

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

Combined Financial Statements
and Independent Auditors' Report

December 31, 2020
(With Summarized Financial Information for December 31, 2019)

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

Combined Financial Statements
December 31, 2020
(With Summarized Financial Information for December 31, 2019)

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying combined financial statements of Commercial Real Estate Women Network, CREW Network Foundation, and the CREW Network Foundation Canada (collectively, "the Organization"), which comprise the combined statement of financial position as of December 31, 2020; 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.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Organization as of December 31, 2020, 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.

Report on Summarized Comparative Information

The combined financial statements of the Organization as of December 31, 2019, were audited by other auditors whose report, dated June 8, 2020, expressed an unmodified opinion on those statements.

A handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia
May 5, 2021

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

Combined Statements of Financial Position
December 31, 2020
(With Summarized Financial Information for December 31, 2019)

	CREW Network	CREW Network Foundation	CREW Network Foundation Canada	Eliminations	2020 Total	2019 Total
Assets						
Current assets:						
Cash and cash equivalents	\$ 1,179,483	\$ 116,853	\$ 32,767	\$ -	\$ 1,329,103	\$ 1,452,335
Chapter agency funds asset	8,579,405	-	-	-	8,579,405	7,407,568
Investments	8,125,925	3,733,256	-	-	11,859,181	11,629,782
Accounts receivable	37,651	38,433	10,946	(10,946)	76,084	95,102
Grants and contributions receivable	-	14,388	-	-	14,388	19,040
Prepaid expenses, current portion	156,816	-	-	-	156,816	150,354
Deposits, current portion	252,847	-	-	-	252,847	167,303
Total current assets	18,332,127	3,902,930	43,713	(10,946)	22,267,824	20,921,484
Prepaid expenses, noncurrent portion	36,720	-	-	-	36,720	39,643
Property and equipment, net	105,136	-	-	-	105,136	262,044
Deposits, noncurrent portion	7,500	-	-	-	7,500	39,000
Total assets	\$ 18,481,483	\$ 3,902,930	\$ 43,713	\$ (10,946)	\$ 22,417,180	\$ 21,262,171
Liabilities and Net Assets						
Liabilities						
Accounts payable and accrued expenses	\$ 906,429	\$ 53,117	\$ 2,634	\$ (10,946)	\$ 951,234	\$ 1,302,783
Deferred revenue	1,426,082	17,105	-	-	1,443,187	1,625,594
Chapter agency funds liability	8,579,405	-	-	-	8,579,405	7,407,568
Total liabilities	10,911,916	70,222	2,634	(10,946)	10,973,826	10,335,945
Net Assets						
Without donor restrictions						
Undesignated	1,778,343	771,183	-	-	2,549,526	2,565,512
Board-designated:						
Sustaining reserves	4,891,224	-	-	-	4,891,224	4,891,224
Business development reserves	500,000	-	-	-	500,000	500,000
Infrastructure reserves	400,000	-	-	-	400,000	400,000
Career outreach	-	5,440	-	-	5,440	23,720
Operating reserves	-	200,000	-	-	200,000	200,000
Scholarship endowment	-	1,600,000	-	-	1,600,000	1,000,000
Total net assets without donor restrictions	7,569,567	2,576,623	-	-	10,146,190	9,580,456
With donor restrictions:						
Perpetual in nature	-	950,626	-	-	950,626	905,503
Purpose restrictions	-	305,459	41,079	-	346,538	440,267
Total net assets with donor restrictions	-	1,256,085	41,079	-	1,297,164	1,345,770
Total net assets	7,569,567	3,832,708	41,079	-	11,443,354	10,926,226
Total liabilities and net assets	\$ 18,481,483	\$ 3,902,930	\$ 43,713	\$ (10,946)	\$ 22,417,180	\$ 21,262,171

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

Combined Statement of Activities
For the Year Ended December 31, 2020
(With Summarized Financial Information for December 31, 2019)

	CREW Network	CREW Network Foundation		CREW Network Foundation Canada		Eliminations	2020 Total	2019 Total
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions			
Revenue and Support								
Membership dues	\$ 2,249,988	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,249,988	\$ 2,342,671
Sponsorships	1,259,000	-	23,300	-	-	-	1,282,300	1,656,022
Convention	398,707	-	-	-	-	-	398,707	1,100,024
Leadership summit	68,650	-	-	-	-	-	68,650	165,000
Other education program fees	76,350	-	-	-	-	-	76,350	202,994
Administrative services fees	688,209	1,775	-	-	-	(166,287)	523,697	638,484
Grants and contributions	86,322	349,079	92,348	-	11,590	(88,823)	450,516	624,542
Special events revenue	-	81,100	24,983	-	-	-	106,083	326,107
Investment return, net	664,799	46,664	29,857	-	-	-	741,320	979,557
Other revenue	25,426	-	-	-	-	-	25,426	31,993
Released from restrictions	-	221,634	(221,634)	9,050	(9,050)	-	-	-
Total revenue and support	5,517,451	700,252	(51,146)	9,050	2,540	(255,110)	5,923,037	8,067,394
Expenses								
Program services:								
Conferences and convention	1,233,662	-	-	-	-	-	1,233,662	2,091,873
Member services and programs	2,386,948	2,587	-	-	-	(2,587)	2,386,948	2,052,079
Special events	-	31,032	-	-	-	(8,377)	22,655	190,840
Grants paid	-	320,775	-	9,050	-	(113,374)	216,451	170,984
Total program services	3,620,610	354,394	-	9,050	-	(124,338)	3,859,716	4,505,776
Supporting services:								
Management and general	1,358,576	142,993	-	-	-	(124,867)	1,376,702	1,448,441
Fundraising and development	150,705	24,691	-	-	-	(5,905)	169,491	163,853
Total supporting services	1,509,281	167,684	-	-	-	(130,772)	1,546,193	1,612,294
Total expenses	5,129,891	522,078	-	9,050	-	(255,110)	5,405,909	6,118,070
Change in Net Assets	387,560	178,174	(51,146)	-	2,540	-	517,128	1,949,324
Net Assets, beginning of year	7,182,007	2,398,449	1,307,231	-	38,539	-	10,926,226	8,976,902
Net Assets, end of year	\$ 7,569,567	\$ 2,576,623	\$ 1,256,085	\$ -	\$ 41,079	\$ -	\$ 11,443,354	\$ 10,926,226

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, 2020
(With Summarized Financial Information for December 31, 2019)

	Program Services				Supporting Services			2020 Total Expenses	2019 Total Expenses	
	Conferences and Convention	Member Services and Programs	Special Events	Grants Paid	Total Program Services	Management and General	Fundraising and Development			Total Supporting Services
Salaries and wages	\$ 209,496	\$ 833,072	\$ -	\$ -	\$ 1,042,568	\$ 762,722	\$ 86,528	\$ 849,250	\$ 1,891,818	\$ 1,753,634
Employee benefits	38,606	153,517	-	-	192,123	140,553	15,945	156,498	348,621	315,841
Payroll taxes	14,128	56,182	-	-	70,310	51,437	5,835	57,272	127,582	118,098
Information technology	37,698	161,223	-	-	198,921	137,248	15,570	152,818	351,739	379,405
Depreciation and amortization	25,017	99,482	-	-	124,499	91,081	10,333	101,414	225,913	386,398
Occupancy	13,817	54,945	-	-	68,762	50,305	5,707	56,012	124,774	128,480
Insurance	9,709	41,857	-	-	51,566	8,658	982	9,640	61,206	60,171
Professional fees	8,440	33,561	-	-	42,001	30,727	3,486	34,213	76,214	49,319
General office	8,142	32,372	-	-	40,514	29,636	3,362	32,998	73,512	50,248
Events	556,857	5,998	22,605	-	585,460	24,722	720	25,442	610,902	1,530,220
Advertising and promotion	26,427	218,289	-	-	244,716	-	-	-	244,716	433,325
Grants paid	-	-	-	212,121	212,121	-	-	-	212,121	183,525
Program supplies	12,410	457,213	50	4,330	474,003	24,891	21,023	45,914	519,917	138,222
Contract services	259,960	218,296	-	-	478,256	-	-	-	478,256	399,208
Travel	12,955	20,941	-	-	33,896	24,722	-	24,722	58,618	191,976
Total Expenses	\$ 1,233,662	\$ 2,386,948	\$ 22,655	\$ 216,451	\$ 3,859,716	\$ 1,376,702	\$ 169,491	\$ 1,546,193	\$ 5,405,909	\$ 6,118,070

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, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Cash received from memberships and contributions	\$ 3,783,157	\$ 4,769,345
Cash received from program fees and other	1,198,914	2,464,602
Cash paid to employees	(1,891,817)	(1,753,634)
Cash paid to suppliers and others	(3,731,734)	(3,743,596)
Interest and dividends received	227,752	267,114
	(413,728)	2,003,831
Cash Flows from Investing Activities		
Purchases of property and equipment	(69,004)	(51,395)
Purchase of noncurrent net assets	34,423	(78,643)
Proceeds from the sales and maturities of investments	1,988,832	2,363,673
Purchases of investments	(1,708,877)	(4,184,070)
	245,374	(1,950,435)
Cash Flows from Financing Activities		
Contributions to endowment corpus	45,123	70,128
Increase in Chapter agency funds	760,877	570,490
	806,000	640,618
Net Increase in Cash and Cash Equivalents	637,646	694,014
Cash and Cash Equivalents, beginning of year	4,562,888	3,868,874
Cash and Cash Equivalents, end of year	\$ 5,200,534	\$ 4,562,888

See accompanying notes.

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

Notes to Combined Financial Statements
December 31, 2020 and 2019

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 and combined statement of activities 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, 2019, from which the summarized information was derived.

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.

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

Notes to Combined Financial Statements
December 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

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.

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.

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, 2020 and 2019.

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.

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

Notes to Combined Financial Statements
December 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Grants and Contributions Receivable (continued)

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, 2020 and 2019.

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 3 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.

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. 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.

**Commercial Real Estate Women Network, CREW Network Foundation, and
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Notes to Combined Financial Statements
December 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

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.

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.

Recently Issued Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its combined statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in the Organization's fiscal year 2022.

Reclassifications

Certain information in the 2019 combined financial statements, as previously reported, has been reclassified to conform to the 2020 presentation of the combined financial statements. These reclassifications had no effect on the total change in net assets previously reported.

**Commercial Real Estate Women Network, CREW Network Foundation, and
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Notes to Combined Financial Statements
December 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Subsequent Events

In preparing these combined financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 5, 2021, the date the combined financial statements were available to be issued.

Subsequent to year end, the Organization applied for a loan under the Paycheck Protection Program (PPP) pursuant to Section 5001 of the American Rescue Plan Act of 2021, which was enacted on March 11, 2021. 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 (which primarily consist of payroll costs, costs used to continue group healthcare benefits, rent, and utilities).

The loan was granted to the Organization on April 10, 2021 in the amount of \$362,965, and it is management's intention to use the entire loan amount for qualifying expenses in order to apply for full forgiveness. Once the loan is, in part, or wholly, forgiven, and legal release is received, the Organization will reduce the liability by the amount forgiven and record a gain on extinguishment in the combined statement of activities, which is expected to occur in fiscal year 2021.

If the Organization is not approved for full forgiveness by the SBA, the loan would bear interest at a fixed rate of 1.00%, which is payable monthly commencing on October 10, 2021, and maturing on April 10, 2023.

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>2020</u>	<u>2019</u>
Total financial assets available for general expenditures within one year of the combined statements of financial position date	\$ 4,737,182	\$ 7,096,848
Less:		
Board-designated net assets	(1,105,440)	(1,123,720)
Net assets with donor restriction – specified for purpose restrictions	<u>(346,538)</u>	<u>(440,267)</u>
Total available for general expenditures	<u>\$ 3,285,204</u>	<u>\$ 5,532,861</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.

**Commercial Real Estate Women Network, CREW Network Foundation, and
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Notes to Combined Financial Statements
December 31, 2020 and 2019

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>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,329,103	\$ 1,452,335
Restricted cash included in Chapter agency funds	<u>3,871,431</u>	<u>3,110,553</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 5,200,534</u>	<u>\$ 4,562,888</u>

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 Depository 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:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 3,871,431	\$ 3,110,553
Brokerage cash	986,087	-
Certificates of deposit	3,031,029	4,297,015
Fixed income and equities	<u>690,858</u>	<u>-</u>
Total Chapter agency funds	<u>\$ 8,579,405</u>	<u>\$ 7,407,568</u>

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

Notes to Combined Financial Statements
December 31, 2020 and 2019

7. Investments and Fair Value Measurements

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

	2020	2019
Interest and dividends	\$ 222,738	\$ 328,723
Realized loss	(31,278)	-
Unrealized gain	583,887	669,527
Investment management fees	(34,027)	(18,693)
Total investment return, net	\$ 741,320	\$ 979,557

The Organization follows FASB Accounting Standards Codification 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, 2020:

	Level 1	Level 2	Level 3	Total
Brokerage cash	\$ 1,150,960	\$ -	\$ -	\$ 1,150,960
Certificates of deposit	3,323,220	-	-	3,323,220
Fixed income and equities:				
Short-term fixed income	647,282	-	-	647,282
Intermediate fixed income	1,858,748	-	-	1,858,748
Long-term fixed income	211,805	-	-	211,805
Large cap equity	3,906,516	-	-	3,906,516
Mid cap equity	760,650	-	-	760,650
Total investments	\$ 11,859,181	\$ -	\$ -	\$ 11,859,181

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

Notes to Combined Financial Statements
December 31, 2020 and 2019

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, 2019:

	Level 1	Level 2	Level 3	Total
Brokerage cash	\$ 1,154,538	\$ -	\$ -	\$ 1,154,538
Certificates of deposit	5,883,893	-	-	5,883,893
Fixed income and equities:				
Short-term fixed income	627,188	-	-	627,188
Intermediate fixed income	1,196,594	-	-	1,196,594
Long-term fixed income	119,915	-	-	119,915
Large cap equity	1,384,581	-	-	1,384,581
Mid cap equity	410,638	-	-	410,638
Small cap equity	236,580	-	-	236,580
International equity	383,880	-	-	383,880
REITs and MLPs	231,975	-	-	231,975
Total investments	\$ 11,629,782	\$ -	\$ -	\$ 11,629,782

8. Property and Equipment

Property and equipment consists of the following at December 31:

	2020	2019
Software	\$ 1,100,194	\$ 1,046,819
Hardware	134,308	118,679
Furniture and equipment	69,836	69,836
Leasehold improvements	3,999	3,999
Total property and equipment	1,308,337	1,239,333
Less: accumulated depreciation and amortization	(1,203,201)	(977,289)
Property and equipment, net	\$ 105,136	\$ 262,044

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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.

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, 2018	\$ 892,511	\$ 297,000	\$ 56,600	\$ 140,250	\$ 1,386,361
Revenue recognized	(892,511)	(297,000)	(56,600)	(140,250)	(1,386,361)
Payments received for future obligations	<u>975,294</u>	<u>434,000</u>	<u>49,000</u>	<u>167,300</u>	<u>1,625,594</u>
Balance at December 31, 2019	975,294	434,000	49,000	167,300	1,625,594
Revenue recognized	(975,294)	(434,000)	(49,000)	(167,300)	(1,625,594)
Payments received for future obligations	<u>879,955</u>	<u>410,000</u>	<u>136,127</u>	<u>17,105</u>	<u>1,443,187</u>
Balance at December 31, 2020	<u>\$ 879,955</u>	<u>\$ 410,000</u>	<u>\$ 136,127</u>	<u>\$ 17,105</u>	<u>\$ 1,443,187</u>

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10. 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, 2020 and 2019.

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, 2020 and 2019.

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, 2020 and 2019.

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, 2020 and 2019.

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 12.

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11. Net Assets With Donor Restrictions

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

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
CREW Network Foundation:		
Chapter partnership activity	\$ 266,743	\$ 319,846
Annual scholarships	-	68,008
Career outreach	-	-
Research	38,716	13,874
CREW Network Foundation Canada:		
Annual scholarships	<u>41,079</u>	<u>38,539</u>
 Total subject to expenditure for specified purpose	 <u>346,538</u>	 <u>440,267</u>
 Endowment:		
Scholarship Endowment Fund – corpus	<u>950,626</u>	<u>905,503</u>
 Total endowment	 <u>950,626</u>	 <u>905,503</u>
 Total net assets with donor restrictions	 <u>\$ 1,297,164</u>	 <u>\$ 1,345,770</u>

The CREW Network Foundation and CREW Network Foundation Canada have net assets with donor restrictions at December 31, 2020 and 2019. 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.

Career Outreach: Net assets with donor restrictions include donor-restricted funds to be used for career outreach programs.

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

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11. Net Assets With Donor Restrictions (continued)

CREW Network Foundation Canada

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

12. 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.

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12. Endowment (continued)

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.

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, 2020 and 2019, there were no fund deficiencies.

Composition of Funds

Endowment net asset composition was as follows at December 31, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment fund	\$ -	\$ 950,626	\$ 950,626
Board-designated endowment funds	<u>1,600,000</u>	<u>-</u>	<u>1,600,000</u>
Total	<u><u>\$ 1,600,000</u></u>	<u><u>\$ 950,626</u></u>	<u><u>\$ 2,550,626</u></u>

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12. Endowment (continued)

Composition of Funds (continued)

Endowment net asset composition was as follows at December 31, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment fund	\$ -	\$ 905,503	\$ 905,503
Board-designated endowment funds	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Total	<u>\$ 1,000,000</u>	<u>\$ 905,503</u>	<u>\$ 1,905,503</u>

Changes in Endowment Net Assets

Changes in endowment net assets were as follows for the year ended December 31, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,000,000	\$ 905,503	\$ 1,905,503
Investment return, net	17,921	10,429	28,350
Contributions	600,000	45,123	645,123
Appropriations for expenditure	<u>(17,921)</u>	<u>(10,429)</u>	<u>(28,350)</u>
Endowment net assets, end of year	<u>\$ 1,600,000</u>	<u>\$ 950,626</u>	<u>\$ 2,550,626</u>

Changes in endowment net assets were as follows for the year ended December 31, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,000,000	\$ 835,375	\$ 1,835,375
Investment return, net	18,775	16,974	35,749
Contributions	-	70,128	70,128
Appropriations for expenditure	<u>(18,775)</u>	<u>(16,974)</u>	<u>(35,749)</u>
Endowment net assets, end of year	<u>\$ 1,000,000</u>	<u>\$ 905,503</u>	<u>\$ 1,905,503</u>

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13. Commitments and Contingencies

Operating Lease

The Organization has a four-year lease for office space at a location in Lawrence, Kansas. The lease commenced on June 1, 2018, and is scheduled to expire on May 31, 2022. 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 \$103,065 and \$101,210 for the years ended December 31, 2020 and 2019, respectively.

Future minimum lease payments under the operating lease are as follows for the years ending December 31:

2021	\$	105,121
2022		<u>44,163</u>
Total future minimum lease payments	<u>\$</u>	<u>149,284</u>

Employment Contract

The Organization has an employment contract with the Chief Executive Officer. 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.

14. 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, 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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15. 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, 2020 and 2019 totaled \$108,322 and \$100,102, respectively.

16. 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.

17. COVID-19 Pandemic

The COVID-19 outbreak around the world has caused business disruption due to mandatory lockdowns implemented in order to slow down the spread of the virus. The Organization's management has been monitoring the situation and implementing certain changes in its operations and upcoming events in order to mitigate the impact of this pandemic. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration, and the full financial impact cannot be reasonably estimated at this time.