

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

Audited Financial Statements

December 31, 2022

Independent Auditor's 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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WCC as of December 31, 2022, 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 Auditor's 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.

Auditor's 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 auditor's 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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

The financial statements of WCC as of and for the year ended December 31, 2021, were audited by other auditors whose report dated June 2, 2022, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects with the audited financial statements for which it was derived.

Sax CPAs LLP

New York, NY
February 1, 2024

WOMEN'S CITY CLUB OF NEW YORK, INC.
d/b/a WOMEN CREATING CHANGE
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2022
(With comparative totals at December 31, 2021)

	<u>12/31/22</u>	<u>12/31/21</u>
Assets		
Cash and cash equivalents	\$99,747	\$68,356
Contributions receivable	1,000	1,000
Investments	9,813,951	13,085,175
Security deposit and other assets	22,369	21,811
Fixed assets, net	12,117	16,451
Operating lease right-of-use asset	<u>63,514</u>	<u>0</u>
Total assets	<u><u>\$10,012,698</u></u>	<u><u>\$13,192,793</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$43,968	\$46,149
Deferred rent	0	9,026
Operating lease liability	<u>66,286</u>	<u>0</u>
Total liabilities	<u><u>110,254</u></u>	<u><u>55,175</u></u>
Net assets:		
Without donor restrictions:		
Undesignated	76,607	(22,045)
Board designated:		
Untermeyer Fund for Women and Girls	9,446,708	12,646,602
21st Century Fund	278,827	340,776
Barbara Reach Memorial Fund	<u>37,372</u>	<u>37,077</u>
Total board designated	<u><u>9,762,907</u></u>	<u><u>13,024,455</u></u>
Total net assets without donor restrictions	<u><u>9,839,514</u></u>	<u><u>13,002,410</u></u>
With donor restrictions:		
For future programs and time periods	18,965	81,512
Donor restricted endowment	<u>43,965</u>	<u>53,696</u>
Total net assets with donor restrictions	<u><u>62,930</u></u>	<u><u>135,208</u></u>
Total net assets	<u><u>9,902,444</u></u>	<u><u>13,137,618</u></u>
Total liabilities and net assets	<u><u>\$10,012,698</u></u>	<u><u>\$13,192,793</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
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

	With Donor Restrictions			Total 12/31/22	Total 12/31/21
	Without Donor Restrictions	Future Programs and Time Periods	Endowment		
Public support and revenue:					
Contributions	\$33,020	\$25,000		\$25,000	\$74,716
Paycheck Protection Program loan forgiveness				0	136,898
In-kind contributions	68,000			0	63,000
Other income	155			0	0
Board designated funds appropriated by the governing board for operations	1,100,000			0	600,000
Net assets released from restriction	87,602	(87,602)		(87,602)	0
Total public support and revenue	1,288,777	(62,602)	0	(62,602)	874,614
Expenses:					
Program services	853,338			0	754,377
Supporting services:					
Management and general	285,299				163,487
Fundraising	51,487				43,271
Total supporting services	336,786	0	0	0	206,758
Total expenses	1,190,124	0	0	0	961,135
Change in net assets from operating activity	98,653	(62,602)	0	(62,602)	(86,521)
Non-operating activity:					
Investment return, net of fees	(2,161,549)	55	(9,731)	(9,676)	1,939,835
Board reserve funds appropriated by the governing board for operations	(1,100,000)			0	(600,000)
Total non-operating activity	(3,261,549)	55	(9,731)	(9,676)	1,339,835
Change in net assets	(3,162,896)	(62,547)	(9,731)	(72,278)	1,253,314
Net assets - beginning of year	13,002,410	81,512	53,696	135,208	11,884,304
Net assets - end of year	\$9,839,514	\$18,965	\$43,965	\$62,930	\$13,137,618

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, 2022

(With comparative totals for the year ended December 31, 2021)

	Supporting Services			Total Supporting Services	Total Expenses 12/31/22	Total Expenses 12/31/21
	Program Services	Management and General	Fundraising			
Salaries	\$328,196	\$40,215	\$27,103	\$67,318	\$395,514	\$441,143
Payroll taxes and employee benefits	82,827	10,152	6,839	16,991	99,818	111,409
Total salaries and related costs	<u>411,023</u>	<u>50,367</u>	<u>33,942</u>	<u>84,309</u>	<u>495,332</u>	<u>552,552</u>
Professional fees	107,143	69,982	6,158	76,140	183,283	61,614
Studies and outreach	238,274	66,069	3,436	69,505	307,779	152,043
Organizational events and meetings	2,921	5,928	228	6,156	9,077	4,806
Occupancy	54,740	6,708	4,520	11,228	65,968	65,767
Office expenses	5,730	1,804	469	2,273	8,003	10,369
Programs and other events	399			0	399	234
Insurance	7,314	896	604	1,500	8,814	6,866
IT and communications	22,198	2,721	1,833	4,554	26,752	35,384
Other expenses		12,383		12,383	12,383	4,260
Depreciation	3,596	441	297	738	4,334	4,240
Total expenses before in-kind expenses	<u>853,338</u>	<u>217,299</u>	<u>51,487</u>	<u>268,786</u>	<u>1,122,124</u>	<u>898,135</u>
In-kind professional fees		68,000		68,000	68,000	63,000
Total expenses	<u><u>\$853,338</u></u>	<u><u>\$285,299</u></u>	<u><u>\$51,487</u></u>	<u><u>\$336,786</u></u>	<u><u>\$1,190,124</u></u>	<u><u>\$961,135</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
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

(With comparative totals for the year ended December 31, 2021)

	12/31/22	12/31/21
Cash flows from operating activities:		
Change in net assets	(\$3,235,174)	\$1,253,314
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation	4,334	4,240
Net unrealized and realized loss/(gain) on investments	2,283,260	(1,796,498)
Paycheck Protection Program loan forgiveness	0	(136,898)
Change in operating lease right-of-use asset and liability	2,772	0
Changes in assets and liabilities:		
Contributions receivable	0	12,500
Security deposit and other assets	(558)	(1,476)
Accounts payable and accrued expenses	(2,181)	7,526
Deferred rent	(9,026)	(4,073)
Total adjustments	2,278,601	(1,914,679)
Net cash used for operating activities	(956,573)	(661,365)
Cash flows from investing activities:		
Purchases of fixed assets	0	(1,750)
Purchases of investments (including reinvested income)	(1,516,315)	(9,990,489)
Proceeds from sales of investments	2,504,279	10,447,393
Net cash provided by investing activities	987,964	455,154
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loan	0	72,800
Net cash provided by financing activities	0	72,800
Net increase/(decrease) in cash and cash equivalents	31,391	(133,411)
Cash and cash equivalents - beginning of year	68,356	201,767
Cash and cash equivalents - end of year	\$99,747	\$68,356
Supplemental disclosure:		
Taxes and interest paid	\$0	\$0

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, 2022

Note 1 - Nature of the Organization

Women Creating Change ("WCC"), a 107-year-old not-for-profit organization previously known as the Women's City Club of New York, is dedicated to advancing the rights of women to shape the future of New York City. Our vision is rooted in the pioneering principles of our founders, who united women in the city with a deep commitment to its welfare through education and advocacy.

Today, WCC envisions a future where every woman and gender-expansive person has the power to drive positive change and build a more just and equitable New York City. We place a primary focus on engaging historically marginalized women and gender-expansive persons, who have been systematically excluded from civic engagement.

Our mission is to advance gender and racial equity through civic participation and activism and to propel progress in critical areas such as economic justice, health, reproductive justice, education, safety, and environmental justice. Inclusivity and intersectionality define our approach. With an unwavering commitment, we equip women and gender-expansive individuals with the knowledge, resources, tools, and connections needed to advocate for themselves, influence policies, foster resilient and diverse communities, and fortify our democracy.

WCC collaborates across sectors, uniting with partners to drive transformation and to uplift and advance gender and racial equity in New York City and beyond. We aim to create a future where meaningful change and equity flourish for all women and gender-expansive persons in 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). WCC's primary source of revenue is investment return.

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. Recently Adopted Accounting Pronouncements

Effective January 1, 2022, WCC adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. WCC elected transition relief that allows entities, in the period of adoption, to present the current period under FASB's Accounting Standards Codification ("ASC") 842 and the comparative period under FASB ASC 840. It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing FASB ASU No. 2016-02, WCC recognized right-of-use ("ROU") assets of \$120,790 and lease liabilities totaling \$129,816 in its statement of financial position as of January 1, 2022. The adoption did not result in a significant effect on amounts reported in the statement of activities for the year ended December 31, 2022.

Effective January 1, 2022, WCC adopted FASB ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. 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. Adoption of this standard did not have a material impact on WCC's financial statements.

c. 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:

	<u>December 31, 2022</u>			
	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	\$12,646,602	\$340,776	\$37,077	\$13,024,455
Appropriations	(1,100,000)	0	0	(1,100,000)
Interest and dividends	169,946	5,447	608	176,001
Realized and unrealized loss on investments	<u>(2,269,840)</u>	<u>(67,396)</u>	<u>(313)</u>	<u>(2,337,549)</u>
Balance - end of year	<u>\$9,446,708</u>	<u>\$278,827</u>	<u>\$37,372</u>	<u>\$9,762,907</u>

	December 31, 2021			
	Undermyer Fund	21 st Century	Barbara Reach	Total
	For Women and	Fund (ii)	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>

i. Undermyer 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.

d. Revenue Recognition

WCC follows the requirements of the FASB ASC 958-605 for recording contributions, which are recognized at the time they become 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, 2022 and December 31, 2021.

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.

e. 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.

f. 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.

g. 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 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.

h. 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 2c(i) as the Untermeyer 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.

i. 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.

j. 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. Office equipment consists of computers, laptops, and other office technology equipment. 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.

k. Leases

WCC determines if an arrangement is or contains a lease at inception. Leases are included in ROU assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. The change in operating lease right-of-use asset and liability on the statement of cash flows includes the amortization of the ROU asset and cash payments for leases offset by the accretion of the discounted lease liability. Operating lease expense is recognized on a straight-line basis over the lease term. WCC does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that WCC will exercise that option.

l. 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, 2022, WCC received donated legal services valued at \$68,000 which was allocated to management and general.

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.

Donated legal and other professional services are valued based on current rates for similar services in the New York City area.

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.

m. Advertising Costs

Promotional costs are expensed as incurred.

n. Use of 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.

o. 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. Such allocations are determined by management on an equitable basis.

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 employee benefits
- Occupancy
- Office expenses
- Insurance
- IT and communications
- Depreciation

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

p. 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, 2019 and later are subject to examination by applicable taxing authorities.

q. 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, 2021, from which the summarized information was derived.

Note 3 - Investments

Investments were held for the following purposes:

	<u>12/31/22</u>	<u>12/31/21</u>
Board designated funds:		
Untermeyer Fund for Women and Girls	\$9,446,708	\$12,646,602
21 st Century Fund	278,827	340,776
Barbara Reach Memorial Fund	<u>37,372</u>	<u>37,077</u>
Subtotal board designated funds	<u>9,762,907</u>	<u>13,024,455</u>
Donor restricted endowment (Notes 6 and 7)	43,965	53,696
Other	<u>7,079</u>	<u>7,024</u>
Total investments	<u>\$9,813,951</u>	<u>\$13,085,175</u>

The following summarizes the composition of investments:

	<u>12/31/22</u>	<u>12/31/21</u>
Cash and cash equivalents	\$204,677	\$123,104
Common stock	5,355,026	6,922,432
Exchange-traded funds	263,014	1,315,702
REIT	48,133	57,338
Fixed Income:		
Government	698,683	653,250
Corporate	1,652,690	1,579,851
Asset-backed securities	0	78,592
Mortgage pools	89,678	122,103
Mutual funds:		
Equities	1,414,785	1,813,604
Fixed Income	<u>87,265</u>	<u>419,199</u>
Total	<u>\$9,813,951</u>	<u>\$13,085,175</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>12/31/22</u>	<u>12/31/21</u>
Realized and unrealized (loss)/gain on investments	(\$2,283,260)	\$1,796,498
Interest and dividends	176,975	209,298
Investment fees	<u>(64,940)</u>	<u>(65,961)</u>
Total investment return	<u>(\$2,171,225)</u>	<u>\$1,939,835</u>

Note 4 - Fixed Assets

Fixed assets consist of the following:

	<u>12/31/22</u>	<u>12/31/21</u>
Furniture and equipment	\$64,302	\$64,302
Less: accumulated depreciation	<u>(52,185)</u>	<u>(47,851)</u>
Total fixed assets, net	<u>\$12,117</u>	<u>\$16,451</u>

Note 5 - Operating Lease Right-of-Use Asset and Operating Lease Liability

WCC evaluated current contracts to determine which met the criteria of a lease. WCC leases office space in New York City under a non-cancelable lease which expires December 31, 2023. The lease does not include any extension options.

The ROU assets represent the WCC's right to use the underlying asset for the lease term, and the lease liabilities represent WCC's obligation to make lease payments arising from this lease. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms. As of December 31, 2022, the weighted-average remaining lease term for WCC's operating leases was 12 months. WCC has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2022 was 0.78%.

For the year ended December 31, 2022, total operating lease cost was \$ 58,207 and cash paid for operating leases was \$64,461. There were no noncash investing and financing transactions related to leasing other than the transition entry described in Note 2b.

Future maturities of lease liabilities are presented in the following table:

Total lease payments due for the year ending December 31, 2023	\$66,523
Less present value discount	<u>(237)</u>
Total lease obligation	<u>\$66,286</u>

Note 6 - 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. On February 2, 2021, WCC obtained a second loan from the SBA in the amount of \$72,800 through the PPP. All terms of the second loan were the same as the first.

WCC treated the PPP proceeds as loans payable in accordance with FASB ASC 470. Under this treatment, the proceeds from the loans remained as liabilities until either the loans were forgiven by the SBA or WCC paid 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 in 2021 on the statement of activities.

Note 7 - Net Assets With Donor Restrictions

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

	<u>12/31/22</u>	<u>12/31/21</u>
Civic Engagement Projects	\$10,006	\$39,993
Citywide Guide to Services and Resources	0	32,615
Other programs	<u>8,959</u>	<u>8,904</u>
Total net assets restricted for future programs and periods	18,965	81,512
Friedlaender Endowment:		
Corpus	32,446	32,446
Accumulated earnings	<u>11,519</u>	<u>21,250</u>
Total endowment	<u>43,965</u>	<u>53,696</u>
Total net assets with donor restrictions	<u>\$ 62,930</u>	<u>\$135,208</u>

Note 8 - 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, 2022</u>		
	<u>Donor Restricted Earnings</u>	<u>Donor Restricted Corpus</u>	<u>Total</u>
Endowment net assets - beginning of year	\$21,250	\$32,446	\$53,696
Interest and dividend income	860	0	860
Net loss on investments	<u>(10,591)</u>	<u>0</u>	<u>(10,591)</u>
Endowment net assets - end of year	<u>\$11,519</u>	<u>\$32,446</u>	<u>\$43,965</u>

	<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>

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, 2022 and December 31, 2021.

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 \$13,295 and \$12,171 for the years ended December 31, 2022 and December 31, 2021, respectively. 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, 2022, 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	\$99,747
Contributions receivable	1,000
Investments	<u>9,813,951</u>
 Total financial assets	 \$9,914,698
 Amounts not available for general expenditures:	
Donor restricted for specific purposes	(18,965)
Donor restricted endowment	(43,965)
Board designated funds:	
Untermeyer Fund for Women and Girls	(9,446,708)
21 st Century Fund	(278,827)
Barbara Reach Memorial Fund	<u>(37,372)</u>
 Total amounts not available for general expenditures	 (9,825,837)
 Add back: Board funds appropriated for spending in the following year	 <u>1,500,000</u>
 Financial assets available within one year to meet cash needs for general expenditures	 <u>\$1,588,861</u>

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 2c.

Note 11 - Subsequent Events

Subsequent events have been evaluated through February 1, 2024, the date the financial statements were available to be issued. There were no material events that have occurred that require adjustment to or disclosure to the financial statements.