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

Audited Financial Statements

December 31, 2021

INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2021, 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 accompanying financial statements present fairly, in all material respects, the financial position of WCC as of December 31, 2021, and the changes in 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 (GAAS). 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 WCC 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 the 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 WCC'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 are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these financial statements.

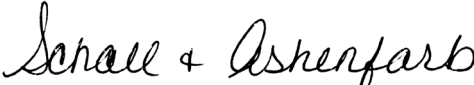
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 WCC'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 WCC'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 WCC's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 27, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.


Schall & Ashenfarb
Certified Public Accountants, LLC

June 2, 2022

WOMEN'S CITY CLUB OF NEW YORK, INC.
d/b/a WOMEN CREATING CHANGE
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2021

(With comparative totals at December 31, 2020)

	<u>12/31/21</u>	<u>12/31/20</u>
Assets		
Cash and cash equivalents	\$68,356	\$201,767
Contributions receivable	1,000	13,500
Investments (Note 3)	13,085,175	11,745,581
Security deposit and other assets	21,811	20,335
Fixed assets, net (Note 4)	<u>16,451</u>	<u>18,941</u>
 Total assets	 <u><u>\$13,192,793</u></u>	 <u><u>\$12,000,124</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$46,149	\$39,421
Paycheck Protection Program loan (Note 5)	0	63,300
Deferred rent	<u>9,026</u>	<u>13,099</u>
Total liabilities	<u><u>55,175</u></u>	<u><u>115,820</u></u>
Net assets:		
Without donor restrictions:		
Undesignated	(22,045)	79,235
Board designated (Note 2b):		
Untermeyer Fund for Women and Girls	12,646,602	11,349,773
21st Century Fund	340,776	305,955
Barbara Reach Memorial Fund	<u>37,077</u>	<u>36,378</u>
Total board designated	<u><u>13,024,455</u></u>	<u><u>11,692,106</u></u>
Total net assets without donor restrictions	<u><u>13,002,410</u></u>	<u><u>11,771,341</u></u>
With donor restrictions:		
For future programs and time periods (Note 6)	81,512	66,559
Donor restricted endowment (Notes 6 and 7)	<u>53,696</u>	<u>46,404</u>
Total net assets with donor restrictions	<u><u>135,208</u></u>	<u><u>112,963</u></u>
Total net assets	<u><u>13,137,618</u></u>	<u><u>11,884,304</u></u>
 Total liabilities and net assets	 <u><u>\$13,192,793</u></u>	 <u><u>\$12,000,124</u></u>

The attached notes and auditors' 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, 2021
(With comparative totals for the year ended December 31, 2020)

	With Donor Restrictions			Total 12/31/21	Total 12/31/20
	Without Donor Restrictions	Future Programs and Time Periods	Endowment		
Public support and revenue:					
Contributions	\$59,716	\$15,000		\$15,000	\$380,709
Paycheck Protection Program loan forgiveness (Note 5)	136,898			0	0
In-kind contributions (Note 2k)	63,000			0	49,000
Board designated funds appropriated by the governing board for operations (Note 2b)	600,000			0	588,252
Net assets released from restriction	0			0	0
Total public support and revenue	<u>859,614</u>	<u>15,000</u>	<u>0</u>	<u>15,000</u>	<u>1,017,961</u>
Expenses:					
Program services	754,377			0	626,916
Supporting services:					
Management and general	163,487				168,795
Fundraising	43,271				51,537
Total supporting services	<u>206,758</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>220,332</u>
Total expenses	<u>961,135</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>847,248</u>
Change in net assets from operating activity	<u>(101,521)</u>	<u>15,000</u>	<u>0</u>	<u>15,000</u>	<u>170,713</u>
Non-operating activity:					
Investment return, net of fees (Note 3)	1,932,590	(47)	7,292	7,245	1,283,350
Board reserve funds appropriated by the governing board for operations (Note 2b)	(600,000)			0	(588,252)
Total non-operating activity	<u>1,332,590</u>	<u>(47)</u>	<u>7,292</u>	<u>7,245</u>	<u>695,098</u>
Change in net assets	1,231,069	14,953	7,292	22,245	865,811
Net assets - beginning of year	<u>11,771,341</u>	<u>66,559</u>	<u>46,404</u>	<u>112,963</u>	<u>11,018,493</u>
Net assets - end of year	<u><u>\$13,002,410</u></u>	<u><u>\$81,512</u></u>	<u><u>\$53,696</u></u>	<u><u>\$135,208</u></u>	<u><u>\$11,884,304</u></u>

The attached notes and auditors' 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, 2021

(With comparative totals for the year ended December 31, 2020)

	Supporting Services			Total Supporting Services	Total Expenses 12/31/21	Total Expenses 12/31/20
	Program Services	Management and General	Fundraising			
Salaries	\$376,054	\$38,057	\$27,032	\$65,089	\$441,143	\$422,338
Payroll taxes and benefits	94,971	9,611	6,827	16,438	111,409	83,931
Total salaries and related costs	471,025	47,668	33,859	81,527	552,552	506,269
Professional fees		61,614		61,614	61,614	65,708
Studies and outreach	140,362	9,761	1,920	11,681	152,043	84,530
Organizational events and meetings	4,199	440	167	607	4,806	4,291
Occupancy	56,064	5,673	4,030	9,703	65,767	64,969
Office expenses	8,863	1,060	446	1,506	10,369	18,022
Programs and other events	234			0	234	2,667
Insurance	5,853	592	421	1,013	6,866	7,374
IT and communications	30,163	3,053	2,168	5,221	35,384	32,108
Other expenses		4,260		4,260	4,260	6,533
Depreciation	3,614	366	260	626	4,240	5,777
Total expenses before in-kind expenses	720,377	134,487	43,271	177,758	898,135	798,248
In-kind professional fees (Note 2k)	34,000	29,000		29,000	63,000	49,000
Total expenses	<u>\$754,377</u>	<u>\$163,487</u>	<u>\$43,271</u>	<u>\$206,758</u>	<u>\$961,135</u>	<u>\$847,248</u>

The attached notes and auditors' 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, 2021

(With comparative totals for the year ended December 31, 2020)

	12/31/21	12/31/20
Cash flows from operating activities:		
Change in net assets	\$1,253,314	\$865,811
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation	4,240	5,777
Net unrealized and realized gain on investments	(1,796,498)	(1,137,132)
Paycheck Protection Program loan forgiveness (Note 5)	(136,898)	0
Changes in assets and liabilities:		
Contributions receivable	12,500	(13,500)
Security deposit and other assets	(1,476)	14,083
Accounts payable and accrued expenses	7,526	5,080
Deferred membership dues	0	(4,502)
Deferred rent	(4,073)	13,099
Total adjustments	(1,914,679)	(1,117,095)
Net cash used for operating activities	(661,365)	(251,284)
Cash flows from investing activities:		
Purchases of fixed assets	(1,750)	(22,891)
Purchases of investments (including reinvested income)	(9,990,489)	(1,991,003)
Proceeds from sales of investments	10,447,393	2,144,831
Net cash provided by investing activities	455,154	130,937
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loan	72,800	63,300
Net cash provided by financing activities	72,800	63,300
Net decrease in cash and cash equivalents	(133,411)	(57,047)
Cash and cash equivalents - beginning of year	201,767	258,814
Cash and cash equivalents - end of year	\$68,356	\$201,767
Supplemental disclosure:		
Taxes and interest paid	\$0	\$0

The attached notes and auditors' 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, 2021**

Note 1 - Nature of the Organization

Women's City Club of New York, Inc. d/b/a Women Creating Change ("WCC") is a 105-year-old non-profit, non-partisan organization founded to bring together New York City women interested in the welfare of the City through education and advocacy. In 2018, WCC revised its vision, mission, programs, policies, and name. WCC envisions a more just and equitable New York City where all women are civically engaged - with a specific focus on women who have been most systematically excluded from civic processes. The mission of Women Creating Change is to be an inclusive community that partners with organizations and with New York City women who have been systemically excluded from civic processes to develop programs and influence policies that result in more equitable civic engagement. By focusing on women's civic engagement, we hope to help create more inclusive democratic and civic processes, while building upon the best of WCC's history: inspiring, educating, and connecting women who care deeply about the future of the city.

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.

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* – represents those resources for which there are no restrictions by donors as to their use.

Board designated funds activity consist of the following:

	December 31, 2021			
	Untermeyer Fund		Barbara Reach	Total
	For Women and	21 st Century	Memorial	Board
	<u>Girls (i)</u>	<u>Fund (ii)</u>	<u>Fund (iii)</u>	<u>Designated</u>
Balance - beginning of year	\$11,349,773	\$305,955	\$36,378	\$11,692,106
Appropriations	(600,000)	0	0	(600,000)
Interest and dividends	200,286	6,899	1,081	208,266
Realized and unrealized gain on investments	<u>1,696,543</u>	<u>27,922</u>	<u>(382)</u>	<u>1,724,083</u>
Balance - end of year	<u>\$12,646,602</u>	<u>\$340,776</u>	<u>\$37,077</u>	<u>\$13,024,455</u>

	December 31, 2020			
	Untermeyer Fund For Women and Girls (i)	21 st Century Fund (ii)	Barbara Reach Memorial Fund (iii)	Total Board Designated
Balance - beginning of year	\$10,389,372	\$287,264	\$36,305	\$10,712,941
Transfers in	288,252	0	0	288,252
Appropriations	(588,252)	0	0	(588,252)
Interest and dividends	203,171	8,302	1,678	213,151
Realized and unrealized gain on investments	<u>1,057,230</u>	<u>10,389</u>	<u>(1,605)</u>	<u>1,066,014</u>
Balance - end of year	<u>\$11,349,773</u>	<u>\$305,955</u>	<u>\$36,378</u>	<u>\$11,692,106</u>

i. Untermeyer Fund for Women and Girls

The gift and accumulated earnings are used for pursuing innovative or continuing programs for women and girls, which is wholly consistent with WCC's activities. The Board of Directors approves appropriations from this fund as part of the budgeting process. It may also do so at other times, if and when necessary.

ii. 21st Century Fund

The accumulated earnings 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.

iii. Barbara Reach Memorial Fund

The accumulated earnings on the Barbara Reach Memorial Fund are 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 these funds are internally designated, they are reflected on the financial statements as net assets without donor restrictions.

- *Net Assets With Donor Restrictions* – represents 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

WCC follows the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958-605 for recording contributions, which are recorded at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in one of the classes of net assets described 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 are received, they are classified as without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met. There were no conditional pledges that were not recognized as of December 31, 2021 and December 31, 2020.

Contributions expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques.

All receivables are due within one year. Management assesses the collectability of all outstanding receivables based upon historical trends and experience with donors. Based on that review, management has concluded that all receivables are collectible. As such, no allowance for uncollectible accounts was deemed necessary.

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 and includes transfers from the board designated fund to support current operating activities. Non-operating activities are limited to resources that generate return from investments and transfers to the board designated fund.

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 a 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 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 bequest that is described in Note 2b(i) as the Untermyer Fund for Women and Girls. The Board has designated these funds for pursuing innovative or continuing programs for women and girls and has decided to hold the funds in investments until they are appropriated for spending.

Investments are recorded at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses, interest and dividends, and investment fees are included in investment return 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. Fixed Assets

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 method. 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. In-Kind Contributions

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, 2021, WCC received two in-kind contributions. The first was from WCC's pro-bono counsel to provide support for trademark and governance activities in the amount of \$29,000. This was allocated to management and general. WCC also received in-kind support of \$34,000 towards the development of the Civic Matters Hub, a one-stop online source for civic engagement resources. This was allocated to program services.

During the year ended December 31, 2020, WCC received donated professional services valued at \$49,000, of which \$9,983 was allocated to program services, \$38,105 to management and general, and \$912 to fundraising.

Board members and other individuals volunteer considerable time and perform a variety of services 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.

Salaries and professional fees were allocated using time and effort as the basis. The following expenses were allocated using salary allocation as the basis:

- Payroll taxes and benefits
- Occupancy
- Office expenses
- Insurance
- IT and communications
- Depreciation

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

n. Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. 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 WCC's audited financial statements for the year ended December 31, 2020, from which the summarized information was derived.

o. 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, 2018 and later are subject to examination by applicable taxing authorities.

p. New Accounting Pronouncements

FASB issued Accounting Standards Update ("ASU") No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the December 31, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures.

In addition, FASB issued ASU No. 2016-02, *Leases*. The ASU, which becomes effective for the December 31, 2022 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.

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

Note 3 - Investments

Investments were held for the following purposes:

	<u>12/31/21</u>	<u>12/31/20</u>
Board designated funds:		
Untermeyer Fund for Women and Girls	\$12,646,602	\$11,349,773
21 st Century Fund	340,776	305,955
Barbara Reach Memorial Fund	<u>37,077</u>	<u>36,378</u>
Subtotal board designated funds	<u>13,024,455</u>	<u>11,692,106</u>
Donor restricted endowment (Notes 6 and 7)	53,696	46,404
Other	<u>7,024</u>	<u>7,071</u>
Total investments	<u>\$13,085,175</u>	<u>\$11,745,581</u>

The following summarizes the composition of investments:

	<u>12/31/21</u>	<u>12/31/20</u>
Cash and cash equivalents	\$123,104	\$266,874
Common stock	6,922,432	4,980,753
Exchange-traded funds	1,315,702	874,960
REIT	57,338	0
Fixed Income:		
Government	653,250	758,194
Corporate	1,579,851	1,039,009
Asset-backed securities	78,592	79,905
Mortgage pools	122,103	179,493
Mutual funds:		
Equities	1,813,604	3,136,829
Fixed Income	<u>419,199</u>	<u>429,564</u>
Total	<u>\$13,085,175</u>	<u>\$11,745,581</u>

All investments were measured using Level 1 inputs, which are the quoted prices in active markets for identical assets. 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:

	<u>12/31/21</u>	<u>12/31/20</u>
Unrealized gain on investments	\$462,303	\$1,033,580
Realized gain on sales of investments	1,334,195	103,552
Interest and dividends	209,298	214,544
Investment fees	<u>(65,961)</u>	<u>(68,326)</u>
Total investment return	<u>\$1,939,835</u>	<u>\$1,283,350</u>

Note 4 - Fixed Assets

Fixed assets consist of the following:

	<u>12/31/21</u>	<u>12/31/20</u>
Furniture and equipment	\$64,302	\$62,552
Less: accumulated depreciation	<u>(47,851)</u>	<u>(43,611)</u>
Total fixed assets, net	<u>\$16,451</u>	<u>\$18,941</u>

Note 5 - Paycheck Protection Program Loan

On June 9, 2020, WCC obtained a loan from the Small Business Administration (“SBA”) in the amount of \$63,300 through the Paycheck Protection Program (“PPP”). Terms of the loan indicated that if certain conditions were met, which included maintaining average work forces during periods subsequent to receipt of the loan funds that were greater than pre-determined historical periods, that the loan, or a portion thereof, would be forgiven. Portions that were not forgiven would be payable over a two-year period, with a ten-month deferral of payments and interest would accrue at 1%. On February 2, 2021, WCC obtained a second loan from the SBA in the amount of \$72,800 through the PPP. Portions that are not forgiven under this loan will be payable over a five-year period. All other terms of the second loan are the same as described above.

WCC treats the PPP proceeds as loans payable in accordance with FASB ASC 470. Under this treatment, the proceeds from the loans will remain as liabilities until either the loans are forgiven by the SBA or WCC pays them off. During the year ended December 31, 2021, the SBA granted full forgiveness of both loans plus accrued interest of \$798. The amount of \$136,898 has been recognized as revenue on the statement of activities.

Note 6 - Net Assets With Donor Restrictions

The following summarizes the nature of net assets with donor restrictions:

	<u>12/31/21</u>	<u>12/31/20</u>
Civic Engagement Projects	\$39,993	\$24,993
Citywide Guide to Services and Resources	32,615	32,615
Other programs	<u>8,904</u>	<u>8,951</u>
Total net assets restricted for future programs and periods	81,512	66,559
Friedlaender Endowment:		
Corpus	32,446	32,446
Accumulated earnings	<u>21,250</u>	<u>13,958</u>
Total endowment	<u>53,696</u>	<u>46,404</u>
Total net assets with donor restrictions	<u>\$135,208</u>	<u>\$112,963</u>

During the year ended December 31, 2020, \$13 of net assets were released from restriction related to Civic Engagement Projects. There were no net assets released from restriction during the year ended December 31, 2021.

Note 7 - Donor Restricted Endowment

WCC's endowment includes a contribution that was restricted by a donor, and accumulated earnings that have not yet been appropriated. The donor restricted endowment consists of a donation that WCC is holding in perpetuity with the intention to use the interest earned to support its general operations. 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 donor restricted endowment net assets were as follows:

	<u>December 31, 2021</u>		
	Donor Restricted <u>Earnings</u>	Donor Restricted <u>Corpus</u>	<u>Total</u>
Endowment net assets - beginning of year	\$13,958	\$32,446	\$46,404
Interest and dividend income	1,026	0	1,026
Net gain on investments	<u>6,266</u>	<u>0</u>	<u>6,266</u>
Endowment net assets - end of year	<u>\$21,250</u>	<u>\$32,446</u>	<u>\$53,696</u>
	<u>December 31, 2020</u>		
	Donor Restricted <u>Earnings</u>	Donor Restricted <u>Corpus</u>	<u>Total</u>
Endowment net assets - beginning of year	\$9,879	\$32,446	\$42,325
Interest and dividend income	1,275	0	1,275
Net gain on investments	<u>2,804</u>	<u>0</u>	<u>2,804</u>
Endowment net assets - end of year	<u>\$13,958</u>	<u>\$32,446</u>	<u>\$46,404</u>

Endowment Investment Policies

All WCC funds are managed in accordance with their investment policy statements to meet long-term or short-term needs. 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 WCC to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2021 and December 31, 2020.

Note 8 - 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, 2022	\$58,918
	December 31, 2023	<u>66,523</u>
Total		<u>\$125,441</u>

Total rent expense for the years ended December 31, 2021 and 2020 was \$58,000, which is included in occupancy in the accompanying statement of functional expenses.

Note 9 - 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 401(k) retirement plan; whereby, the employee can contribute pre-tax dollars up to statutory limits. WCC provides a 3% match of an employee's deferred contribution. Total contributions to the plan were \$12,171 for the year ended December 31, 2021. The plan was established during 2021.

Note 10 - 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, 2021, 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	\$68,356
Contributions receivable	1,000
Investments	<u>13,085,175</u>

Total financial assets \$13,154,531

Amounts not available for general expenditures:

Donor restricted for specific purposes	(81,512)
Donor restricted endowment	(53,696)
Board designated funds:	
Untermeyer Fund for Women and Girls	(12,646,602)
21 st Century Fund	(340,776)
Barbara Reach Memorial Fund	<u>(37,077)</u>

Total amounts not available for general expenditures (13,159,663)

Add back: Board funds appropriated
for spending in the following year 1,000,000

Financial assets available within one year
to meet cash needs for general expenditures \$994,868

The Untermeyer Fund for Women and Girls is not considered available for general expenditures until it is appropriated for spending. The Board of Directors approves appropriations from this fund as part of the budgeting process. It may also do so at other times, if and when necessary. The portion appropriated for spending is considered available for general expenditures and the remaining balance is not considered available for general expenditures within one year. The 21st Century Fund and Barbara Reach Memorial Fund are not considered available for general expenditures until the Board of Directors approves appropriations for spending to achieve the fund's purpose as described in Note 2b.

Note 11 - Subsequent Events

Subsequent events have been evaluated through June 2, 2022, the date the financial statements were available to be issued. Adjustments and disclosures have been made for all subsequent events that have occurred.

Note 12 - Other Matters

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an impact on the economies and financial markets of many countries, including the geographical area in which WCC operates. As of the date of these financial statements, many of the travel restrictions and stay at home orders have been lifted; however, supply chains remain impacted. Management continues to monitor the outbreak; however, as of the date of these financial statements, the potential impact cannot be quantified.