The Woman's Club

Financial Statements
for years ended
April 30, 2022 and 2021

The Woman's Club

Contents

Frank Barcalow CPA, P.L.L.C
Certified Public Accountant

Independent Auditor's Report

The Board of Governors
The Woman's Club
Richmond, Virginia

Opinion

We have audited the accompanying financial statements of The Woman's Club (a nonprofit organization), which comprise the statements of financial position as of April 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Woman's Club as of April 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 The Woman's Club and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 The Woman's Club'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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

Exercise professional judgment and maintain professional skepticism throughout the audit

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

1. 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 The Woman's Club's internal control. Accordingly, no such opinion is expressed.
2. 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.
3. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Woman's Club '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.

Frank Barcalow CPA, P.L.L.C.

Frank Barcalow CPA, P.L.L.C.
Richmond, Virginia
June 17, 2022

Statements of Financial Position
April 30, 2022 and 2021

		2022		2021
Assets				
Current assets				
Cash and cash equivalents	$	192,184	$	287,226
Investments		708,283		812,448
Accounts receivable		17,019		17,130
Prepaid expenses		14,182		22,354
Total current assets		931,668		1,139,158
Long-term assets				
Office furniture and equipment		149,665		152,028
Accumulated depreciation		(143,572)		(142,274)
Total long-term assets		6,093		9,754
Total assets	$	937,761	$	1,148,912
Liabilities and Net Assets				
Current liabilities				
Accounts payable	$	8,220	$	8,739
Accrued payroll		5,035		4,230
Dues received in advance		131,347		120,259
Deferred lifetime dues		10,175		10,175
Deferred income		51,769		72,506
Deposits		12,000		8,000
Total current liabilities		218,546		223,909
Long-term liabilities				
Deferred lifetime dues		17,650		27,825
Total liabilities		236,196		251,734
Net assets, without donor restrictions		687,382		862,954
Net assets with donor restrictions		14,183		34,224
Total net assets		701,565		897,178
Total liabilities and net assets	$	937,761	$	1,148,912

See notes to financial statements.

Statement of Activities
For the Year Ended April 30, 2022
(with summarized financial information for the year ended April 30, 2021)

	2022			
Support and revenue	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	2021
Annual dues	$ 336,722	$ -	$ 336,722	$ 355,309
Initiation fees	28,746	-	28,746	8,250
Debt extinguishment payroll protection prc	-	-	-	134,880
Contributions	-	25,527	25,527	6,559
Parlor and auditorium rentals	128,856	-	128,856	57,159
Other revenue	4,605	-	4,605	3,992
Total support and revenue	498,929	25,527	524,456	566,149
Net assets released from restrictions	45,568	(45,568)	-	-
Total public support and revenue	544,497	(20,041)	524,456	566,149
Functional Expenses				
Program services	357,973	-	357,973	462,832
Rentals	66,809	-	66,809	49,596
Management and general	244,100	-	244,100	233,745
Total functional expenses	668,882	-	668,882	746,173
Income (loss) from operations	(124,385)	(20,041)	(144,426)	(180,024)
Other income (loss)				
Dividends and interest	30,623	-	30,623	14,690
Realized gain (loss) on disposal of investm	42,210	-	42,210	(530)
Unrealized gain (loss) on investments	(124,020)	-	(124,020)	160,552
Total other income (loss)	(51,187)	-	(51,187)	174,712
Change in net assets	(175,572)	(20,041)	(195,613)	(5,312)
Net assets at beginning of year	862,954	34,224	897,178	902,490
Net assets at end of year	$ 687,382	$ 14,183	$ 701,565	$ 897,178

See notes to financial statements.

The Woman's Club

Statements of Functional Expenses

For the Years Ended April 30, 2022 and 2021

	2022				2021			
	Program Service	Rental	Management and General	Total	Program Service	Rental	Management and General	Total
Programs	$ 106,730	$ -	$ -	$ 106,730	$ 107,288	$ -	$ -	$ 107,288
Special interests	6,568	-	8,770	15,338	484	-	9,554	10,038
Salaries and wages	89,943	37,476	122,423	249,842	98,082	23,923	117,220	239,225
Utilities	18,895	3,149	9,447	31,491	20,946	3,491	10,473	34,910
Insurance	31,459	5,243	15,730	52,432	36,758	6,126	18,379	61,263
Professional fees	-	-	16,762	16,762	-	-	16,181	16,181
Payroll taxes	6,462	2,934	9,584	18,980	8,020	1,956	9,584	19,560
Contributions	2,500	-	-	2,500	100	-	-	100
Community Foundation Scholarship Fund	36,931	-	-	36,931	119,838	-	-	119,838
125th Celebration	-	-	-	-	150	-	-	150
Bad debts	-	-	6,617	6,617	-	-	2,110	2,110
Postage and printing	4,369	-	-	4,369	3,631	-	-	3,631
Yearbook	12,719	-	-	12,719	14,099	-	-	14,099
Taxes and licenses	-	-	2,545	2,545	-	-	2,450	2,450
Retirement plan expense	3,254	1,356	4,429	9,038	6,777	1,653	8,100	16,530
Depreciation	4,661	-	-	4,661	6,703	-	-	6,703
Supplies	5,286	-	14,030	19,316	6,007	-	4,487	10,494
Miscellaneous	440	-	4,230	4,670	10,505	-	4,276	14,781
Flowers and decorations	1,006	-	-	1,006	533	-	-	533
Books and magazines	953	-	-	953	380	-	-	380
Contract labor	9,890	-	4,604	14,494	6,965	-	2,066	9,031
President's and board expense	-	-	2,744	2,744	-	-	2,788	2,788
Repairs and maintenance	15,908	-	-	15,908	9,173	2,237	10,963	22,373
Building rental	-	3,645	-	3,645	-	3,392	-	3,392
Equipment rentals	-	-	5,958	5,958	271	-	5,602	5,873
Website and internet	-	3,595	16,227	19,822	2,730	-	9,512	12,242
Marketing and advertising	-	9,411	-	9,411	-	10,210	-	10,210
	$ 357,973	$ 66,809	$ 244,100	$ 668,882	$ 462,832	$ 49,596	$ 233,745	$ 746,173

See notes to financial statements.

Statements of Cash Flows
For the Years Ended April 30, 2022 and 2021

		2022		2021
Cash flows from operating activities				
Change in net assets	$	(195,613)	$	(5,312)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities				
Depreciation		4,661		6,703
(Gain) loss on sale of investments		(42,210)		530
Unrealized loss (gain) from investments		124,020		(160,552)
Bad debts		6,617		2,110
Debt extinguishment payroll protection program		-		(134,880)
(Increase) decrease in accounts receivable		(6,506)		(8,368)
(Increase) decrease in prepaid expenses		8,172		531
Increase (decrease) in accounts payable		(519)		5,280
Increase (decrease) in dues received in advance		11,088		9,618
Increase (decrease) in deferred income		(20,737)		5,651
Increase (decrease) in damage deposits		4,000		3,250
Increase (decrease) in lifetime dues		(10,175)		(10,175)
Increase (decrease) in accrued payroll		805		(1,652)
Net cash provided by (used in) operations		(116,397)		(287,266)
Cash flows used in investing activities				
Additions to property and equipment		(1,000)		-
Purchases of investments		(84,266)		(39,918)
Proceeds from sale of investments		106,621		29,451
Net cash provided (used in) investing activities		21,355		(10,467)
Cash flows provided by financing activities				
Proceeds from notes payable -payroll protection program		-		134,880
Net increase (decrease) in cash and cash equivalents		(95,042)		(162,853)
Cash and cash equivalents at beginning of year		287,226		450,079
Cash and cash equivalents at end of year	$	192,184	$	287,226

See notes to financial statements

Notes to Financial Statements
April 30, 2022 and 2021

Note 1 - Nature of activities and summary of significant accounting policies

Nature of activities

The Woman’s Club (Club), based in the heart of Richmond, Virginia, educates, inspires, and engages today’s women by offering exposure to new ideas and new people. The Club is a not-for-profit corporation organized under the laws of the Commonwealth of Virginia.

Basis of accounting and presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Under generally accepted accounting principles of the United States, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed stipulations, that can be fulfilled by the actions of the Organization pursuant to those stipulations or that expire by the passage of time. Net assets without donor restrictions are assets that are no subject to or are no longer subject to donor-imposed stipulations.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates that were used.

Reclassifications

Certain prior year balances may have been reclassified to conform to current year presentation.

Cash and cash equivalents

For purposes of the Statements of Cash Flows, the Club considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The carrying amounts reported in the statements of financial position approximates fair values.

Notes to Financial Statements
April 30, 2022 and 2021

Note 1 - Nature of activities and summary of significant accounting policies (continued)

Accounts receivable

Accounts receivable are reviewed by management and any that are considered to be uncollectible are charged to expense. There was no allowance during 2022 and 2020.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions. Donated contributions are recorded at the fair value on the date of the gift.

All donor-restricted support is reported as an increase to net assets with donor restrictions, depending on the nature of the 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 and reported in the statement of activities as net assets released from restrictions.

Contributions, including unconditional pledges, are recognized as revenue when donors' commitments are received. Conditional pledges become unconditional and are recognized as revenue when the conditions are substantially met. Unconditional pledges are recognized at the net present value, net of an allowance for uncollectible amounts and are classified as either net assets with donor restrictions or net assets without donor restrictions, depending on the existence and nature of any donor restrictions. Amounts due more than one year later are recorded at the present value of the estimated future cash flows, discounted at risk-free rates applicable to the years in which the promises are received. At this time, there is no allowance established, as no significant write offs are anticipated.

Notes to Financial Statements
April 30, 2022 and 2021

Note 1 - Summary of significant accounting policies (concluded)

Investments

Investments are composed of equity securities, certificate of deposits and mutual funds. Investments in marketable securities and mutual funds with readily determinable fair values are reported at their fair values in the Statements of Financial Position. Unrealized and realized gains and losses are reflected in the Statements of Activities.

Advertising

The Club expenses advertising costs as incurred, advertising expenses for the current year totaled $7,677 and totaled $10,125 for the prior year.

Income taxes

The Woman's Club is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Club is also exempt from Virginia income taxes and, therefore, has made no provision for the federal or Virginia income taxes. In addition, the Internal Revenue Service has determined that the corporation is not a "private foundation" within the meaning of Section 509(a) of the Code. The Corporation's income tax returns are potentially subject to examination by the Internal Revenue Service generally for three years after being filed. The Corporation has no uncertain tax positions for the current year or prior year.

Property and equipment

Property and equipment are stated at cost, if purchased, and at fair value at date of receipt, if donated. Depreciation is computed on the straight-line method over estimated useful lives of 3 to 7 years. Expenditures for maintenance and repairs are expensed currently, while expenditures for major additions and betterments greater than $1,000 are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in income.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the notes to the financial statements. Accordingly, certain costs have been allocated among the program and supporting services benefitted. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort; other costs allocated include supplies, which are allocated on usage.

Donated services

A substantial number of volunteers have donated time for The Women's Club and providing support for its program services. However, there is no objective basis to measure the value of donated time, therefore, no dollar value has been recorded in the financial statements.

Deferred revenue

Dues and rents received are allocated to the period in which they are earned. Dues allocable to a future period are recorded as dues received in advance. Rents received in advance are recorded as deferred rental income until the event takes place. Deferred revenue consists of unexpended grant funds received for the next year's programs or received in advance. Resident members who pay the lifetime membership fee are forever exempt from the payment of dues. Lifetime membership dues are amortized over approximately eleven years, the estimated period of active participation of life members.

Notes to Financial Statements
April 30, 2022 and 2021

Note 2 - Property and equipment

A summary of property and equipment follows:

	2022	2021
Property and equipment	$ 149 665	$ 152 028
Less: Accumulated depreciation	143 572	142 274
	$ 6 093	$ 9 754

Depreciation expense totaled $4,660 in 2022 and $6,703 in 2021.

Note 3 - Investments

Investments consisted of the following at April 30,

2022	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Government money fund	$ -	$ -	$ -	$ -
Money market funds	43 660	-	-	43 660
Bond Mutual Funds	150 372	-	9 139	141 233
Exchange traded funds	137 394	41 950	7 674	171 670
Equity Mutual Funds	325 852	48 086	22 218	351 720
	$ 657 278	$ 90 036	$ 39 031	$ 708 283

2021	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Government money fund	$ 84 488	$ -	$ -	$ 84 488
Money market funds	23 830	-	-	23 830
Bond Mutual Funds	150 372	1 940	60	152 252
Exchange traded funds	178 826	84 023	845	262 004
Equity Mutual Funds	200 383	89 800	309	289 874
	$ 637 899	$ 175 763	$ 1 214	$ 812 448

Notes to Financial Statements
April 30, 2022 and 2021

Note 3 - Investments (concluded)

Included in organization structure and investment income (loss) in the Statements of Activities is investment activity which includes the following at April 30:

	2022	2021
Interest and dividends	$ 30 623	$ 14 690
Realized gains (losses)	42 210	(530)
Unrealized gains (losses)	(124 020)	160 552
	$ (51 187)	$ 174 712

Investment fees totaled $2,552 in 2022 and $3,305 in 2021.

Note 4 - Net assets with donor restrictions

Net assets with donor restrictions are available for various restricted purposes and amounted to $14,183 as of April 30, 2022. Net assets with donor restrictions includes cash and cash equivalents. Total net assets released from restrictions amounted to $45,568.

Note 5 - Concentration of credit risk

Financial instruments which potentially subject the Club to concentration of credit risks consist principally of cash and cash equivalents. The Club maintains its cash balances in financial institutions located in central Virginia. Accounts at each institution are secured by the Federal Deposit Insurance Corporation up to $250,000. Balances may at times exceed the insured maximum, but management believes there is no significant credit risk .

The Club also has investments with a broker in the central Virginia area which is insured for up to $100,000 for cash balances and a total of $500,000 for cash and investment balances by the Securities Investor Protection Corporation (SIPC). The broker has also obtained additional insurance for accounts that have balances greater than the SIPC limit. The insurance does not cover losses caused by market value changes.

Note 6 - Retirement plan

The Club has a 401(k) profit-sharing plan, which covers all full-time employees who have one year of credited service. This plan may be terminated or amended at any time by the Board of Governors. Contributions to the plan are based on 5% of eligible salaries. Contribution expense relating to the plan was $9,038 in 2022 and in $16,530 in 2021.

Notes to Financial Statements
April 30, 2022 and 2021

Note 7 - Related party transactions

The Club contributed $2,500 in 2022 and $100 in 2021 to The Bolling Haxall House Foundation (The Foundation). All directors of The Foundation are members of the Club.

The Club leases its facilities from The Foundation under the terms of a lease arrangement dated May 21, 2008. The lease expired on December 31, 2012, and automatically renews on a year to year basis until terminated by either party with 30 day's notice. Rent is 50% of the real estate taxes assessed against the property per year. In addition to rent, the Club pays for utilities, insurance and certain repairs and maintenance. Rent for the year ended April 30, 2022 was $3,645 and for 2021 totaled $3,392.

The Club incurs certain payroll costs for the benefit of The Foundation for which the Club is reimbursed. Payroll expenses for 2021 totaled $72,088 and for 2021 $55,536. The increase in payroll expenses from 2021 to 2022 is related to using payroll protection loan proceeds for the costs of the Foundation's payroll during 2021. This loan was received as a result of the pandemic from COVID-19 virus and was subsequently forgiven in 2021.

Note 8 - Fair value measurements

The Club adopted SFAS No. 157 "Fair Value Measurements" to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. SFAS 157 clarifies that fair value of certain assets and liabilities is an exit price, representing the amount that would be received to sell and asset or paid to transfer a liability in an orderly transaction between market participants. Three levels of the fair value hierarchy under SFAS 157 based on these three types of inputs are as follows:

Level 1 - Valuation is based on quoted prices in active markets for identical assets and liabilities.

Level 2 - Valuation is based on observable inputs including quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets and liabilities in less active markets, and model-based valuation techniques for which significant assumptions can be derived primarily from or corroborated by observable data in the market.

Level 3 - Valuation is based on model-based techniques that use one or more significant inputs or assumptions that are unobservable in the market.

All investments were measured at fair value by level one valuation.

Note 9 - Special interests

The Club offers opportunities for its members to share in a number of special interest groups, in addition to regular weekly programs. Special interests include special events, receptions, luncheons and travel. These special interests are included in the statement of functional expenses. The following is a schedule of income and expenses related to these special interest:

	2022	2021
Revenue	$ 78 426	$ 28 161
Expenses	93 764	38 199
Net expense	$ (15 338)	$ (10 038)

Notes to Financial Statements
April 30, 2022 and 2021

Note 10 - Subsequent events

In preparing these financial statements, the Club has evaluated events and transactions for potential recognition or disclosure through June 17, 2022 the date the financial statements were issued.

Note 11 - Scholarship Endowment fund

The Woman's Club has an agreement with the Community Foundation for a greater Richmond (TCF) which designates an irrevocable and permanent endowment with the Foundation for The Woman's Club. Under the terms is the agreement, variance power was granted to TCF, including the power for TCF's board of Governors to modify any restrictions or conditions on the distribution of the funds for any specified charitable purpose or to specified organization, if in their sole judgement, such restrictions or conditions become incapable of fulfilment.

Endowment spendable income shall be determined each year for the purposes of scholarships to graduates of the metropolitan Richmond area. Any spendable income not requested by the Club's Board of Directors within a given calendar year will be added to the Fund's principal balance. The balance of this fund is not included in the financial statements of The Woman's Club and totaled $724,334 and $633,321 as of April 30, 2022 and 2021, respectively. The Organization gave to the Fund the amount of $36,931, during the year ended April 30, 2022 which is reflected in the Statement of Functional Expenses as of April 30, 2022. The Organization gave to the Fund the amount of $119,838, during the year ended April 30, 2021 which is reflected in the Statement of Expenses as of April 30, 2021.

Note 12 - Liquidity and Availability of Financial Assets

The Organization monitors is liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the statement of financial position to fund expenses without limitations:

	2022	2021
Total financial assets	$ 209 203	$ 304 356
Less those available for general expenditures within one year due to:		
Deferred dues / life time	17 650	27 825
Financial assets available to meet cash needs for general expenditures within one year	$ 191 553	$ 304 356

Note 13- Payroll Protection Program

In December 2019, a novel strain of corona-virus was reported to have surfaced in China. The spread of this virus began to cause some business disruption in March 2020. This is continuing, and there is considerable uncertainty around the duration. Therefore, while the Organization expects this matter to negatively impact its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

As a result of the pandemic, the Organization received from the federal government two payroll protection loans in the amounts of $73,800 and $61,080 for a total of $134,880. The first loan has been forgiven, as it was used for payroll and other expenses, based upon loan program restrictions. The second loan has been spent on payroll, as well, and the Club does not anticipate this loan will not be forgiven; as a result, both loans have been included as debt extinguishment in the statement of activities as of April 30, 2021.