



| CENTER FOR WORK EDUCATION AND EMPLOYMENT |

**COLORADO WOMEN'S EMPLOYMENT AND EDUCATION, INC.  
DBA CENTER FOR WORK EDUCATION AND EMPLOYMENT, INC.**

**Financial Statements  
and  
Independent Auditors' Report  
June 30, 2011 and 2010**

**EKS&H**

**EHRHARDT • KEEFE  
STEINER • HOTTMAN PC**

CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

**COLORADO WOMEN'S EMPLOYMENT AND EDUCATION, INC.  
DBA CENTER FOR WORK EDUCATION AND EMPLOYMENT, INC.**

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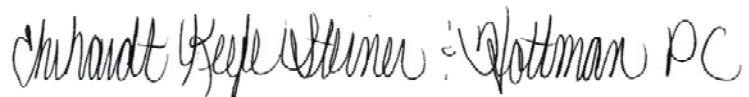
## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of the Colorado Women's Employment and Education, Inc. dba Center for Work Education and Employment, Inc. ("CWEE") as of June 30, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of CWEE's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of CWEE's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Colorado Women's Employment and Education, Inc. dba Center for Work Education and Employment, Inc. as of June 30, 2011 and 2010, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Ehrhardt Keefe Steiner & Hottman PC

October 27, 2011  
Denver, Colorado

**COLORADO WOMEN'S EMPLOYMENT AND EDUCATION, INC.  
DBA CENTER FOR WORK EDUCATION AND EMPLOYMENT, INC.**

**Statements of Financial Position**

	June 30,	
	2011	2010
<b>Assets</b>		
Assets		
Cash and cash equivalents	\$ 673,846	\$ 1,242,059
Accounts receivable	111,788	126,805
Prepaid expenses and other current assets	1,678	3,290
Investments	1,049,065	117,236
Property and equipment, net	704,967	747,259
Beneficial interest in assets held by the Community First Foundation Endowment Funds	234,614	210,125
Total assets	\$ 2,775,958	\$ 2,446,774
<b>Liabilities and Net Assets</b>		
Liabilities		
Accrued liabilities	\$ 41,747	\$ 57,700
Note payable	251,772	259,128
Capital lease obligations	31,224	22,892
Total liabilities	324,743	339,720
Commitments		
Net assets		
Unrestricted		
Undesignated	1,394,829	1,015,393
Net investment in property and equipment	421,970	465,239
Designated for future use	129,100	129,100
Designated for operating reserve	262,000	262,000
Total unrestricted net assets	2,207,899	1,871,732
Temporarily restricted	8,702	25,197
Permanently restricted	234,614	210,125
Total net assets	2,451,215	2,107,054
Total liabilities and net assets	\$ 2,775,958	\$ 2,446,774

See notes to financial statements.

**COLORADO WOMEN'S EMPLOYMENT AND EDUCATION, INC.  
DBA CENTER FOR WORK EDUCATION AND EMPLOYMENT, INC.**

**Statements of Activities**

	For the Years Ended							
	June 30, 2011				June 30, 2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue								
Contributions	\$ 254,564	\$ 10,400	\$ -	\$ 264,964	\$ 259,447	\$ 19,000	\$ -	\$ 278,447
Fees for services								
Government	1,722,363	-	-	1,722,363	1,685,249	-	-	1,685,249
Grants	56,595	-	-	56,595	384,314	-	-	384,314
Special event, net of direct benefits to donors of \$10,614 (2011) and \$11,857 (2010)	21,071	-	-	21,071	5,243	-	-	5,243
Interest income	48,748	-	-	48,748	10,946	-	-	10,946
Change in value of beneficial interest	-	-	35,519	35,519	-	-	(93)	(93)
Other revenue	1,516	-	-	1,516	5,897	-	-	5,897
Net assets released from restrictions satisfaction of program restriction	37,925	(26,895)	(11,030)	-	101,288	(101,288)	-	-
Total support and revenue	<u>2,142,782</u>	<u>(16,495)</u>	<u>24,489</u>	<u>2,150,776</u>	<u>2,452,384</u>	<u>(82,288)</u>	<u>(93)</u>	<u>2,370,003</u>
Expenses								
Program services								
Employment and education	<u>1,549,968</u>	<u>-</u>	<u>-</u>	<u>1,549,968</u>	<u>1,677,543</u>	<u>-</u>	<u>-</u>	<u>1,677,543</u>
Support services								
General and administrative	140,773	-	-	140,773	97,779	-	-	97,779
Fundraising	<u>115,874</u>	<u>-</u>	<u>-</u>	<u>115,874</u>	<u>126,149</u>	<u>-</u>	<u>-</u>	<u>126,149</u>
Total supporting services	<u>256,647</u>	<u>-</u>	<u>-</u>	<u>256,647</u>	<u>223,928</u>	<u>-</u>	<u>-</u>	<u>223,928</u>
Total expenses	<u>1,806,615</u>	<u>-</u>	<u>-</u>	<u>1,806,615</u>	<u>1,901,471</u>	<u>-</u>	<u>-</u>	<u>1,901,471</u>
Change in net assets	336,167	(16,495)	24,489	344,161	550,913	(82,288)	(93)	468,532
Net assets at beginning of year	<u>1,871,732</u>	<u>25,197</u>	<u>210,125</u>	<u>2,107,054</u>	<u>1,320,819</u>	<u>107,485</u>	<u>210,218</u>	<u>1,638,522</u>
Net assets at end of year	<u>\$ 2,207,899</u>	<u>\$ 8,702</u>	<u>\$ 234,614</u>	<u>\$ 2,451,215</u>	<u>\$ 1,871,732</u>	<u>\$ 25,197</u>	<u>\$ 210,125</u>	<u>\$ 2,107,054</u>

See notes to financial statements.

**COLORADO WOMEN'S EMPLOYMENT AND EDUCATION, INC.  
DBA CENTER FOR WORK EDUCATION AND EMPLOYMENT, INC.**

**Statement of Functional Expenses  
For the Year Ended June 30, 2011**

	<u>Program Services</u>	<u>Supporting Services</u>			<u>Total</u>
	<u>Employment and Education</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Employee-related expenses					
Salaries	\$ 940,871	\$ 30,278	\$ 60,556	\$ 90,834	\$ 1,031,705
Payroll taxes and employee benefits	<u>207,497</u>	<u>8,118</u>	<u>13,038</u>	<u>21,156</u>	<u>228,653</u>
Total employee related expenses	<u>1,148,368</u>	<u>38,396</u>	<u>73,594</u>	<u>111,990</u>	<u>1,260,358</u>
Other operating expenses					
Condominium fees	71,752	1,283	1,926	3,209	74,961
CSBG grant	32,690	-	-	-	32,690
Equipment and repair	70,149	1,681	4,457	6,138	76,287
Insurance	4,713	98	147	245	4,958
Postage and delivery	2,120	98	552	650	2,770
Printing	3,457	1,073	1,622	2,695	6,152
Professional services	50,550	84,549	2,621	87,170	137,720
Alumni/participant expense	29,452	-	-	-	29,452
Marketing	-	-	16,830	16,830	16,830
Staff development	7,068	3,789	466	4,255	11,323
Dues and subscriptions	3,201	324	537	861	4,062
Supplies	8,553	122	244	366	8,919
Telephone	10,433	340	1,965	2,305	12,738
Interest	21,622	486	773	1,259	22,881
Travel and meetings	5,955	145	291	436	6,391
Miscellaneous	15,512	6,267	168	6,435	21,947
Event/luncheon	-	-	5,437	5,437	5,437
Depreciation and amortization	<u>64,373</u>	<u>2,122</u>	<u>4,244</u>	<u>6,366</u>	<u>70,739</u>
Total other operating expenses	<u>401,600</u>	<u>102,377</u>	<u>42,280</u>	<u>144,657</u>	<u>546,257</u>
Total functional expenses	<u>\$ 1,549,968</u>	<u>\$ 140,773</u>	<u>\$ 115,874</u>	<u>\$ 256,647</u>	<u>\$ 1,806,615</u>

See notes to financial statements.

**COLORADO WOMEN'S EMPLOYMENT AND EDUCATION, INC.  
DBA CENTER FOR WORK EDUCATION AND EMPLOYMENT, INC.**

**Statement of Functional Expenses  
For the Year Ended June 30, 2010**

	<u>Program Services</u>	<u>Supporting Services</u>			<u>Total</u>
	<u>Employment and Education</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Employee-related expenses					
Salaries	\$ 892,018	\$ 16,423	\$ 16,423	\$ 32,846	\$ 924,864
Payroll taxes and employee benefits	<u>224,448</u>	<u>5,933</u>	<u>4,612</u>	<u>10,545</u>	<u>234,993</u>
Total employee related expenses	<u>1,116,466</u>	<u>22,356</u>	<u>21,035</u>	<u>43,391</u>	<u>1,159,857</u>
Other operating expenses					
Condominium fees	64,918	1,272	1,908	3,180	68,098
CSBG grant	256,920	-	-	-	256,920
Equipment and repair	51,278	1,021	1,021	2,042	53,320
Insurance	4,928	98	147	245	5,173
Postage and delivery	1,957	41	226	267	2,224
Printing	5,475	100	902	1,002	6,477
Professional services	26,529	69,316	50,617	119,933	146,462
Alumni/participant expense	8,709	-	-	-	8,709
Marketing	-	-	41,328	41,328	41,328
Staff development	12,499	255	421	676	13,175
Dues and subscriptions	3,377	90	336	426	3,803
Supplies	9,400	68	68	136	9,536
Telephone	7,588	147	147	294	7,882
Interest	22,239	468	673	1,141	23,380
Travel and meetings	4,479	156	5	161	4,640
Miscellaneous	10,643	930	369	1,299	11,942
Event/luncheon	-	-	5,485	5,485	5,485
Depreciation and amortization	<u>70,138</u>	<u>1,461</u>	<u>1,461</u>	<u>2,922</u>	<u>73,060</u>
Total other operating expenses	<u>561,077</u>	<u>75,423</u>	<u>105,114</u>	<u>180,537</u>	<u>741,614</u>
Total functional expenses	<u>\$ 1,677,543</u>	<u>\$ 97,779</u>	<u>\$ 126,149</u>	<u>\$ 223,928</u>	<u>\$ 1,901,471</u>

See notes to financial statements.

**COLORADO WOMEN'S EMPLOYMENT AND EDUCATION, INC.  
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**Statements of Cash Flows**

	For the Years Ended June 30,	
	2011	2010
Cash flows from operating activities		
Change in net assets	\$ 344,161	\$ 468,532
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization expense	70,739	73,060
Change in value of beneficial interest	(24,489)	93
Realized/unrealized loss on investments	5,615	-
Change in certain assets and liabilities		
Accounts receivable	15,017	(19,620)
Prepaid expenses and other current assets	1,612	(1,597)
Unconditional promises to give	-	105,000
Accrued liabilities	(15,953)	(375)
Deferred revenue	-	(126,900)
Net cash provided by operating activities	396,702	498,193
Cash flows from investing activities		
Acquisitions of furniture and equipment	(12,552)	(12,995)
Net (purchases) sales of investments	(937,444)	71,761
Net cash (used in) provided by investing activities	(949,996)	58,766
Cash flows from financing activities		
Payments on note payable	(7,356)	(6,805)
Payments on capital lease obligations	(7,563)	(5,939)
Net cash (used in) financing activities	(14,919)	(12,744)
Net (decrease) increase in cash and cash equivalents	(568,213)	544,215
Cash and cash equivalents at beginning of year	1,242,059	697,844
Cash and cash equivalents at end of year	\$ 673,846	\$ 1,242,059

Supplemental disclosure of cash flow information:

Cash paid for interest was \$22,881 and \$23,380 for the years ended June 30, 2011 and 2010, respectively.

Supplemental disclosure of non-cash activity:

During the year ended June 30, 2011, CWEE obtained equipment of \$15,895 through a capital lease.

See notes to financial statements.

**COLORADO WOMEN'S EMPLOYMENT AND EDUCATION, INC.  
DBA CENTER FOR WORK EDUCATION AND EMPLOYMENT, INC.**

**Notes to Financial Statements**

**Note 1 - Organization and Summary of Significant Accounting Policies**

Organization

The Center for Work Education and Employment, Inc. ("CWEE") is leading Colorado in overcoming the constraints and disparities of poverty, cultivating self-supporting families, and optimizing collaborative partnerships. CWEE fosters personal and professional transformation for low-income, single-parent families through confidence building, customized skills training, and career advancement.

Basis of Presentation

CWEE reports 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.

Unrestricted amounts are those currently available at the discretion of the Board of Directors for use in CWEE's operations and those resources invested in property and equipment. The Board of Directors has designated \$391,100 of unrestricted monies for operating reserves and future operations.

Temporarily restricted amounts are monies restricted by donors specifically for certain time periods, purposes, or programs.

Permanently restricted amounts are assets that must be maintained permanently by CWEE as required by the donor; however, CWEE is permitted to use or expend part or all of any income derived from those assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

CWEE considers all highly liquid instruments purchased with an original maturity of three months or less to be cash and cash equivalents, unless held as part of the investment portfolio. CWEE continually monitors its positions with, and the credit quality of, the financial institutions with which it invests. As of the balance sheet date, and periodically throughout the year, CWEE has maintained balances in various operating accounts in excess of federally insured limits.

**COLORADO WOMEN'S EMPLOYMENT AND EDUCATION, INC.  
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**Notes to Financial Statements**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

Accounts Receivable

Accounts receivable represents amounts due from county governments. CWEE 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, 2011 or 2010.

As of June 30, 2011, 100% of accounts receivable and 80% of total revenues were from three county governments. As of June 30, 2010, 100% of accounts receivable and 71% of total revenues were from three county governments.

Investments

CWEE is required to report investments in equity and debt securities with readily determinable fair values at their fair values with unrealized gains and losses included in the statement of activities.

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.

Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, CWEE reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. CWEE reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Long-Lived Assets

CWEE reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recovered. CWEE looks primarily to the undiscounted future cash flows in its assessment of whether or not long-lived assets have been impaired. No impairment was recorded at June 30, 2011 and 2010.

**COLORADO WOMEN'S EMPLOYMENT AND EDUCATION, INC.  
DBA CENTER FOR WORK EDUCATION AND EMPLOYMENT, INC.**

**Notes to Financial Statements**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

Contributions

Contributions are reported as increases in unrestricted, temporarily, or permanently restricted support, depending on the existence or nature of any donor restrictions. When a restriction expires (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 in the statement of activities as net assets released from restrictions.

Recognition of Services Revenue

Revenue from services are recognized by CWEE upon the completion of the service. Prepayments for services are deferred and recognized when the related services are provided.

Functional Allocation of Expenses

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

Income Taxes

CWEE is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). CWEE is not a private foundation within the meaning of Section 509(a) of the Code. As such, donors are entitled to a charitable deduction for their contribution to CWEE.

CWEE applies a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. After evaluating the tax positions taken, none are considered to be uncertain; therefore, no amounts have been recognized as of June 30, 2011 and 2010. If incurred, interest and penalties associated with tax positions would be recorded in the period assessed as general and administrative expense. No interest or penalties have been assessed as of June 30, 2011 and 2010. Tax years that remain subject to examination include 2008 through the current year.

Subsequent Events

CWEE has evaluated all subsequent events through October 27, 2011, which is the date the financial statements were available to be issued.

**COLORADO WOMEN'S EMPLOYMENT AND EDUCATION, INC.  
DBA CENTER FOR WORK EDUCATION AND EMPLOYMENT, INC.**

**Notes to Financial Statements**

**Note 2 - Investments**

Fair Value

CWEE has adopted a framework for measuring fair value under U.S. GAAP which requires enhanced disclosures about fair value measurements. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. U.S. GAAP also requires disclosure about how fair value is determined for assets and liabilities and establishes a hierarchy for which these assets and liabilities must be grouped, based on significant levels of inputs as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Quoted prices in active markets for similar assets and liabilities and inputs that are observable for the asset or liability; or
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The determination of where assets and liabilities fall within this hierarchy is based upon the lowest level of input that is significant to the fair value measure. These classifications (Levels 1, 2, and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication or risk of liquidity.

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

*Money market funds and mutual funds:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Beneficial interest in assets held by a foundation:* This category represents funds held by the 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 include Levels 1, 2, and 3; however, CWEE'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.  
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**Notes to Financial Statements**

**Note 2 - Investments (continued)**

Fair Value (continued)

The following tables set forth by level, within the fair value hierarchy, CWEE's investment assets measured on a recurring basis at fair value.

As of June 30, 2011:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 312,127	\$ -	\$ -	\$ 312,127
Mutual funds				
Bond	320,446	-	-	320,446
International equity	119,175	-	-	119,175
International bond	82,484	-	-	82,484
Domestic equity	159,345	-	-	159,345
Commodity	<u>55,488</u>	<u>-</u>	<u>-</u>	<u>55,488</u>
Total mutual funds	736,938	-	-	736,938
Beneficial interest in assets held by a foundation	<u>-</u>	<u>-</u>	<u>234,614</u>	<u>234,614</u>
Total assets at fair value	<u>\$ 1,049,065</u>	<u>\$ -</u>	<u>\$ 234,614</u>	<u>\$ 1,283,679</u>

As of June 30, 2010:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ -	\$ 117,236	\$ -	\$ 117,236
Beneficial interest in assets held by a foundation	<u>-</u>	<u>-</u>	<u>210,125</u>	<u>210,125</u>
Total assets at fair value	<u>\$ -</u>	<u>\$ 117,236</u>	<u>\$ 210,125</u>	<u>\$ 327,361</u>

**COLORADO WOMEN'S EMPLOYMENT AND EDUCATION, INC.  
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**Notes to Financial Statements**

**Note 2 - Investments (continued)**

Level 3 Changes

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the period ended June 30, 2011:

	<u>June 30,</u>	
	<u>2011</u>	<u>2010</u>
Beginning balance	\$ 210,125	\$ 210,218
Investment income (loss)	35,519	(93)
Distributions	<u>(11,030)</u>	<u>-</u>
Ending balance	<u>\$ 234,614</u>	<u>\$ 210,125</u>

**Note 3 - Beneficial Interest in Assets Held by Community First Foundation Endowment Fund**

In 2004, CWEE 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 July 29, 2005. The challenge grant provided for a dollar-for-dollar match during the challenge period. CWEE 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 CWEE. In accordance with U.S. GAAP, the transfers were not considered to be a contribution from CWEE to the Fund, but rather were accounted for as reciprocal transfers between CWEE and the Fund. Therefore, the transfers are reflected collectively in the statements of financial position as a beneficial interest in assets held by CFF.

The Fund is held and invested by CFF for the benefit of CWEE. However, CWEE will never receive the assets held by the Fund. Investment earnings are reinvested in the Fund. As of June 30, 2011 and 2010, the fair value of the assets of the Fund was \$234,614 and \$210,125, respectively. Distributions from the Fund are available to CWEE for its unrestricted use. During the years ended June 30, 2011 and 2010, CWEE received distributions of \$11,030 and \$0, respectively, from the Fund.

**COLORADO WOMEN'S EMPLOYMENT AND EDUCATION, INC.  
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**Notes to Financial Statements**

**Note 4 - Property and Equipment**

CWEE's property and equipment are comprised of the following:

	June 30,	
	2011	2010
Building	\$ 779,010	\$ 779,010
Building improvements	202,665	202,665
Equipment	97,580	69,979
Software	-	30,139
Furniture and fixtures	10,538	11,412
	1,089,793	1,093,205
Less accumulated depreciation	(384,826)	(345,946)
	\$ 704,967	\$ 747,259

As of June 30, 2011 and 2010, equipment under capital leases is included in property and equipment and amounted to \$50,895 and \$35,000, with \$23,181 and \$15,000, respectively, of related accumulated amortization.

**Note 5 - Capital Lease Obligations**

Capital lease obligations consist of the following:

	June 30,	
	2011	2010
Capital lease with a finance company, interest at 10.74%, monthly payments of \$730, and matures July 2013.	\$ 16,280	\$ 22,892
Capital lease with a finance company, interest at 11.21%, monthly payments of \$335, and matures April 2016.	14,944	-
	\$ 31,224	\$ 22,892

**COLORADO WOMEN'S EMPLOYMENT AND EDUCATION, INC.  
DBA CENTER FOR WORK EDUCATION AND EMPLOYMENT, INC.**

**Notes to Financial Statements**

**Note 5 - Capital Lease Obligations (continued)**

Future annual maturities of the capital lease obligation outstanding are as follows:

**For the Year Ending June 30,**

2012	\$	12,780
2013		12,780
2014		4,749
2015		4,020
2016		<u>3,350</u>
Total minimum lease payments		37,679
Less amount representing interest		<u>(6,455)</u>
Present value of net minimum lease payments	\$	<u>31,224</u>

**Note 6 - Note Payable Obligation**

During the year ended December 31, 2002, CWEE entered into a note payable agreement for the purchase of the third floor of the Osage building. The note is due in monthly installments of principal and interest of \$2,280 through September 2012, with a balloon payment of approximately \$238,000, interest rate of 7.71%, and is collateralized by the third floor of the Osage building. Principal outstanding as of June 30, 2011 was \$251,772.

Future annual maturities of the long-term note payable obligation are as follows:

**For the Year Ending June 30,**

2012	\$	8,586
2013		<u>243,186</u>
	\$	<u>251,772</u>

**Note 7 - Employee Benefit Plan**

CWEE 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 Internal Revenue Service limitations. The employer will match 50% of the participant's deferral contribution not to exceed 3% of the participant's compensation for each payroll period. Contribution expense for this Plan was \$9,622 and \$23,380 for the years ended June 30, 2011 and 2010, respectively.

**COLORADO WOMEN'S EMPLOYMENT AND EDUCATION, INC.  
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**Notes to Financial Statements**

**Note 8 - Net Assets**

Temporarily restricted net assets consist of the following:

	<u>June 30,</u>	
	<u>2011</u>	<u>2010</u>
Domestic violence	\$ 3,400	\$ -
Teen mothers	2,818	-
Boutique	2,000	895
Inclusiveness project	484	10,000
Summer intern	-	3,550
Data management project	-	10,752
	<u>\$ 8,702</u>	<u>\$ 25,197</u>

**Permanently Restricted Net Assets**

The permanently restricted net assets represent donations which have been restricted by the donors to be used for various endowments.

**Note 9 - Investment in Endowments**

CWEE's endowment consists of the beneficial interest in assets held by CFF (Note 3). As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

In 2006, the Uniform Law Commission approved the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") which governs the investment and management of donor-restricted endowment funds by not-for-profit organizations. In 2008, the state of Colorado enacted UPMIFA, and the Financial Accounting Standards Board issued guidance on the net asset classification of donor-restricted endowment funds that is subject to UPMIFA, as well as additional disclosure requirements for both donor-restricted and Board-designated endowments.

Under U.S. GAAP, the portion of an endowment that is perpetual in nature shall be classified as permanently restricted net assets. The remaining portion of accumulations to donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as dictated by the donor, or in absence of donor stipulation, as temporarily restricted net assets until those amounts are appropriated for expenditure by CWEE in a manner consistent with the standard of prudence prescribed by UPMIFA.

**COLORADO WOMEN'S EMPLOYMENT AND EDUCATION, INC.  
DBA CENTER FOR WORK EDUCATION AND EMPLOYMENT, INC.**

**Notes to Financial Statements**

**Note 9 - Investment in Endowments (continued)**

CFF endowment assets are kept at CFF and included in the CFF investment pool. Through December 31, 2009, CFF provided a guaranteed investment return of 5%. As of January 1, 2010, CWEE's assets were placed in the *Strategic Asset Allocation w/o Alternatives* model by CFF. The following is the asset allocation:

Core Fixed Income	30%
International Equity	15%
Small-/Mid-Cap Equity	11%
Large-Cap Equity	30%
Cash Equivalents	3%
Floating Rate Corporate Loans	7%
High Yield	4%

Expenditures from the CFF Endowment Fund are dictated by the agreement mentioned in Note 3.

**Invested Endowment Asset Composition by Type of Fund as of June 30, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ -	\$ 234,614	\$ 234,614
Total funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,614</u>	<u>\$ 234,614</u>

**Changes in Invested Endowment Assets for the Fiscal Year Ended June 30, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment assets, beginning of year	\$ -	\$ -	\$ 210,125	\$ 210,125
Investment return				
Investment income	-	-	35,519	35,519
Total investment return	-	-	35,519	35,519
Contributions				
Appropriation of endowment assets for expenditure	-	-	(11,030)	(11,030)
Endowment assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,614</u>	<u>\$ 234,614</u>

**COLORADO WOMEN'S EMPLOYMENT AND EDUCATION, INC.  
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**Notes to Financial Statements**

**Note 9 - Investment in Endowments (continued)**

Invested Endowment Assets Composition by Type of Fund as of June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ -	\$ 210,125	\$ 210,125
Total funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,125</u>	<u>\$ 210,125</u>

Changes in Invested Endowment Assets for the Fiscal Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment assets, beginning of year	\$ -	\$ -	\$ 210,218	\$ 210,218
Investment return				
Investment (loss)	-	-	(93)	(93)
Total investment return	-	-	(93)	(93)
Contributions				
Appropriation of endowment assets for expenditure	-	-	-	-
Endowment assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,125</u>	<u>\$ 210,125</u>