

**WOMEN'S CITY CLUB OF NEW YORK, INC.
d/b/a WOMEN CREATING CHANGE**

Audited Financial Statements

December 31, 2018

Independent Auditor's Report

To the Board of Directors of
Women's City Club of New York, Inc.
d/b/a Women Creating Change

Report on the Financial Statements

We have audited the accompanying financial statements of Women's City Club of New York, Inc. d/b/a Women Creating Change ("WCC"), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 organization'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 organization'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.

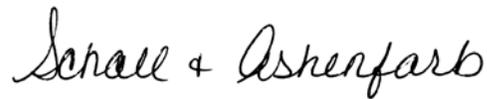
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WCC as of December 31, 2018, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, WCC adopted Accounting Standards Update (“ASU”) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Additionally, as discussed in Note 10 to the financial statements, a prior period adjustment was made to reduce the beginning balance of net assets with donor restrictions and increase net assets without donor restriction. Our opinion is not modified with respect to these matters.



Schall & Ashenfarb
Certified Public Accountants, LLC

October 23, 2019

WOMEN'S CITY CLUB OF NEW YORK, INC.
d/b/a WOMEN CREATING CHANGE
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2018

Assets

Cash and cash equivalents	\$297,973
Investments (Note 3)	9,450,567
Security deposit and other assets	23,635
Fixed assets, net (Note 4)	5,409
	<hr/>
Total assets	<u><u>\$9,777,584</u></u>

Liabilities and Net Assets

Liabilities:

Accounts payable and accrued expenses	\$41,753
Deferred membership dues	6,619
Deferred rent	29,651
	<hr/>
Total liabilities	<u><u>78,023</u></u>

Net assets:

Without donor restrictions:

Undesignated	764,263
Board designated - 21st century fund (Note 2b)	247,065
Board designated - Barbara Reach memorial fund (Note 2b)	34,093
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Total net assets without donor restrictions	<u><u>1,045,421</u></u>

With donor restrictions:

For future programs and time periods (Note 5)	8,621,694
Donor restricted endowment (Notes 5 and 6)	32,446
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Total net assets with donor restrictions	<u><u>8,654,140</u></u>

Total net assets	<u><u>9,699,561</u></u>
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Total liabilities and net assets	<u><u>\$9,777,584</u></u>
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The attached notes and auditor's report are an integral part of these financial statements.

WOMEN'S CITY CLUB OF NEW YORK, INC.
d/b/a WOMEN CREATING CHANGE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue:			
Contributions	\$55,652	\$45,000	\$100,652
Membership dues	22,116		22,116
In-kind contributions (Note 2k)	21,000		21,000
Program revenue	1,275		1,275
Net assets released from restriction	598,424	(598,424)	0
Total public support and revenue	<u>698,467</u>	<u>(553,424)</u>	<u>145,043</u>
Expenses:			
Program services	<u>636,185</u>		<u>636,185</u>
Supporting services:			
Management and general	159,874		159,874
Fundraising	35,565		35,565
Membership	20,762		20,762
Total supporting services	<u>216,201</u>	<u>0</u>	<u>216,201</u>
Total expenses	<u>852,386</u>	<u>0</u>	<u>852,386</u>
Change in net assets from operations	(153,919)	(553,424)	(707,343)
Non-operating activity:			
Investment losses, net of fees (Note 3)	<u>(566,839)</u>		<u>(566,839)</u>
Change in net assets	<u>(720,758)</u>	<u>(553,424)</u>	<u>(1,274,182)</u>
Net assets - beginning of year, as originally stated	176,765	10,796,978	10,973,743
Prior period adjustment (Note 10)	<u>1,589,414</u>	<u>(1,589,414)</u>	<u>0</u>
Net assets - beginning of year, as restated	<u>1,766,179</u>	<u>9,207,564</u>	<u>10,973,743</u>
Net assets - end of year	<u>\$1,045,421</u>	<u>\$8,654,140</u>	<u>\$9,699,561</u>

The attached notes and auditor's report are an integral part of these financial statements.

WOMEN'S CITY CLUB OF NEW YORK, INC.
d/b/a WOMEN CREATING CHANGE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Supporting Services				Total Supporting Services	Total Expenses
	Program Services	Management and General	Fundraising	Membership		
Salaries	\$287,111	\$56,079	\$19,848	\$11,406	\$87,333	\$374,444
Payroll taxes and benefits	52,767	8,334	4,215	2,407	14,956	67,723
Total salaries and related costs	339,878	64,413	24,063	13,813	102,289	442,167
Professional fees (including in-kind of \$21,000)(Note 2k)	54,415	64,930	612	349	65,891	120,306
Studies and outreach	64,857		980	280	1,260	66,117
Citywide Resource Guide	8,543				0	8,543
Organizational events and meetings	7,220	1,582			1,582	8,802
Occupancy	101,549	19,835	7,020	4,034	30,889	132,438
Office expenses	12,761	3,167	824	473	4,464	17,225
Programs and other events	8,338				0	8,338
Insurance	2,754	538	190	110	838	3,592
IT and communications	32,330	3,703	1,311	753	5,767	38,097
Other expenses	582	1,128	361	832	2,321	2,903
Depreciation	2,958	578	204	118	900	3,858
Total expenses	<u>\$636,185</u>	<u>\$159,874</u>	<u>\$35,565</u>	<u>\$20,762</u>	<u>\$216,201</u>	<u>\$852,386</u>

The attached notes and auditor's report are an integral part of these financial statements.

WOMEN'S CITY CLUB OF NEW YORK, INC.
d/b/a WOMEN CREATING CHANGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

Cash flows from operating activities:	
Change in net assets	(\$1,274,182)
Adjustments to reconcile change in net assets to net cash (used for)/provided by operating activities:	
Depreciation	3,858
Net unrealized and realized loss on investments	829,781
Changes in assets and liabilities:	
Security deposit and other assets	(7,141)
Accounts payable and accrued expenses	11,989
Deferred membership dues	(4,671)
Deferred rent	29,651
Total adjustments	<u>863,467</u>
Net cash used for operating activities	<u>(410,715)</u>
Cash flows from investing activities:	
Purchases of investments (including reinvested income)	(1,813,253)
Proceeds from sales of investments	<u>2,150,412</u>
Net cash provided by investing activities	<u>337,159</u>
Net decrease in cash and cash equivalents	(73,556)
Cash and cash equivalents - beginning of year	<u>371,529</u>
Cash and cash equivalents - end of year	<u><u>\$297,973</u></u>
Supplemental disclosure:	
Taxes and interest paid	<u><u>\$0</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

WOMEN'S CITY CLUB OF NEW YORK, INC.
d/b/a WOMEN CREATING CHANGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 1 - Organization

Women's City Club of New York, Inc. d/b/a Women Creating Change ("WCC") is a 104 year old non-profit, non-partisan organization founded to ensure that women were given the right to vote. As the needs of New Yorkers changed, WCC evolved its programmatic work to include policy and advocacy work that improves the lives of all New Yorkers through education, issue analysis, advocacy, and civic participation. WCC's member-led tasks forces conducted research, published reports, fostered dialogue with public officials, presented public forums, and launched or participated in advocacy campaigns leading to positive social change in the following issue areas: Criminal Justice, Environmental Justice, Good Government, Health, Housing and Homelessness, Income Inequality, and Public Education. In 2018, WCC revised its mission again and is an inclusive community that partners with organizations and underserved women to develop and strengthen the skills and resources needed to effectively advocate for New York's diverse community. Committed to the vision that all women have the power to be changemakers to create a more equitable New York City, WCC is developing programs, in partnership with community-based organizations that offer women the resources, tools, and educational support to be more actively engaged in local civic life.

WCC is a not-for-profit organization and has been notified by the Internal Revenue Service that it is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation as defined in Section 509(a).

Note 2 - Significant Accounting Policies

a. Basis of Accounting

The financial statements of WCC have been prepared on the accrual basis of accounting which is the process of recording revenue and expenses when earned or incurred rather than received or paid.

Effective January 1, 2018, WCC adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 – Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). This standard addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 9).

b. Basis of Presentation

WCC reports information regarding their financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represent those resources for which there are no restrictions by donors as to their use. Board designated funds at December 31, 2018, consist of the following:

21 st Century Fund (a)	\$247,065
Barbara Reach Memorial Fund (b)	<u>34,093</u>
Total	<u>\$281,158</u>

(a) 21st Century Fund

The accumulated earning on the 21st Century Fund can be used to support WCC’s general activities. The Board of Directors intends that this fund be held indefinitely such that the principal of the funds will not be used except under extraordinary circumstances. Invading the principal requires a three-fourths majority vote of the Board.

(b) Barbara Reach Memorial Fund

The accumulated earnings on the Barbara Reach Memorial Fund is used to create the Barbara Reach Internship in Public Policy Research and Advocacy for graduate students. This internship provides the students an opportunity to work with WCC on studies or projects in areas about which Ms. Reach cared deeply: women’s issues, housing, land use planning and government operations.

As the funds are internally designated, they are reflected on the financial statement as net assets without donor restrictions.

- *Net Assets With Donor Restrictions* – represent those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

c. Revenue Recognition

Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions.

Annual dues for new and current members are recognized in the period to which they apply. Deferred membership dues are attributable to lifetime members and are recognized as revenue over a twenty-year period.

d. Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to WCC's ongoing services. Non-operating activities are limited to other activities, including unrelated and related gains on investments that have not been appropriated by the board to pay for ongoing expenses and other activities not central to the core mission.

e. Cash and Cash Equivalents

WCC considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents except for cash held by the investment manager for long term purposes.

f. Concentration of Credit Risk

Financial instruments that potentially subject WCC to concentration of credit risk consist of cash, money market accounts, and investment securities which are placed with financial institutions that management deems to be creditworthy. At year end and at various times throughout the year, balances were in excess of insured amounts. WCC did not suffer any losses due to bank failure.

The market value of investments is subject to fluctuation; however, management believes the investment policy is prudent for the long-term welfare of WCC.

g. Investments

WCC's investments consist of contributors and accumulated surpluses from previous years. The majority of investments were derived from a donor restricted bequest that is reported in Note 5 as the Untermyer Fund for Women and Girls. WCC uses these funds for pursuing innovative or continuing programs for women and girls and has decided to hold unspent funds in investments. The donor did not stipulate that investment earnings on unspent funds be restricted.

Investments are recorded at fair value. Unrealized and realized gains and losses are included in non-operating activity on the statement of activities.

h. Fair Value Measurement

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that WCC has the ability to access.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are not observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

i. Property and Equipment

Fixed assets, consisting of furniture and office equipment, are capitalized in the year acquired and are carried at cost, if purchased, or fair value, if donated. Depreciation is computed over the estimated useful lives of the assets (5-7 years) using the straight-line method. Maintenance and repairs, which neither materially add to the value of the asset nor appreciably prolong its life, are charged to expense as incurred.

j. Deferred Rent

Rent expense is recognized evenly over the life of the lease using the straight-line basis. Rent expense recognized in excess of cash payments is recorded as a deferred rent liability. In future years, when payments exceed the amount of rent recognized as expense, the deferred rent liability will be reduced until it is zero at the end of the lease.

k. Contributed Services

Donated services are recognized in circumstances when they create or enhance non-financial assets or where those services require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind. During the year ended December 31, 2018, WCC received in-kind professional services of \$21,000, which has been charged directly to management and general expenses.

Board members and other individuals volunteer considerable time and perform a variety of tasks that assist WCC. These services have not been recorded in the financial statements because they do not meet the criteria for recognition as outlined above.

l. Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

m. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of WCC.

The following expenses were allocated using time and effort as the basis:

- Salaries

The following expenses were allocated using salary allocation as the basis:

- Payroll taxes and benefits
- Occupancy
- Office expense
- Insurance
- IT and communication
- Insurance
- Depreciation

All other expenses have been charged directly to the applicable program or supporting services.

n. Accounting for Uncertainty of Income Taxes

WCC does not believe its financial statements include any material, uncertain tax positions. Tax filings for the periods ending December 31, 2015 and later are subject to examination by applicable taxing authorities.

o. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through October 23, 2019, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements.

p. New Accounting Pronouncement

The Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU, which becomes effective for the December 31, 2019 year, provides guidance on whether a receipt from a third-party resource provider should be accounted for as a contribution (nonreciprocal transaction) within the scope of Topic 958, Not-for-Profit Entities, or as an exchange (reciprocal) transaction.

FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. The ASU, which becomes effective for the December 31, 2019 year, focuses on a principle-based model. It highlights the identification of performance obligations of the contract, determining the price and allocating that price to the performance obligation so that revenue is recognized as each performance obligation is satisfied. This ASU does not apply to contributions.

FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the December 31, 2020 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

WCC is in the process of evaluating the impact these standards will have on future financial statements.

Note 3 - Investments

All investments were measured using Level 1 inputs, which are the quoted prices in active markets for identical assets. The following summarizes the composition of investments at December 31, 2018:

Cash and cash equivalents	\$126,961
Common stock	3,525,003
Exchange-traded funds	788,316
Fixed Income:	
Government	1,062,713
Corporate	1,240,404
Asset-backed securities	77,080
Mutual funds:	
Equities	1,541,085
Fixed Income	356,231
Balanced	<u>732,774</u>
Total	<u>\$9,450,567</u>

Level 1 securities are valued at the closing price reported on the active market that they are traded on. Those methods produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

The following summarizes the investment return at December 31, 2018:

Unrealized loss on investments	(\$1,077,845)
Realized gain on sales of investments	248,064
Interest and dividends	348,514
Investment fees	<u>(85,572)</u>
Total investment return	<u>(\$566,839)</u>

Note 4 - Fixed Assets

Fixed assets at December 31, 2018 consist of the following:

Furniture and equipment	\$39,661
Less: accumulated depreciation	<u>(34,252)</u>
Net: furniture and equipment	<u>\$5,409</u>

Note 5 - Net Assets With Donor Restrictions

The following summarizes the nature of net assets with donor restrictions at December 31, 2018:

Net assets restricted for future programs and periods:

Untermeyer Fund for Women and Girls	\$8,582,473
Civic Engagement Projects	12,841
Citywide Guide to Services and Resources	17,615
Other programs	<u>8,765</u>
Total net assets restricted for future programs and periods	8,621,694
Friedlaender Endowment	<u>32,446</u>
Total net assets with donor restrictions	<u>\$8,654,140</u>

The following summarizes net assets released from restrictions during the year ended December 31, 2018:

Untermeyer Fund for Women and Girls	\$548,950
Citywide Guide to Services and Resources	43,943
Other programs	<u>5,531</u>
Total released from restriction	<u>\$598,424</u>

Note 6 - Endowment

WCC's endowment includes a contribution that was restricted by a donor and the two board designated funds described in Note 2b.

The donor-restricted fund consists of a donation that WCC is holding in perpetuity with the intention to use the interest earned to support its general operations. This fund is maintained in a savings account.

The Board intends to use the accumulated earnings for each of the board designated fund's stated purpose and hold the principal of these funds indefinitely except under extraordinary circumstances. These funds are maintained in separate investment accounts.

Interpretation of Relevant Law

WCC follows New York Prudent Management of Institutional Funds Act ("NYPMIFA"), which WCC has interpreted as requiring certain amounts to be retained in perpetuity. Absent explicit donor stipulations to the contrary, WCC will preserve the fair value of the original gift as of the gift date of all donor-restricted endowment funds. However, under certain circumstances, WCC has the right to appropriate for expenditure the fair value of the original gift in a manner consistent with the standard of prudence specifically prescribed by NYPMIFA.

As a result of this interpretation, WCC classifies as endowment corpus (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

When endowment funds have earnings in excess of amounts that need to be retained as part of the corpus, their earnings are restricted until the board appropriates for expenditure, therefore, they are reflected in the class of net assets with donor restrictions.

Spending Policies

WCC 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 WCC and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of WCC
- (7) The investment policies of WCC
- (8) Where appropriate and circumstances would otherwise warrant alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on WCC

There is no formal spending policy, and interest, dividends and other market value gains are being accumulated for future appropriation, if deemed prudent and necessary.

Changes in endowment net assets were as follows:

	December 31, 2018		
	Board Designated Funds	Donor Restricted Endowment	Total
Endowment net assets, beginning of year	\$299,250	\$32,446	\$331,696
Interest and dividend income	11,524	0	11,524
Net loss on investments	<u>(29,616)</u>	<u>0</u>	<u>(29,616)</u>
Endowment net assets, end of year	<u>\$281,158</u>	<u>\$32,446</u>	<u>\$313,604</u>

Endowment Investment Policies

The investment policy for endowment assets is consistent with the investment policy of investments without donor restrictions. A total return strategy is used and investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A diversified asset allocation strategy is used that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Funds with Deficiencies

From time to time, the fair market value of assets associated with the individual donor-restricted endowment funds may fall below the level that the donor and applicable law requires the Foundation to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2018.

Note 7 - Commitment

WCC occupies office space under a lease agreement that expires on December 31, 2023. Future minimum lease payments are as follows:

Year ending:	December 31, 2019	\$74,248
	December 31, 2020	83,701
	December 31, 2021	86,631
	December 31, 2022	89,663
	December 31, 2023	<u>92,801</u>
Total		<u>\$427,044</u>

Total rent expense for the year ended December 31, 2018 was \$79,000, which is included in occupancy in the accompanying statement of functional expenses.

Note 8 - Retirement Plan

WCC has an employment management agreement with a Professional Employer Organization that provides a comprehensive personnel management system encompassing a broad range of services, including benefits and payroll administration, health and worker's compensation insurance programs, personnel records management, and employer liability management. As part of this agreement, employees are offered the option of participating in a 403(b) retirement plan whereby the employee can contribute pre-tax dollars up to statutory limits. WCC does not provide matching contributions.

Note 9 - Liquidity and Availability of Financial Resources

WCC maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. In addition, WCC maintains investment accounts as a reserve to cover future operating expenses. As part of its liquidity management, WCC operates its programs within a board approved budget and relies on contributions, earned income, and investment return to fund its operations and program activities.

The following reflects WCC's financial assets at December 31, 2018, reduced by amounts that have donor-imposed and board-imposed restrictions within one year of the statement of financial position date:

Financial assets at year-end:	
Cash and cash equivalents	\$297,973
Investments	<u>9,450,567</u>
Total financial assets	\$9,748,540
Amounts not available for general expenditures:	
Donor restricted for specific purposes	(8,621,694)
Donor restricted endowment	(32,446)
21 st century fund	(247,065)
Barbara Reach memorial fund	<u>(34,093)</u>
Total amounts not available for general expenditures	<u>(8,935,298)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$813,242</u>

Note 10 - Prior Period Adjustment

A prior period adjustment was made to restate the opening net asset balances by reclassifying \$1,589,414 from donor restricted net assets to net assets without donor restrictions. The donor did not stipulate that these earnings be restricted, so they were moved to net assets without donor restrictions as of the beginning of the year.

Reclassification of net assets can be summarized as follows:

	As Reported <u>12/31/17</u>	Adjustment	As Reclassified <u>on 1/1/18</u>
Unrestricted/without donor restrictions	(\$122,486)	\$1,589,414	\$1,466,928
Temporarily and permanently restricted/with donor restrictions	\$10,796,978	(\$1,589,414)	\$9,207,564