>2021 Total</u>
<b>EXPENSES</b>				
Awards	\$ 31,000	\$ -	\$ 31,000	\$ 24,962
Designated funds	10,975	-	10,975	-
Headquarters subsidy	-	140,000	140,000	109,871
Miscellaneous	-	11,244	11,244	1,468
Professional	-	21,422	21,422	21,734
Scholarships	366,850	-	366,850	276,950
Travel	-	19,191	19,191	4,268
<b>TOTAL EXPENSES</b>	<u>\$ 408,825</u>	<u>\$ 191,857</u>	<u>\$ 600,682</u>	<u>\$ 439,253</u>

The accompanying notes are an integral part of these financial statements.

**SOCIETY OF WOMEN ENGINEERS ENDOWMENT FUND, INC.**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ (2,095,293)	\$ 3,344,045
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Loss/(Gain) on Investment:	2,350,941	(2,863,139)
Changes in:		
Receivables	2,348	(8,533)
Due from Society of Women Engineers	94,131	(68,837)
Accounts payable	(897)	897
Due to Society of Women Engineers	80,000	(9,400)
Net cash provided by operating activities	431,230	395,033
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(1,639,307)	(8,156,205)
Proceeds from sale of investments	1,126,110	8,027,356
Net cash used by investing activities	(513,197)	(128,849)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(81,967)	266,184
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	637,354	371,170
<b>ENDING CASH AND CASH EQUIVALENTS</b>	\$ 555,387	\$ 637,354
 <b>SUPPLEMENTAL INFORMATION TO CASH FLOWS</b>		
Cash paid during the year for		
Income taxes	\$ -	\$ -
Interest	-	-
Noncash investing activities:		
(Decrease) increase in fair value of investments	\$ (2,420,245)	\$ 2,328,875

The accompanying notes are an integral part of these financial statements.



## **SOCIETY OF WOMEN ENGINEERS ENDOWMENT FUND, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE A – NATURE OF OPERATIONS**

The Society of Women Engineers Endowment Fund, Inc. (the "Fund") was incorporated in April 2005, as a not-for-profit supporting organization. The Fund provides scholarships, awards, and other financial assistance and encouragement to the Society of Women Engineers (the "Society") and to students of engineering in addition to support for the headquarters for the Society. The Board of Trustees of the Society has the authority to invest and reinvest the assets of the Fund. They also determine the number, type, and amount of scholarships and awards each year. The Board of Directors of the Society determines who will receive the scholarships and awards.

#### **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Fund's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

#### USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America 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 reported period. Actual results could differ from those estimates.

#### FINANCIAL STATEMENT PRESENTATION

In accordance with FASB ASC 958-205, "Not-for-Profit Entities Presentation of Financial Statements," the Fund reports 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 – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions and providing services less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net Assets with Donor Restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of donated assets, either temporarily or permanently, until the donor restriction expires, the net assets are restricted.

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional allocation. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Fund's financial statements for the year ended June 30, 2021 from which the summarized information was derived.

**SOCIETY OF WOMEN ENGINEERS ENDOWMENT FUND, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

DONOR IMPOSED RESTRICTIONS

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions which increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Fund reports the support as without donor restrictions.

Net assets with donor restrictions are available for the following:

	2022	2021
Purpose restrictions, available for spending:		
Designated fund	\$ 1,124	\$ 32,135
Award accounts	57,198	57,198
Scholarships	4,074,750	5,831,917
	4,133,072	5,921,250
Endowment funds		
Perpetual designated fund	164,000	139,000
Perpetual awards	151,400	151,400
Perpetual scholarships	4,663,310	4,328,398
	4,978,710	4,618,798
	\$ 9,111,782	\$ 10,540,048

Net assets released from restriction were as follows:

	2022	2021
Designated fund	\$ 12,026	\$ 726
Scholarships	440,386	339,701
	\$ 452,412	\$ 340,427

CONTRIBUTED SERVICES

During the current period, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been reflected in these financial statements.

## **SOCIETY OF WOMEN ENGINEERS ENDOWMENT FUND, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### FUNCTIONAL EXPENSES

The Fund allocates its expenses on a functional basis among its various programs and supporting activities. Expenses that can be identified with a specific program or supporting activity are allocated directly according to their natural expenditure classification. In the event that an expense is attributable to more than one program or supporting function, it would be allocated on a reasonable basis that is consistently applied. Due to the nature of the expenses for the Fund for 2022 and 2021, all of the expenses are directly allocated. Administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Fund.

##### CASH EQUIVALENTS

The Fund considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

##### CONCENTRATION OF CREDIT RISK

The Fund has cash and cash equivalents in excess of federally insured limits of \$250,000 at one banking institution. These amounts potentially subject the Fund to credit risk if the banking institution fails. It is of the opinion of management that the solvency of the referenced financial institutions is not of a particular concern at this time.

##### RECEIVABLES

The Fund has not included the amounts pledged by donors for the year ended June 30, 2022 and 2021, that have been committed to for years ending after June 30, 2022 and 2021, but not yet paid. The pledges are not material to the financial statements as a whole.

##### INCOME TAXES

The Society of Women Engineers Endowment Fund, Inc. is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for federal and state income taxes has been made.

The Fund has adopted the provisions of ASC Topic 740, Income Taxes, relating to the accounting for uncertainty in income taxes. The Fund is responsible for filing information returns in the U.S. Federal jurisdiction. Management is not aware of any uncertain tax positions.

##### SUBSEQUENT EVENTS

The Fund has evaluated subsequent events through January 9, 2023, the date which the financial statements were available to be issued.

**SOCIETY OF WOMEN ENGINEERS ENDOWMENT FUND, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Fund considers all expenditures related to its ongoing program activities, as well as the services undertaken to support those activities to be general expenditures. The Fund regularly monitors liquidity required to meet its operation needs and other contractual commitments, while also striving to maximize the investment of its available funds. In addition to the financial assets available to meet general expenditures over the next year, the Fund operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor restricted resources. The following table show the total financial assets held by the Fund and the amounts of which could readily be made available within one year of June 30, 2022 and 2021 to meet general expenditures:

	2022	2021
Cash and cash equivalents	\$ 555,387	\$ 637,354
Investments	12,311,003	14,148,747
Receivables	6,185	8,533
Due from Society of Women Engineers	7,850	101,981
Total financial assets	12,880,425	14,896,615
Less those unavailable for general expenditures within one year due to:		
Contractual or donor imposed restrictions		
Perpetually restricted endowments	(4,978,710)	(4,618,798)
Restricted by donor with purpose restriction	(4,133,072)	(5,921,250)
Financial assets available to meet general expenditures within one year	\$ 3,768,643	\$ 4,356,567

**NOTE D – INVESTMENTS**

Investments are stated at fair value based on quoted market prices or market prices for similar securities. Unrealized gains and losses are recognized based on the change in fair value and are reported as a component of investment income. Realized gains and losses are recognized using the cost method and are reported as a component of investment income. In addition, external and direct internal expenses relating to investment activities have been netted against investment income.

Investments at June 30, 2022 and 2021, are summarized as follows:

	2022	2021
Cash and cash equivalents	\$ 60,505	\$ 97,603
Common stock	1,787,090	2,117,592
Corporate bonds	597,803	635,805
Mutual funds and ETFs	8,286,533	9,750,036
Hedge funds	1,579,072	1,547,711
Total investments	\$ 12,311,003	\$ 14,148,747
Total, at cost	\$ 10,935,702	\$ 12,777,624

## SOCIETY OF WOMEN ENGINEERS ENDOWMENT FUND, INC.

### NOTES TO FINANCIAL STATEMENTS

#### NOTE D – INVESTMENTS (Continued)

Included in mutual funds and ETFs is a mutual fund with hedge fund strategies totaling \$531,540 and \$564,830 as of June 30, 2022 and 2021, respectively. Total hedge fund investments were \$2,110,612 and \$2,112,541 as of June 30, 2022 and 2021, respectively.

Investment income for the years ended June 30, 2022 and 2021, is summarized as follows:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 452,272	\$ 365,341
Realized gain on sale of investments	69,304	534,264
Unrealized (loss) gain on investments	(2,420,245)	2,328,875
Fees	<u>(53,229)</u>	<u>(45,139)</u>
	<u>\$ (1,951,898)</u>	<u>\$ 3,183,341</u>

#### NOTE E – FAIR VALUE MEASUREMENTS

FASB ASC Topic 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Fund has the ability to access.
- Level 2      Inputs to the valuation methodology include
- Quoted prices for similar assets or liabilities in active markets.
  - Quoted prices for identical or similar assets or liabilities in inactive markets.
  - Inputs other than quoted prices that are observable for the asset or liability.
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2022 and 2021.

**SOCIETY OF WOMEN ENGINEERS ENDOWMENT FUND, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE E – FAIR VALUE MEASUREMENTS (Continued)**

*Common stocks and corporate bonds:* Valued at the closing price reported in the active market in which the individual securities are traded.

*Mutual and exchange-traded funds (ETF):* Valued at the net asset value (NAV) of shares, based on quoted market prices, held by the Fund as of the end of the year.

*Hedge funds:* Valued at the net asset value, or its equivalent (NAV) as a practical expedient, of shares held by the Fund as of the end of the year. The hedge fund has no unfunded commitments but does have liquidity/redemption restrictions. The notice date to sell the hedge fund is the 25<sup>th</sup> calendar day of the second month prior to that containing the date as of which the hedge fund shares are to be repurchased are valued by the hedge fund.

The preceding methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Fund believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Cash and cash equivalents are included in investments on the statement of financial position but are not subject to fair value under FASB ASC Topic 820. The following tables set forth by level, within the fair value hierarchy, the Fund's assets at fair value as of June 30, 2022 and 2021:

Assets at fair value as of June 30, 2022 consist of:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stock - equity	\$ 1,787,090	\$ -	\$ -	\$ 1,787,090
Corporate bonds - fixed income	597,803	-	-	597,803
Mutual funds and ETFs:				
Fixed income	1,856,146	-	-	1,856,146
Non-traditional	531,540	-	-	531,540
Equities	<u>5,898,847</u>	<u>-</u>	<u>-</u>	<u>5,898,847</u>
	<u>\$ 10,671,426</u>	<u>\$ -</u>	<u>\$ -</u>	<u>10,671,426</u>
Cash and cash equivalents				60,505
Hedge funds valued at NAV				<u>1,579,072</u>
Total investments				<u>\$ 12,311,003</u>

**SOCIETY OF WOMEN ENGINEERS ENDOWMENT FUND, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE E – FAIR VALUE MEASUREMENTS (Continued)**

Assets at fair value as of June 30, 2021 consist of:

	Level 1	Level 2	Level 3	Total
Common stock - equity	\$ 2,117,592	\$ -	\$ -	\$ 2,117,592
Corporate bonds - fixed income	635,805	-	-	635,805
Mutual funds and ETFs:				
Fixed income	2,055,335	-	-	2,055,335
Non-traditional	564,830	-	-	564,830
Equities	7,129,871	-	-	7,129,871
	<b>\$ 12,503,433</b>	<b>\$ -</b>	<b>\$ -</b>	<b>12,503,433</b>
Cash and cash equivalents				97,603
Hedge fund valued at NAV				1,547,711
Total investments				<b>\$ 14,148,747</b>

**NOTE F – NET ASSET CLASSIFICATIONS**

**PURPOSE RESTRICTED NET ASSETS**

The purposes of the purpose restricted funds are as follows:

- The *EFI-Awards Account* provides awards subsidies to SWE for awards as determined by the Board of Directors.
- The *EFI-Scholarship Account* provides scholarships, awards, and other financial assistance and encouragement to students of engineering.
- The *SWE-EFI Designated Fund* was established in May 2014. The SWE-EFI Designated Fund allows the Society's regions, sections, or MAL organization to endow funds to be used for their specific purposes in support of SWE's mission. Income will be paid to each donor group in accordance with the SWE-EFI investment policy. Effective June 30, 2018, the regions were dissolved.

**PERPETUALLY ENDOWED NET ASSETS**

Perpetually endowed net assets are required to be held indefinitely and consist of the following:

**EFI – Scholarship Account:**

Ada I. Pressman Memorial Scholarship  
 Admiral Grace Murray Hopper Scholarship  
 Alice May Anderson Memorial Scholarship Fund  
 Alma Kuppinger Forman, PE Scholarship  
 Anne Maureen Whitney Barrow Memorial Scholarship  
 Anne Shen Smith Scholarship

**SOCIETY OF WOMEN ENGINEERS ENDOWMENT FUND, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE F – NET ASSET CLASSIFICATIONS (Continued)**

PERPETUALLY ENDOWED NET ASSETS (Continued)

EFI – Scholarship Account: (Continued)

Antonietta Lo Pardo Costa Scholarship  
Avangrid Scholarship  
B.J. Harrod Memorial Scholarship  
Bertha Lamme Memorial Scholarship  
Betty Lou Bailey SWE Scholarship  
BK Krenzer Memorial Reentry Scholarship  
Brill Family Scholarship  
Carol Stephens SWE Scholarship  
Central Illinois Section Scholarship  
Central New Mexico - Pioneers Scholarship  
Central New Mexico - Reentry Scholarship  
Charbonneau Family Scholarship  
Columbia River Section Scholarship  
Coral Jean Cotterrell Achievement Scholarship  
Detroit SWE 4 Life Endowed Scholarship  
Dorothy Lemke Howarth Memorial Scholarship  
Dorothy P. Morris Scholarship  
Dr. Celeste Belcastro Memorial Scholarship  
Dr. Ivy M. Parker Memorial Scholarship  
Dr. Paula Marie Stenzler Legacy Scholarship for Engineering  
Elizabeth McLean Memorial Scholarship  
Ellen Hippeli Memorial Scholarship  
Ford Motor Company Scholarships  
Freeman Family Scholarship  
Gary Stegeman Memorial Scholarship  
Golden West Region Legacy Scholarship  
Greeley and Hansen Nicole B. Spieles Memorial Scholarship  
IBM Linda Sanford Women's Technical Advancement Scholarship  
Jill S. Tietjen, P.E. Scholarship  
Josie E. Rewald Memorial Scholarship  
Judith Resnik Memorial Scholarship  
Judy Simmons Memorial Scholarship  
Katherine F. Lindquist Memorial Scholarship  
Lillian Moller Gilbreth Memorial Scholarship  
Lois Aileen Bey Memorial Scholarship  
Lonnie Lee and Maria Elena Abernethy Endowment for Native  
Americans in Engineering  
Lydia I. Pickup Memorial Scholarship  
Mabel Esteves Memorial Scholarship  
Margaret (Pritch) Pritchard Memorial Scholarship  
Margaret R. Brewster Scholarship  
Martha Maxwell Memorial Scholarship  
Mary Gunther Memorial Freshman Scholarship  
Mary Gunther Memorial Upperclass Scholarship  
Mary Jones Berry Scholarship



**SOCIETY OF WOMEN ENGINEERS ENDOWMENT FUND, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE F – NET ASSET CLASSIFICATIONS (Continued)**

PERPETUALLY ENDOWED NET ASSETS (Continued)

EFI – Scholarship Account: (Continued)

Mary V. Munger Memorial Scholarship  
MASWE Scholarship  
Melanie Clampitt Memorial Scholarship  
Meredith Thoms Memorial Scholarship  
Michelle Tortolani Engineering Leadership Scholarship  
Mid-Hudson Section Scholarship  
Northwest Star Legacy Scholarship  
Olive Lynn Salembier Memorial Reentry Scholarship  
Past Presidents Scholarship  
Paula Loring Simon Scholarship  
Phoenix Section Scholarship  
Rebecca McNally Gilden Memorial Scholarship  
Richmond Area Section Scholarship  
Roberta Banaszak Gleiter Engineering Endeavor Scholarship  
Roberta Marie Stinson Scholarship  
Rochelle Nicolette Perry Memorial Scholarship  
RS&H Scholarship  
Sharon Cascadden Memorial Scholarship  
Sonora Region B Scholarship  
Southeast Diamond Scholarship  
Susan and Marvin Whatley Scholarship  
Susan E. Stutz McDonald Scholarship  
Susan Miszkowicz September 11 Memorial Scholarship  
SWE Baltimore Washington Section Freshman Scholarship  
SWE Baltimore Washington Section Scholarship  
SWE Boston Section Scholarship  
SWE Central Indiana Section Scholarship  
SWE Central New Mexico - Legacy Scholarship  
SWE Chicago Regional Section Scholarship  
SWE Detroit Past Presidents Scholarship  
SWE Heartland Scholarships  
SWE Kansas City Section Scholarship  
SWE Los Angeles Section Scholarship  
SWE Minnesota Section Scholarship  
SWE New Jersey Section Scholarship  
SWENext Scholarship  
SWE-OC Endowed Scholarship  
SWE Ohio State Section Scholarship  
SWE Quad Cities/Muscatine Section Scholarship  
SWE Rocky Mountain Section Scholarships  
SWE San Diego Section Scholarship  
SWE Santa Clara Valley – Al Gardner Memorial Scholarship  
SWE Santa Clara Valley – Esther Williams Memorial Scholarship  
SWE Santa Clara Valley – Irmgard Flugge-Lotz Memorial Scholarship

**SOCIETY OF WOMEN ENGINEERS ENDOWMENT FUND, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE F – NET ASSET CLASSIFICATIONS (Continued)**

PERPETUALLY ENDOWED NET ASSETS (Continued)

EFI – Scholarship Account: (Continued)

SWE Santa Clara Valley – Mary G. Ross Memorial Scholarship  
SWE Santa Clara Valley – Mary Nell Rogers Memorial Scholarship  
University of Alabama -Tuscaloosa Collegiate Section Scholarship  
University of Minnesota - Twin Cities Scholarship  
Virginia Counts / Betty Irish SWE for Life Scholarship  
Wanda Munn Scholarship  
Wendy Landwehr Memorial Scholarship  
Willamette Valley Section Scholarship  
Wolfs Family Scholarship  
Woon Family Scholarship

EFI – Awards Account:

Boeing Multi-Cultural Fund  
Motorola Multi-Cultural Fund  
Northrop Grumman Suzanne Jenniches Upward Mobility Fund

EFI – Designated Funds:

Cathy Pieronek Memorial Public Policy Fund  
Pittsburgh STEM Outreach Fund  
SWE MAL Designated Operating Fund  
SWE Tucson Designated Operating Fund  
University of Pittsburgh Student SWE Section

**NOTE G – ENDOWMENT**

*Interpretation of Relevant Law*

The governing body has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Fund classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, the Fund considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Fund and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation

## SOCIETY OF WOMEN ENGINEERS ENDOWMENT FUND, INC.

### NOTES TO FINANCIAL STATEMENTS

#### NOTE G – ENDOWMENT (Continued)

- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Fund
- (7) The investment policies of the Fund

#### *Return Objectives and Risk Parameters*

The Fund 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 Fund 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 Trustees, the endowment assets are invested in a diversified asset portfolio so that on an annualized, net-of-fees and expenses basis, the total return goal of the portfolio will be to equal or exceed the spending rate, administrative fees, plus inflation (CPI) without assuming undue risk. The Fund's investments are allocated between equities, fixed income, alternatives and cash. Each investment category has a target weight, a minimum weight, and a maximum weight. Investments are managed by an external management company and monitored by the Board of Trustees.

#### *Strategies Employed for Achieving Objectives*

To satisfy its long-term rate-of-return objectives, the Fund 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).

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

It is the Fund's current spending policy target to annually distribute four percent (4%) for the stated charitable purposes based on the percentage of total fund balance at close of prior year. In establishing this policy, the Society considered the long-term expected return and preservation of principal on its endowment. Accordingly, over the long-term, the Fund expects on an annualized, net-of-fees and expenses basis, the total return goal of the portfolio will be equal to or exceed the spending rate, administrative fees, plus inflation over a rolling five-year period. This is consistent with the Fund's objective to maintain the purchasing power of the endowment assets held in perpetuity.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Trustees of the Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no underwater endowments at year end.

**SOCIETY OF WOMEN ENGINEERS ENDOWMENT FUND, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE G – ENDOWMENT (Continued)**

Endowment Net Asset Composition by Type of Fund at June 30, 2022 and 2021, are as follows:

	2022		2021	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Boeing Award	\$ -	\$ 25,000	\$ -	\$ 25,000
Motorola Award	-	40,000	-	40,000
Northrop Grumman Award	-	86,400	-	86,400
EFI-Designated Fund	-	165,124	-	171,135
EFI-Award Accounts	-	57,198	-	57,198
EFI-Scholarship Account	-	8,738,060	-	10,160,315
	<u>\$ -</u>	<u>\$ 9,111,782</u>	<u>\$ -</u>	<u>\$ 10,540,048</u>

Changes in Endowment Net Assets for the fiscal year ending June 30, 2022 and 2021:

	Without Donor Restrictions	With Donor Restrictions
Endowment net assets, July 01, 2020	\$ -	\$ 8,100,837
Investment income	-	2,262,434
Contributions	-	504,552
Transfer from without donor restriction	-	2,870
Appropriation of endowment assets for expenditure	-	(330,645)
June 30, 2021	<u>-</u>	<u>10,540,048</u>
Investment loss	-	(1,348,054)
Contributions	-	373,950
Appropriation of endowment assets for expenditure	-	(454,162)
June 30, 2022	<u>\$ -</u>	<u>\$ 9,111,782</u>

**SOCIETY OF WOMEN ENGINEERS ENDOWMENT FUND, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE H – ACCOUNTING CHANGE**

IN-KIND CONTRIBUTIONS

*ASU 2020-07, Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets (Topic 958)* became effective for years beginning on or after July 1, 2021, for not-for-profit entities. The standard requires not-for-profit organizations to present contributed nonfinancial assets as a separate line item in the statement of activities and provide additional disclosures about contributions on nonfinancial assets. Effective for the year ended June 30, 2022, the Fund adopted the provisions in the ASU 2020-07.

**NOTE I – RECENT ACCOUNTING PRONOUNCEMENTS**

LEASES

*ASU 2016-02, Leases (Topic 842)* becomes effective on January 1, 2022, for fiscal year non-public entities, but early adoption is permitted at any time. The standard requires lessees to recognize lease assets and lease liabilities on the balance sheet for those leases classified as operating leases under previous GAAP. Generally, all leases will be captured on the balance sheet for lessees at transition, as there is no grandfathering of existing operating leases. The Fund is currently evaluating the impact this standard will have on the financial statements when adopted.