

**Commercial Real Estate Women Network,
CREW Network Foundation, and
CREW Network Foundation Canada**

Combined Financial Statements
and Independent Auditor's Report

December 31, 2022
(With Summarized Financial Information for December 31, 2021)

**Commercial Real Estate Women Network, CREW Network Foundation, and
CREW Network Foundation Canada**

Combined Financial Statements
December 31, 2022
(With Summarized Financial Information for December 31, 2021)

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INDEPENDENT AUDITOR'S REPORT

To the Commercial Real Estate Women Network Board of Directors, CREW Network Foundation
Board of Trustees, and CREW Network Foundation Canada Board of Trustees

Opinion

We have audited the accompanying combined financial statements of Commercial Real Estate Women Network, CREW Network Foundation, and CREW Network Foundation Canada (collectively, "the Organization"), which comprise the combined statement of financial position as of December 31, 2022; the related combined statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Combined Financial Statements section of our report. We are required to be independent of the Organization 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.

Emphasis of Matter

As discussed in Note 2 to the combined financial statements, the Organization adopted Financial Accounting Standards Board Accounting Standards Update 2016-02, *Leases* (Accounting Standards Codification 842). This change has been applied as of January 1, 2022 using the new transition alternative method, which permits application of the new standard to all leases at the adoption date. The comparative periods presented in the accompanying combined financial statements were not restated and remained to be disclosed under the provisions of the previous lease standard. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 combined 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 combined 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 combined 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 the Organization'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 the Organization's December 31, 2021 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated May 9, 2022. In our opinion, the summarized comparative information presented herein, as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

A handwritten signature in black ink that reads "Rogers & Company PLLC".

Vienna, Virginia
June 14, 2023

**Commercial Real Estate Women Network, CREW Network Foundation, and
CREW Network Foundation Canada**

Combined Statement of Financial Position
December 31, 2022
(With Summarized Financial Information for December 31, 2021)

	CREW Network	CREW Network Foundation	CREW Network Foundation Canada	Eliminations	2022 Total	2021 Total
Assets						
Current assets:						
Cash and cash equivalents	\$ 1,099,969	\$ 275,659	\$ 58,999	\$ -	\$ 1,434,627	\$ 1,729,532
Chapter agency funds asset	9,470,970	-	-	-	9,470,970	8,968,383
Investments	8,541,714	3,944,234	-	-	12,485,948	14,004,654
Accounts receivable	70,121	27,390	13,807	(13,807)	97,511	78,029
Grants and contributions receivable	-	65,878	-	-	65,878	6,167
Prepaid expenses, current	341,647	2,258	-	-	343,905	145,709
Right-of-use asset – operating lease, current	96,924	-	-	-	96,924	-
Deposits, current	317,405	-	-	-	317,405	122,105
Total current assets	19,938,750	4,315,419	72,806	(13,807)	24,313,168	25,054,579
Prepaid expenses, noncurrent	26,996	-	-	-	26,996	24,701
Property and equipment, net	533,641	-	-	-	533,641	54,041
Right-of-use asset – operating lease, noncurrent	139,034	-	-	-	139,034	-
Deposits, noncurrent	291,084	-	-	-	291,084	251,217
Total assets	\$ 20,929,505	\$ 4,315,419	\$ 72,806	\$ (13,807)	\$ 25,303,923	\$ 25,384,538
Liabilities and Net Assets						
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	\$ 1,887,578	\$ 153,230	\$ 7,500	\$ (13,807)	\$ 2,034,501	\$ 1,765,717
Deferred revenue	2,061,629	2,800	-	-	2,064,429	1,725,955
Chapter agency funds liability	9,470,970	-	-	-	9,470,970	8,968,383
Lease liability – operating lease, current	95,129	-	-	-	95,129	-
Total current liabilities	13,515,306	156,030	7,500	(13,807)	13,665,029	12,460,055
Lease liability – operating lease, noncurrent	139,581	-	-	-	139,581	-
Total liabilities	13,654,887	156,030	7,500	(13,807)	13,804,610	12,460,055
Net Assets						
Without donor restrictions:						
Undesignated	1,391,117	840,400	-	-	2,231,517	3,699,315
Board-designated:						
Sustaining reserves	4,983,501	-	-	-	4,983,501	4,983,501
Business development reserves	500,000	-	-	-	500,000	500,000
Infrastructure reserves	400,000	-	-	-	400,000	400,000
Operating reserves	-	200,000	-	-	200,000	200,000
Scholarship endowment	-	1,600,000	-	-	1,600,000	1,600,000
Total net assets without donor restrictions	7,274,618	2,640,400	-	-	9,915,018	11,382,816
With donor restrictions:						
Perpetual in nature	-	1,144,463	-	-	1,144,463	1,018,483
Purpose restrictions	-	374,526	65,306	-	439,832	523,184
Total net assets with donor restrictions	-	1,518,989	65,306	-	1,584,295	1,541,667
Total net assets	7,274,618	4,159,389	65,306	-	11,499,313	12,924,483
Total liabilities and net assets	\$ 20,929,505	\$ 4,315,419	\$ 72,806	\$ (13,807)	\$ 25,303,923	\$ 25,384,538

See accompanying notes.

**Commercial Real Estate Women Network, CREW Network Foundation, and
CREW Network Foundation Canada**

Combined Statement of Activities
For the Year Ended December 31, 2022
(With Summarized Financial Information for December 31, 2021)

	CREW Network	CREW Network Foundation		CREW Network Foundation Canada			2022 Total	2021 Total
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminations		
Operating Revenue and Support								
Membership dues	\$ 2,463,781	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,463,781	\$ 2,211,647
Sponsorships	2,036,057	-	140,825	-	-	-	2,176,882	1,411,765
Convention	1,244,250	-	-	-	-	-	1,244,250	740,825
Leadership summit	193,025	-	-	-	-	-	193,025	156,640
Other education program fees	255,665	-	-	-	-	-	255,665	153,461
Administrative services fees	860,441	4,598	-	-	-	(178,797)	686,242	613,242
Grants and contributions	71,657	470,918	405,179	-	21,546	(101,732)	867,568	620,582
Special events revenue	-	185,300	94,613	-	-	-	279,913	309,360
Other revenue	74,833	650	-	-	-	-	75,483	78,870
Released from restrictions	-	241,127	(241,127)	17,574	(17,574)	-	-	-
Total revenue and support	7,199,709	902,593	399,490	17,574	3,972	(280,529)	8,242,809	6,296,392
Released from restrictions	-	-	-	-	-	-	-	-
Total operating revenue and support	7,199,709	902,593	399,490	17,574	3,972	(280,529)	8,242,809	6,296,392
Operating Expenses								
Program services:								
Conferences and convention	2,709,966	-	-	-	-	-	2,709,966	2,095,787
Member services and programs	2,612,167	6,477	-	-	-	(6,477)	2,612,167	2,002,907
Special events	-	311,824	-	-	-	(3,607)	308,217	208,396
Grants paid	-	455,000	-	17,574	-	(111,491)	361,083	263,302
Total program services	5,322,133	773,301	-	17,574	-	(121,575)	5,991,433	4,570,392
Supporting services:								
Management and general	2,057,703	182,383	-	-	-	(153,508)	2,086,578	1,513,648
Fundraising and development	123,385	42,547	-	-	-	(5,446)	160,486	153,736
Total supporting services	2,181,088	224,930	-	-	-	(158,954)	2,247,064	1,667,384
Total operating expenses	7,503,221	998,231	-	17,574	-	(280,529)	8,238,497	6,237,776
Change in Net Assets from Operations	(303,512)	(95,638)	399,490	-	3,972	-	4,312	58,616
Non-Operating Activities								
Investment return, net	(1,020,533)	(48,115)	(360,834)	-	-	-	(1,429,482)	1,059,548
Forgiveness of PPP loan	-	-	-	-	-	-	-	362,965
Total non-operating activities	(1,020,533)	(48,115)	(360,834)	-	-	-	(1,429,482)	1,422,513
Change in Net Assets	(1,324,045)	(143,753)	38,656	-	3,972	-	(1,425,170)	1,481,129
Net Assets, beginning of year	8,598,663	2,784,153	1,480,333	-	61,334	-	12,924,483	11,443,354
Net Assets, end of year	\$ 7,274,618	\$ 2,640,400	\$ 1,518,989	\$ -	\$ 65,306	\$ -	\$ 11,499,313	\$ 12,924,483

See accompanying notes.

**Commercial Real Estate Women Network, CREW Network Foundation, and
CREW Network Foundation Canada**

Combined Statement of Functional Expenses
For the Year Ended December 31, 2022
(With Summarized Financial Information for December 31, 2021)

	Program Services					Supporting Services				
	Conferences and Convention	Member Services and Programs	Special Events	Grants Paid	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	2022 Total Expenses	2021 Total Expenses
Salaries and wages	\$ 227,876	\$ 976,282	\$ -	\$ -	\$ 1,204,158	\$ 1,004,157	\$ 56,859	\$ 1,061,016	\$ 2,265,174	\$ 1,980,172
Employee benefits	45,014	192,852	-	-	237,866	198,358	11,232	209,590	447,456	353,835
Payroll taxes	16,111	69,023	-	-	85,134	70,994	4,020	75,014	160,148	139,880
Information technology	99,988	461,294	-	-	561,282	440,606	24,949	465,555	1,026,837	568,655
Depreciation and amortization	3,893	16,677	-	-	20,570	17,153	971	18,124	38,694	67,202
Occupancy	12,749	54,622	-	-	67,371	54,934	3,181	58,115	125,486	123,890
Insurance	3,442	51,595	-	-	55,037	15,166	859	16,025	71,062	59,598
Professional fees	5,183	22,207	-	-	27,390	22,841	1,293	24,134	51,524	25,676
General office	10,306	44,152	-	-	54,458	45,412	2,571	47,983	102,441	86,159
Events	1,658,265	65,146	308,217	-	2,031,628	99,270	17,450	116,720	2,148,348	1,466,360
Advertising and promotion	18,942	162,017	-	-	180,959	-	-	-	180,959	147,606
Grants paid	-	90,494	-	285,305	375,799	-	-	-	375,799	317,458
Program supplies	77,989	43,295	-	7,435	128,719	18,417	37,101	55,518	184,237	134,322
Contract services	480,303	196,926	-	68,343	745,572	-	-	-	745,572	624,326
Travel	49,905	165,585	-	-	215,490	99,270	-	99,270	314,760	142,637
Total Expenses	\$ 2,709,966	\$ 2,612,167	\$ 308,217	\$ 361,083	\$ 5,991,433	\$ 2,086,578	\$ 160,486	\$ 2,247,064	\$ 8,238,497	\$ 6,237,776

See accompanying notes.

**Commercial Real Estate Women Network, CREW Network Foundation, and
CREW Network Foundation Canada**

Combined Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Cash received from memberships and contributions	\$ 5,643,954	\$ 4,466,105
Cash received from program fees and other	2,734,578	2,415,363
Cash paid to employees	(2,265,174)	(1,980,173)
Cash paid to suppliers and others	(6,061,337)	(3,233,318)
Interest and dividends received	282,236	219,813
	<hr/>	<hr/>
Net cash provided by operating activities	334,257	1,887,790
	<hr/>	<hr/>
Cash Flows from Investing Activities		
Purchases of property and equipment	(519,651)	(18,512)
Net purchases and sales of other noncurrent assets	(42,163)	(231,697)
Proceeds from the sales and maturities of investments	1,691,893	1,540,525
Purchases of investments	(1,885,221)	(2,845,535)
	<hr/>	<hr/>
Net cash used in investing activities	(755,142)	(1,555,219)
	<hr/>	<hr/>
Cash Flows from Financing Activities		
Contributions to endowment corpus	125,980	67,857
Increase in Chapter agency funds	15,548	80,608
	<hr/>	<hr/>
Net cash provided by financing activities	141,528	148,465
	<hr/>	<hr/>
Net (Decrease) Increase in Cash and Cash Equivalents	(279,357)	481,036
	<hr/>	<hr/>
Cash and Cash Equivalents, beginning of year	5,681,570	5,200,534
	<hr/>	<hr/>
Cash and Cash Equivalents, end of year	\$ 5,402,213	\$ 5,681,570
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**Commercial Real Estate Women Network, CREW Network Foundation, and
CREW Network Foundation Canada**

Notes to Combined Financial Statements
December 31, 2022 and 2021

1. Nature of Operations

Commercial Real Estate Women Network (“CREW Network”), incorporated in 1989, is a federation of affiliated member organizations of commercial real estate women. The core purpose of CREW Network is to transform the commercial real estate industry by advancing women globally.

In 1998, Commercial Real Estate Women Foundation (“CREW Network Foundation”) was formed to support CREW Network through charitable and educational activities. Furthermore, CREW Network Foundation supports CREW Network by, among other things, educating the members of CREW Network regarding the benefits of giving and philanthropy, providing educational grants, assisting chapters of CREW Network in their local charitable, philanthropic, and education activities, and providing grants and other forms of assistance to charitable organizations benefiting women and girls.

Commercial Real Estate Women Network Foundation Canada (“CREW Network Foundation Canada”) was incorporated and recognized as a Canadian charitable organization in 2016. CREW Network Foundation Canada is established to provide scholarship awards, funded by donations from Canadian residents.

2. Summary of Significant Accounting Policies

Principles of Combination

The accompanying combined financial statements include the accounts of CREW Network, CREW Network Foundation, and CREW Network Foundation Canada. There are no elements of financial or economic control with respect to the relationships between and among all of the entities, as described in Note 1. All significant intercompany balances and transactions are eliminated in combination. Except when referred to separately, all entities are collectively referred to as “the Organization” throughout the accompanying combined financial statements and related notes.

Comparative Information

The combined statements of financial position, activities, and functional expenses 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 the Organization’s combined financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Foreign Currency Transactions and Translations

The Organization conducts a portion of its operations internationally, and accordingly, transacts in the local currency of these countries. Additionally, the assets and liabilities of CREW Network Foundation Canada are held in Canadian dollars and translated at the month-end and year-end exchange rates for the purposes of combination. Gains and losses from foreign currency transactions and translation for the year are included net in expenses in the accompanying combined statements of activities and functional expenses, as they relate to the Organization’s operations.

**Commercial Real Estate Women Network, CREW Network Foundation, and
CREW Network Foundation Canada**

Notes to Combined Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Basis of Accounting and Presentation

The Organization's combined financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions.

Classification of Net Assets

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Included in net assets without donor restrictions are Board-designated net assets.
- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Change in Accounting Principle

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, Accounting Standards Codification (ASC) 842, *Leases*. The update requires a lessee to recognize a right-of-use ("ROU") asset and lease liability, initially measured at the present value of the lease payments, in its combined statements of financial position. The Organization adopted ASC 842 on January 1, 2022 using the new transition alternative method, which permits application of the new standard to all leases at the adoption date. The comparative periods presented in the accompanying combined financial statements were not restated and remained to be disclosed under the provisions of the previous lease standard, ASC 840. The new lease standard provides a number of optional practical expedients in transition. The Organization elected to apply the package of practical expedients, which permits the Organization not to reassess under the new standard prior conclusions about lease identification, lease classification, and initial direct costs. The Organization did not elect the use of hindsight or the practical expedient pertaining to land easements, the latter not being applicable to the Organization.

Cash Equivalents

For the purpose of the combined statements of cash flows, the Organization considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase. Excluded from this definition are amounts held for investment purposes.

Chapter Agency Funds

The combined financial statements include asset and liability balances for Chapter agency funds, as described in Note 6, for the individual CREW Chapters. These Chapters are legally separate entities, and have not been included in these combined financial statements.

**Commercial Real Estate Women Network, CREW Network Foundation, and
CREW Network Foundation Canada**

Notes to Combined Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Investments

Investments are recorded at fair value. All realized and unrealized gains and losses, net of investment management fees, are reported as a component of net investment return in the accompanying combined statement of activities.

Accounts Receivable

The Organization's accounts receivable are all due in less than one year and are recorded at net realizable value. The Organization writes off accounts receivable when they become uncollectible. When necessary, an allowance for uncollectible accounts receivable is determined based upon management's best estimate of the potential future uncollectibility of accounts outstanding. All receivables were deemed fully collectible, and no allowance for uncollectible accounts was established at December 31, 2022 and 2021.

Grants and Contributions Receivable

Grants and contributions receivable represent unconditional amounts committed to the Organization. Management determines the allowance for doubtful accounts based upon review of outstanding receivables, historical collection information, and existing economic conditions. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restrictions. Management has determined all grants and contributions receivable are fully collectible as of December 31, 2022 and 2021.

Property and Equipment

Property and equipment acquisitions with a cost greater than \$1,000 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to 12 years. Leasehold improvements are amortized over the shorter of the estimated useful life of the assets or the term of the lease. Upon disposal of depreciable assets, the cost and related accumulated depreciation and amortization are eliminated from the accounts, and the resulting gain or loss is credited or charged to income. Expenditures for repairs and maintenance are expensed as incurred.

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in ROU lease assets, which represent the Organization's right to use an underlying asset for the lease term, and lease obligations represent the Organization's obligation to make lease payments arising from the lease. Operating ROU lease assets and obligations are recognized at the commencement date based on the present value of lease payments over the lease term.

**Commercial Real Estate Women Network, CREW Network Foundation, and
CREW Network Foundation Canada**

Notes to Combined Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Leases (continued)

As most of the Organization's leases do not provide an implicit rate, the Organization uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The ROU lease asset also includes any lease payments made and excludes lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Revenue Recognition

Revenue Accounted for as Contracts with Customers

Revenue is recognized when the Organization satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration the Organization expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, the Organization combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the combined statements of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

Membership dues revenue is recognized ratably over the related membership period, which runs on a calendar year basis. Members joining mid-year are offered discounted member rates. Member dues payments collected in advance of the related membership period are recorded as deferred revenue until earned over the membership period.

Sponsorships and event registration fees revenue are recognized at the time of the event. Payments received in advance of the related event are recorded as deferred revenue until earned.

Other program fees and administrative services fees are recognized at the time the performance obligation is met. Any payments received in advance of satisfying performance obligations are recorded as deferred revenue until earned.

Revenue Accounted for in Accordance with Contribution Accounting

Grants and contributions that are nonreciprocal are recognized as revenue when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. The Organization reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of the Organization's programs or to a future year. When a donor 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 combined statement of activities as net assets released from restrictions.

**Commercial Real Estate Women Network, CREW Network Foundation, and
CREW Network Foundation Canada**

Notes to Combined Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for in Accordance with Contribution Accounting (continued)

Conditional contributions contain a donor-imposed condition that represents a barrier, such as a milestone, that must be overcome before the Organization is entitled to the assets transferred or promised. Failure to overcome the barrier gives the donor a right of return of the assets it has transferred or gives the promisor a right of release from its obligation to transfer its assets. Conditional contributions are recognized as revenue, either with or without donor restrictions, when donor-imposed conditions are substantially met, and any barriers are overcome. Donor restrictions are also satisfied when qualifying expenditures are incurred for the donor-specified program.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the combined statement of activities. The combined statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

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

Measure of Operations

The Organization considers net investment return, including interest and dividends, realized and unrealized gains and losses, and investment management fees, to be non-operating in nature; and therefore, these are not included in the change in net assets from operations. Additionally, the forgiveness on the Paycheck Protection Program loan, as described in Note 10, is not included in the change in net assets from operations.

Reclassifications

Certain amounts in the 2021 combined financial statements have been reclassified to conform to the 2022 presentation. These reclassifications have no effect on the change in net assets previously reported.

Subsequent Events

In preparing these combined financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 14, 2023, the date the combined financial statements were available to be issued.

**Commercial Real Estate Women Network, CREW Network Foundation, and
CREW Network Foundation Canada**

Notes to Combined Financial Statements
December 31, 2022 and 2021

3. Liquidity and Availability

Financial assets that are available for general expenditures within one year of the combined statements of financial position date comprise the following at December 31:

	<u>2022</u>	<u>2021</u>
Total financial assets available for general expenditures within one year of the combined statements of financial position date	\$ 5,847,363	\$ 5,977,422
Less:		
Board-designated net assets	(1,100,000)	(1,100,000)
Net assets with donor restriction – specified for purpose restrictions	<u>(439,832)</u>	<u>(523,184)</u>
Total available for general expenditures	<u>\$ 4,307,531</u>	<u>\$ 4,354,238</u>

In addition to financial assets available to meet general expenditure over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

4. Restricted Cash

Chapter agency fund assets include restricted cash held on behalf of the individual, legally separate Chapters of CREW. The Organization held the following cash, cash equivalents, and restricted cash within the Chapter agency fund assets at December 31:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,434,627	\$ 1,729,532
Restricted cash included in Chapter agency funds	<u>3,967,586</u>	<u>3,952,038</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 5,402,213</u>	<u>\$ 5,681,570</u>

**Commercial Real Estate Women Network, CREW Network Foundation, and
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5. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and cash equivalents, and investments. The Organization maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Organization has not experienced any credit losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

6. Chapter Agency Funds

CREW Network acts as an agent on behalf of various member chapters where CREW Network has entered into an agreement to provide accounting services for these individual chapters. Funds held on behalf of these chapters are classified as both chapter agency fund assets and liabilities in the accompanying combined statements of financial position. Chapter agency funds are held in separate bank and investment accounts, in order to segregate the funds from CREW Networks' accounts and activities. These funds are not considered cash equivalents or investments for financial reporting purposes.

The Organization held the following Chapter agency funds at December 31:

	2022	2021
Cash and cash equivalents	\$ 3,967,586	\$ 3,952,038
Brokerage cash	4,790	104,983
Certificates of deposit	3,459,497	2,237,030
Fixed income and equities	2,039,097	2,674,332
	<u> </u>	<u> </u>
Total Chapter agency funds	<u>\$ 9,470,970</u>	<u>\$ 8,968,383</u>

7. Investments and Fair Value Measurements

Net investment return is composed of the following for the years ended December 31:

	2022	2021
Interest and dividends	\$ 281,231	\$ 219,207
Realized gain	501,019	202,232
Unrealized (loss) gain	(2,169,301)	679,519
Investment management fees	(42,431)	(41,410)
	<u> </u>	<u> </u>
Total investment return, net	<u>\$ (1,429,482)</u>	<u>\$ 1,059,548</u>

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7. Investments and Fair Value Measurements (continued)

The Organization follows FASB ASC 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. The Organization recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

In general, and where applicable, the Organization uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

The following table presents the Organization's fair value hierarchy for those investments measured on a recurring basis at December 31, 2022:

	Level 1	Level 2	Level 3	Total
Brokerage cash	\$ 1,095,294	\$ -	\$ -	1,095,294
Certificates of deposit	2,526,124	-	-	2,526,124
Fixed income and equities:				
Short-term fixed income	3,657,316	-	-	3,657,316
Intermediate fixed income	1,209,463	-	-	1,209,463
Long-term fixed income	243,413	-	-	243,413
Large cap equity	2,391,938	-	-	2,391,938
Small cap equity	1,144,037	-	-	1,144,037
REITs and MLPs	218,363	-	-	218,363
Total investments	<u>\$ 12,485,948</u>	<u>\$ -</u>	<u>\$ -</u>	<u>12,485,948</u>

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7. Investments and Fair Value Measurements (continued)

The following table presents the Organization's fair value hierarchy for those investments measured on a recurring basis at December 31, 2021:

	Level 1	Level 2	Level 3	Total
Brokerage cash	\$ 1,807,254	\$ -	\$ -	\$ 1,807,254
Certificates of deposit	1,354,289	-	-	1,354,289
Fixed income and equities:				
Short-term fixed income	1,656,100	-	-	1,656,100
Intermediate fixed income	3,381,440	-	-	3,381,440
Long-term fixed income	358,472	-	-	358,472
Large cap equity	4,211,900	-	-	4,211,900
Mid cap equity	375,143	-	-	375,143
Small cap equity	635,356	-	-	635,356
REITs and MLPs	224,700	-	-	224,700
Total investments	<u>\$ 14,004,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,004,654</u>

8. Property and Equipment

Property and equipment consists of the following at December 31:

	2022	2021
Software	\$ 1,607,430	\$ 1,102,694
Hardware	124,273	143,707
Furniture and equipment	70,927	70,927
Leasehold improvements	<u>3,999</u>	<u>3,999</u>
Total property and equipment	1,806,629	1,321,327
Less: accumulated depreciation and amortization	<u>(1,272,988)</u>	<u>(1,267,286)</u>
Property and equipment, net	<u>\$ 533,641</u>	<u>\$ 54,041</u>

9. Revenue from Contracts with Customers

The Organization's membership dues include membership benefits, such as access to the members-only section of the website, networking opportunities, and discounts on certain services and events. The promises to deliver all of the performance obligations included in the membership dues are distinct; however, the Organization has determined that each individual benefit is not material in the context of the membership agreement and should be accounted for as a single performance obligation. All membership benefits are received simultaneously and the membership performance obligation is satisfied over time. Accordingly, membership benefits are recognized ratably over the membership period.

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9. Revenue from Contracts with Customers (continued)

All other types of deferred revenue payments, such as deferred registration fees, sponsorships, and other types of deferred revenue, are recognized as revenue in the accompanying combined statement of activities as the performance obligation is met.

The following table provides information about changes in deferred revenue for the years ended December 31:

	Deferred Membership Dues	Deferred Sponsorships	Deferred Meeting Registrations	Other Deferred Revenue	Total
Balance at December 31, 2020	\$ 879,955	\$ 410,000	\$ 135,725	\$ 17,105	\$ 1,442,785
Change in deferred revenue	32,700	142,000	(92,675)	201,145	283,170
Balance at December 31, 2021	912,655	552,000	43,050	218,250	1,725,955
Change in deferred revenue	324,889	(62,000)	85,118	(9,533)	338,474
Balance at December 31, 2022	<u>\$ 1,237,544</u>	<u>\$ 490,000</u>	<u>\$ 128,168</u>	<u>\$ 208,717</u>	<u>\$ 2,064,429</u>

10. Paycheck Protection Program Loan

The Organization applied for a loan under the Paycheck Protection Program (PPP) pursuant to Division A, Title I of the CARES Act, which was enacted on March 27, 2020. The PPP is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll through the COVID-19 pandemic, for which the Organization qualified. After the loans are granted, the Small Business Administration (SBA) will forgive loans if all employee retention criteria are met, and the funds are used for eligible expenses.

The loan was granted to the Organization on April 10, 2021 in the amount of \$362,965, with terms including a 1.00% fixed interest rate. The loan was scheduled to mature on April 10, 2026. On October 20, 2021, the SBA approved full forgiveness of the loan, and remitted the forgiveness amount to the financial institution, including applicable interest accruals. Upon forgiveness, the loan was recognized as revenue, and is included as a non-operating activity in the accompanying combined statement of activities for the year ended December 31, 2021.

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11. Board-Designated Net Assets Without Donor Restrictions

The CREW Network and the CREW Network Foundation Boards have designated portions of reserves for various purposes. Further descriptions of the respective Board-designated net assets are as follows:

CREW Network

Sustaining Reserves: The purpose of the Sustaining Reserves is to enable operations to continue in the event of future catastrophic events or downturns in the economy. The Board has designated a contribution of 50% of the current annual change in net assets when the annual change in net assets exceeds \$0. The target level for these reserves is 100% of the annual operating expenses of CREW Network, as calculated based on a rolling average of the actual operating expenses for the prior three fiscal years. The Sustaining Reserves were fully funded as of December 31, 2022 and 2021.

Business Development Reserves: The purpose of the Business Development Reserves is to provide funding for major business initiatives requiring significant developmental or start-up costs, which are not covered by current operating income. The target balance for these reserves is \$500,000. The Business Development Reserves were fully funded as of December 31, 2022 and 2021.

Infrastructure Reserves: The purpose of the Infrastructure Reserves is to provide funding for future technology or facility needs that are unable to be covered by current operating income. The target balance for these reserves is \$400,000. The Infrastructure Reserves were fully funded as of December 31, 2022 and 2021.

CREW Network Foundation

Career Outreach: The Career Outreach reserves include funds that the CREW Network Foundation Board of Trustees has agreed to set aside for funding future year career outreach programs including CREW Careers: Building Opportunities, University Outreach (UCREW) and eMentoring. The majority of the funds consist of revenue from prior year CREW Careers sponsors.

Operating: The CREW Network Foundation Board has designated funds to be set aside to protect the Organization against future unforeseen economic circumstances with respect to its operations. The target balance for this reserve at \$200,000 is based on the annual core business operating expenses. The Operating Reserve was fully funded as of December 31, 2022 and 2021.

Scholarship Endowment: The CREW Network Foundation Board has allocated funds without donor restrictions to be added to the Scholarship Endowment Fund as described in Note 13.

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12. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at December 31:

	2022	2021
Subject to expenditure for specified purpose:		
CREW Network Foundation:		
Chapter partnership activity	\$ 366,720	\$ 356,656
Annual scholarships	-	84,438
Research	7,806	20,756
CREW Network Foundation Canada:		
Annual scholarships	65,306	61,334
Total subject to expenditure for specified purpose	439,832	523,184
Endowment:		
Scholarship Endowment Fund – corpus	1,144,463	1,018,483
Total endowment	1,144,463	1,018,483
Total net assets with donor restrictions	\$ 1,584,295	\$ 1,541,667

The CREW Network Foundation and CREW Network Foundation Canada have net assets with donor restrictions at December 31, 2022 and 2021. Further descriptions of the respective net assets with donor restrictions are as follows:

CREW Network Foundation

Chapter Partnership Activity: Net assets with donor restrictions include certain contributions that are to be donated to charitable organizations, which have been selected by the chapters that solicited the contributions.

Annual Scholarships: Net assets with donor restrictions include donor-restricted funds and investment earnings on endowed funds for scholarships to be used for funding current scholarships.

Research: Net assets with donor restrictions include donor-restricted funds to be used for industry research studies.

CREW Network Foundation Canada

Annual Scholarships: Net assets with restrictions include donor-restricted funds to be used for funding current scholarships.

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13. Endowment

In an effort to provide for the continuance of the scholarship program currently facilitated by CREW Network, CREW Network Foundation has established a Scholarship Endowment Fund. Donor contributions are set aside to build a permanent fund, with a goal of providing scholarships from the investment earnings. In addition to donor contributions, the Board of Trustees has allocated funds from the Board-designated grants reserve and has made additional designations from net assets without restrictions to provide initial funding for the Scholarship Endowment Fund. As donations and pledge payments are received, funds are deposited into a separate investment account. Any investment earnings are added to the net assets with restrictions-annual scholarships net asset balance. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of CREW Network Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: (1) duration and preservation of the fund; (2) purposes of the Organization and the donor-restricted endowment fund; (3) general economic conditions; (4) possible effect of inflation and deflation; (5) expected total return from income and the appreciation or depreciation of investments; (6) other resources of the Organization; and (7) investment policies of the Organization.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to maximize long-term gains with an acceptable level of risk and to provide funding for special projects or initiatives, to act as an emergency source funding source or to fund capital expenditures. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-restricted periods. Under this policy, as approved by the Board, the endowment assets are invested in fixed income securities, specifically certificates of deposit with various maturity dates held in a brokerage account.

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Notes to Combined Financial Statements
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13. Endowment (continued)

Spending Policy and Strategy Employed for Achieving Objectives

Distribution of endowment funds are approved by the Board of Trustees and are made when deemed appropriate. The Board of Trustees has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulation to the contrary, but also interpret the relevant law as allowing, if prudent to the Organization, the invasion of the endowment principal. The current Board of Trustees' policy is to provide funding for scholarships from the investment earnings. The amount of the appropriation for scholarships is based on the rate of return of the certificates of deposit in the endowment fund as well as the balance of donor-restricted contributions for annual scholarships.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported by the Organization in net assets with donor restrictions. At December 31, 2022 and 2021, there were no fund deficiencies.

Composition of Funds

Endowment net asset composition was as follows at December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment fund	\$ -	\$ 1,144,463	\$ 1,144,463
Board-designated endowment funds	1,600,000	-	1,600,000
Total	<u>\$ 1,600,000</u>	<u>\$ 1,144,463</u>	<u>\$ 2,744,463</u>

Endowment net asset composition was as follows at December 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment fund	\$ -	\$ 1,018,483	\$ 1,018,483
Board-designated endowment funds	1,600,000	-	1,600,000
Total	<u>\$ 1,600,000</u>	<u>\$ 1,018,483</u>	<u>\$ 2,618,483</u>

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13. Endowment (continued)

Changes in Endowment Net Assets

Changes in endowment net assets were as follows for the year ended December 31, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,600,000	\$ 1,018,483	\$ 2,618,483
Investment return, net	37,640	28,320	65,960
Contributions	-	125,980	125,980
Appropriations for expenditure	<u>(37,640)</u>	<u>(28,320)</u>	<u>(65,960)</u>
Endowment net assets, end of year	<u><u>\$ 1,600,000</u></u>	<u><u>\$ 1,144,463</u></u>	<u><u>\$ 2,744,463</u></u>

Changes in endowment net assets were as follows for the year ended December 31, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,600,000	\$ 950,626	\$ 2,550,626
Investment return, net	28,227	17,744	45,971
Contributions	-	67,857	67,857
Appropriations for expenditure	<u>(28,227)</u>	<u>(17,744)</u>	<u>(45,971)</u>
Endowment net assets, end of year	<u><u>\$ 1,600,000</u></u>	<u><u>\$ 1,018,483</u></u>	<u><u>\$ 2,618,483</u></u>

14. Commitments and Contingencies

Operating Lease

The Organization has an operating lease for office space at a location in Lawrence, Kansas. The lease initially commenced on June 1, 2018, and was scheduled to expire on May 31, 2022. On December 1, 2021, the lease was extended from June 1, 2022 until May 31, 2025 through a lease extension. The lease terms include several lease incentives, such as rent abatement. The lease requires monthly rent payments with scheduled annual rent increases of 2%. The unamortized portion of the actual rent paid and the straight-line rent is not reflected as deferred rent in the accompanying combined statements of financial position due to immateriality.

Rent expense totaled \$98,915 and \$105,126 for the years ended December 31, 2022 and 2021, respectively.

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14. Commitments and Contingencies (continued)

Operating Lease (continued)

Maturities of the lease liability under the operating lease are as follows for the years ending December 31:

2023	\$ 97,120
2024	99,061
2025	<u>41,615</u>
Total minimum lease payments	237,796
Less: discount to present value at 4%	<u>(3,086)</u>
Present value of operating lease liability	<u><u>\$ 234,710</u></u>

Supplemental qualitative information related to the operating lease is as follows:

Operating lease costs	\$ 98,915
Cash paid for amounts included in the measurement of lease liabilities – operating cash flows	\$ 100,163
Right-of-use assets obtained in exchange for lease obligations	\$ 331,896
Weighted-average remaining lease term (in years)	2.42
Weighted-average discount rate	1.04%

Employment Contract

The Organization has an employment contract with the Chief Executive Officer that expires in January 2024. The employment contract contains terms that require severance payments upon the occurrence of certain contractual events.

Hotel Agreements

The Organization entered into several agreements with various hotels for future event sites. In the event of cancellation, the Organization can be held liable for certain cancellation fees and liquidated damages. Management does not expect any hotel agreement cancellations.

15. Functionalized Expenses

The combined financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Where feasible, the Organization allocates its expenses directly to specific functions. The expenses that are allocated include salaries and wages, employee benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort. Additionally, other expenses are allocated utilizing an overhead cost allocation methodology based on actual staff time and effort spent on the specific function.

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16. Retirement Plan

The Organization maintains a defined contribution retirement plan qualified under Section 401(k) of the Internal Revenue Code (IRC). All employees who meet certain age and employment requirements are eligible to participate in the plan. The plan permits employees to make contributions to the plan, and the Organization matches 25% of the employee contributions, up to a maximum of 1.5% of total compensation. The matching contributions are immediately fully vested. Additionally, the Organization makes a discretionary annual contribution to the plan up to 5% of the employee's annual salary. The annual contribution is subject to a graduated six-year vesting schedule. Total retirement expense during the years ended December 31, 2022 and 2021 totaled \$132,926 and \$120,203, respectively.

17. Income Taxes

CREW Network is exempt from federal income tax under IRC Section 501(c)(6). CREW Network Foundation is exempt under IRC Section 501(c)(3). CREW Network Foundation Canada is a Canadian charity, and is exempt from Canadian income tax under Section 149(1)(f) of the Canadian Income Tax Act, and exempt from United States federal income tax under the United States-Canada Income Tax Treaty.

The Organization's present accounting policy for the evaluation of uncertain tax positions is to review those positions on an annual basis. A liability would be recorded in the combined financial statements during the period in which, based on all available evidence, management believes it is more likely than not that the tax position would not be sustained upon examination by taxing authorities and the liability would be incurred by the Organization. Management has evaluated the Organization's tax positions and concluded that the Organization's combined financial statements do not include any uncertain tax positions.

The Organization's income tax returns are subject to review and examination by U.S. federal, state, and Canadian taxing authorities. The Organization is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes.