

EISNERAMPER

**COSMETIC EXECUTIVE WOMEN
FOUNDATION, LTD.**

FINANCIAL STATEMENTS

DECEMBER 31, 2022 and 2021



COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

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INDEPENDENT AUDITORS' REPORT

Board of Governors
Cosmetic Executive Women Foundation, Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Cosmetic Executive Women Foundation, Ltd. (the "Foundation"), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cosmetic Executive Women Foundation, Ltd. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
June 14, 2023



COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

Statements of Financial Position

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 702,856	\$ 1,998,004
Contributions receivable	83,845	126,895
Investments	5,731,438	5,327,664
Prepaid expenses and other assets	89,416	24,454
Website costs, net	<u>5,600</u>	<u>28,703</u>
Total assets	<u>\$ 6,613,155</u>	<u>\$ 7,505,720</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 144,251	\$ 242,854
Grants payable	-	87,500
Special event advances	22,500	132,000
Due to related party	<u>44,412</u>	<u>44,423</u>
Total liabilities	<u>211,163</u>	<u>506,777</u>
Commitments and other uncertainty (Note K)		
Net Assets:		
Without donor restrictions	<u>6,273,292</u>	<u>6,711,443</u>
With donor restrictions:		
Time-restricted for future periods	<u>128,700</u>	<u>287,500</u>
Total net assets	<u>6,401,992</u>	<u>6,998,943</u>
Total liabilities and net assets	<u>\$ 6,613,155</u>	<u>\$ 7,505,720</u>

COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

Statements of Activities

	Year Ended December 31,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:						
Contributions	\$ 2,799,876	\$ 128,700	\$ 2,928,576	\$ 2,636,221	\$ 287,500	\$ 2,923,721
Contributed services	300,623	-	300,623	378,594	-	378,594
Special events (net of direct benefits to donors of \$46,500 in 2022)	51,328	-	51,328	-	-	-
Investment (losses) income, net	<u>(799,240)</u>	<u>-</u>	<u>(799,240)</u>	<u>437,443</u>	<u>-</u>	<u>437,443</u>
Total public support and revenue before release of restrictions	2,352,587	128,700	2,481,287	3,452,258	287,500	3,739,758
Net assets released from restrictions	<u>287,500</u>	<u>(287,500)</u>	<u>-</u>	<u>220,500</u>	<u>(220,500)</u>	<u>-</u>
Total public support and revenue	<u>2,640,087</u>	<u>(158,800)</u>	<u>2,481,287</u>	<u>3,672,758</u>	<u>67,000</u>	<u>3,739,758</u>
Expenses:						
Program services	<u>2,085,374</u>	<u>-</u>	<u>2,085,374</u>	<u>2,165,943</u>	<u>-</u>	<u>2,165,943</u>
Supporting services:						
General and administrative	433,020	-	433,020	414,132	-	414,132
Fund-raising	<u>615,844</u>	<u>-</u>	<u>615,844</u>	<u>586,062</u>	<u>-</u>	<u>586,062</u>
Total supporting services	<u>1,048,864</u>	<u>-</u>	<u>1,048,864</u>	<u>1,000,194</u>	<u>-</u>	<u>1,000,194</u>
Total expenses	<u>3,134,238</u>	<u>-</u>	<u>3,134,238</u>	<u>3,166,137</u>	<u>-</u>	<u>3,166,137</u>
Change in net assets before non-operating activities	(494,151)	(158,800)	(652,951)	506,621	67,000	573,621
Non-operating activities:						
Gain on Paycheck Protection Program loan forgiveness	-	-	-	200,956	-	200,956
Losses on disposal of property and equipment	-	-	-	(4,490)	-	(4,490)
Employee retention credit	<u>56,000</u>	<u>-</u>	<u>56,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	(438,151)	(158,800)	(596,951)	703,087	67,000	770,087
Net assets, beginning of year	<u>6,711,443</u>	<u>287,500</u>	<u>6,998,943</u>	<u>6,008,356</u>	<u>220,500</u>	<u>6,228,856</u>
Net assets, end of year	<u>\$ 6,273,292</u>	<u>\$ 128,700</u>	<u>\$ 6,401,992</u>	<u>\$ 6,711,443</u>	<u>\$ 287,500</u>	<u>\$ 6,998,943</u>

See notes to financial statements.

COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

Statements of Functional Expenses

	Year Ended December 31,									
	2022					2021				
	Program Services	Supporting Services			Total	Program Services	Supporting Services			Total
	Cancer and Careers	General and Administrative	Fund-Raising	Total Supporting Services		Cancer and Careers	General and Administrative	Fund-Raising	Total Supporting Services	
Salaries and related taxes and benefits	\$ 982,715	\$ 339,572	\$ 343,841	\$ 683,413	\$ 1,666,128	\$ 765,754	\$ 320,149	\$ 265,624	\$ 585,773	\$ 1,351,527
Professional fees	52,362	42,639	102,247	144,886	197,248	70,956	39,415	127,620	167,035	237,991
Office supplies and expenses	-	4,232	-	4,232	4,232	265	71	-	71	336
Postage and delivery	9,207	-	986	986	10,193	11,525	-	397	397	11,922
Printing and reproduction	35,948	-	-	-	35,948	34,519	-	-	-	34,519
Occupancy	5,986	510	1,856	2,366	8,352	32,149	2,923	11,691	14,614	46,763
Travel and related costs	7,220	1,547	2,001	3,548	10,768	6,266	482	1,371	1,853	8,119
Insurance	-	29,005	-	29,005	29,005	-	22,170	-	22,170	22,170
Website maintenance	133,927	10,000	4,173	14,173	148,100	143,570	8,523	4,895	13,418	156,988
Space rental/catering	603	-	86,245	86,245	86,848	2,872	-	-	-	2,872
Seminars and micro-grants	201,844	-	-	-	201,844	329,508	-	-	-	329,508
Marketing	601,698	-	104,818	104,818	706,516	653,660	-	149,060	149,060	802,720
Videos	-	-	-	-	-	38,170	-	-	-	38,170
Information technology	-	-	-	-	-	21,649	11,740	6,931	18,671	40,320
Miscellaneous expense	36,768	4,129	11,556	15,685	52,453	32,693	6,745	11,483	18,228	50,921
Depreciation and amortization	17,096	1,386	4,621	6,007	23,103	22,387	1,914	6,990	8,904	31,291
Total expenses	2,085,374	433,020	662,344	1,095,364	3,180,738	2,165,943	414,132	586,062	1,000,194	3,166,137
Less: direct benefits to donors	-	-	(46,500)	(46,500)	(46,500)	-	-	-	-	-
Total expenses per the statements of activities	<u>\$2,085,374</u>	<u>\$ 433,020</u>	<u>\$ 615,844</u>	<u>\$ 1,048,864</u>	<u>\$ 3,134,238</u>	<u>\$2,165,943</u>	<u>\$ 414,132</u>	<u>\$ 586,062</u>	<u>\$ 1,000,194</u>	<u>\$ 3,166,137</u>

See notes to financial statements.

COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

Statements of Cash Flows

	Year Ended December 31,	
	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (596,951)	\$ 770,087
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	23,103	31,291
Losses on disposal of property and equipment	-	4,490
Net realized and unrealized losses (gains) on investments	867,473	(398,273)
Gain on Paycheck Protection Program loan forgiveness	-	(200,956)
Changes in:		
Contributions receivable	43,050	(59,400)
Prepaid expenses and other assets	(64,692)	(1,429)
Accounts payable and accrued expenses	(98,603)	502
Grants payable	(87,500)	87,500
Special event advances	(109,500)	132,000
Due to related party	<u>(11)</u>	<u>(28,398)</u>
Net cash (used in) provided by operating activities	<u>(23,901)</u>	<u>337,414</u>
Cash flows from investing activities:		
Capitalized website costs	-	(8,000)
Purchases of investments	(2,826,622)	(1,120,091)
Proceeds from sales of investments	<u>1,555,375</u>	<u>1,080,908</u>
Net cash used in investing activities	<u>(1,271,247)</u>	<u>(47,183)</u>
Net change in cash and cash equivalents	(1,295,148)	290,231
Cash and cash equivalents, beginning of year	<u>1,998,004</u>	<u>1,707,773</u>
Cash and cash equivalents, end of year	<u>\$ 702,856</u>	<u>\$ 1,998,004</u>
Supplemental disclosure of cash flow information:		
Contributed services	<u>\$ 300,623</u>	<u>\$ 378,594</u>

See notes to financial statements.

COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

Notes to Financial Statements December 31, 2022 and 2021

NOTE A - FOUNDATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] The Foundation:

The Cosmetic Executive Women Foundation, Ltd. (the "Foundation"), incorporated in 1989 in New York, is a not-for-profit organization that is dedicated to helping women better their lives. In 2001, the Foundation launched "Cancer and Careers" which is dedicated to empowering and educating people with cancer to thrive in their workplace by providing expert advice, interactive tools and educational events. Through a comprehensive website, free publications, career coaching, and a series of support groups and educational seminars for employees with cancer and their healthcare providers and coworkers, Cancer and Careers strives to eliminate fear and uncertainty for working people with cancer.

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). It is exempt from state and local taxes under comparable laws.

[2] Basis of accounting:

The financial statements of the Foundation have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations.

[3] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, public support and revenue, and expenses, as well as the disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

[4] Cash and cash equivalents:

The Foundation considers all highly liquid investments, with maturities of three months or less when purchased, to be cash equivalents. Cash equivalents considered to be part of the Foundation's investment portfolio are reflected as investments in the statements of financial position.

[5] Investments:

Investments in equity securities, fixed income securities, corporate bonds, asset-backed securities, U.S. treasury bills and mutual funds with readily determinable fair values are reported at their fair values in the statements of financial position at year-end based on quoted market prices. The Foundation includes certain money market funds as part of the investment portfolio.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted through donor stipulation. Realized gains and losses on investments are determined by comparison of the cost of acquisition to proceeds at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investment's cost to the fair value at the end of each year. The earnings from dividends and interest are recognized when earned.

The Foundation's investments, in general, are subject to various risks, such as interest-rate, market, and credit risks. Due to the level of risk associated with certain investment vehicles, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

Notes to Financial Statements December 31, 2022 and 2021

NOTE A - FOUNDATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[5] Investments: (continued)

Investment expenses include the service fees and costs of bank trustees, investment managers and custodians. The balances of investment management fees disclosed in Note C are those specific fees charged by the Foundation's various investment managers in each year; however, they do not include those fees that are embedded in various other investment accounts and transactions.

[6] Website costs:

Website costs related to application development, site configuration and infrastructure, and conceptual design are capitalized. Costs relating to operation and support are expensed as incurred. The Foundation capitalizes website costs that have a cost of \$2,500 or more and a useful life greater than one year. Capitalized costs are amortized over a five-year expected life using the straight-line method. At December 31, 2022 and 2021, capitalized website costs were presented net of accumulated amortization of \$284,905 and \$261,802, respectively.

[7] Paycheck Protection Program:

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The Paycheck Protection Program ("PPP") established by the CARES Act, implemented by the U.S. Small Business Administration ("SBA"), provides businesses, including certain not-for-profit organizations, with funds to pay payroll and other costs during the coronavirus ("COVID-19") outbreak. During 2020, the Foundation applied for and received PPP funds.

There were two acceptable methods for accounting for the PPP funds received under the CARES Act. Entities were able to elect to treat the funds as a loan or as a conditional contribution. During 2020, the Foundation elected to record the PPP funds as a loan under the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") 470 *Debt*. During the year ending December 31, 2021, the Foundation applied for and received full forgiveness of its loan from the bank and the SBA in the amount of \$200,956. Accordingly, this forgiven amount was reflected as a gain on Paycheck Protection Program loan forgiveness on the statements of activities as of December 31, 2021.

[8] Grants payable:

Unconditional grants approved but unpaid as of year-end are reported as liabilities in the statements of financial position. There were grants payable of \$87,500 as of December 31, 2021 which were fully paid out during the year ending December 31, 2022. There were no grants payable as of December 31, 2022.

[9] Special event advances:

From time to time the Foundation receives cash receipts for special events that are to take place subsequent to year end. Since these amounts are refundable and conditional on the event occurring, they are reflected advances and recognized as revenue in the year that the event occurs.

[10] Net assets:

(i) Net Assets Without Donor Restrictions:

The Foundation's net assets without donor restrictions represent those resources that are available for current operations, as there are no restrictions by donors regarding their use.

COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

Notes to Financial Statements December 31, 2022 and 2021

NOTE A - FOUNDATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[10] Net assets: (continued)

(ii) Net assets with Donor Restrictions:

Net assets with donor restrictions represent those resources that are subject to donor-imposed restrictions, such as the Foundation's program, "Cancer and Careers" and/or a specified period of time. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statements of activities as "net assets released from restrictions." It is the Foundation's policy to record restricted contributions received and expended in satisfaction of the restriction in the same accounting period within the category of "net assets without donor restrictions."

[11] Revenue recognition:

(i) Contributions:

Contributions to the Foundation are recognized as revenue upon the receipt of cash, other assets, or of unconditional pledges. Contributions are reported as "with donor restrictions" if they are received with purpose restrictions or time considerations as to their use. Contributions receivable are recognized based on the present value of the estimated future payments to be made to the Foundation. Conditional contributions are recognized when the donor's conditions have been met by requisite actions of the Foundation's management or necessary events have taken place.

(ii) Special events:

The Foundation conducts special events. A portion of the gross proceeds paid by the attendees represents payment for the direct costs of the benefits received by the attendees at the event. Such special-event income is reported net of the direct costs of the event that are attributable to the benefits that the donors receive. Due to the impact of COVID-19, there were no special events held during 2021.

(iii) Contributed services:

For recognition of donated services in the Foundation's financial statements, such services must: (i) require a specialized skill, (ii) be provided by individuals possessing these skills, and (iii) typically need to be acquired if not provided by donation. Donated services are recorded as support at their estimated fair values at the dates of donation. Donated services are reported as both contributions and expenses in the statements of activities.

(iv) Media placement:

The Foundation may receive in-kind contributions in the form of donated placements of public-service announcements ("PSAs") in magazines. Because the Foundation would not normally advertise in magazines and has no control over when and how often these PSAs are published, the Foundation has not recorded the value of these PSAs in the financial statements.

(v) Employee retention credit:

During 2022, the Foundation applied for the Employee Retention Credit ("ERC") for pay periods that occurred in 2021, of approximately \$56,000.

[12] Advertising costs:

Advertising costs are accounted for as an expense as they are incurred. Advertising expenses for 2022 and 2021 were approximately \$157,000 and \$140,000, respectively.

COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

Notes to Financial Statements December 31, 2022 and 2021

NOTE A - FOUNDATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[13] Functional allocation of expenses:

The costs of providing the Foundation's various program and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present expenses by natural classification and function. Accordingly, direct costs have been allocated among the program and supporting services based on the nature of the expense. Indirect expenses have been allocated on the basis of time allocation with the exception of occupancy, depreciation and amortization, which are allocated based on square footage.

[14] Income taxes:

The Foundation is subject to the provisions of the FASB's ASC Topic 740, *Income Taxes*, relating to accounting and reporting for uncertainty in income taxes. Due to the Foundation's general tax-exempt status, management believes ASC Topic 740 has not had, and is not anticipated to have, a material impact on the Foundation's financial statements.

[15] Measure of operations:

The Foundation includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Non-operating activities include: (i) gain on Paycheck Protection Program loan forgiveness; (ii) losses on disposal of property and equipment; and (iii) the employee retention credit.

[16] Adoption of accounting principle:

In September 2020, the FASB issued Accounting Standard Update ("ASU") 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash or other financial assets. For each category of contributed nonfinancial assets recognized, the not-for-profit organization will need to disclose: (i) qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period; if utilized, a description of the programs or other activities in which those assets were used; (ii) the not-for-profit's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets; (iii) a description of any donor-imposed restrictions associated with the contributed nonfinancial assets; and (iv) the valuation and techniques and inputs used to arrive at a fair value measure, if it is a market in which the recipient entity is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The amendments in this ASU have been applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. Analysis of the various provisions of this standard resulted in no significant changes in the way the Foundation recognizes contributed nonfinancial assets and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

[17] Subsequent events:

The Foundation has evaluated subsequent events through June 14, 2023, the date on which the financial statements were available to be issued.

COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

Notes to Financial Statements December 31, 2022 and 2021

NOTE B - CONTRIBUTIONS RECEIVABLE

At each year-end, the contributions receivable were due to be collected as follows:

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
Less than one year	\$ 83,845	\$ 116,895
One to five years	<u>-</u>	<u>10,000</u>
	<u>\$ 83,845</u>	<u>\$ 126,895</u>

The Foundation periodically assess the collectability of its receivables and provides for an allowance for anticipated losses, if any, when necessary.

NOTE C - INVESTMENTS

At each year-end, investments consisted of the following:

	<u>December 31,</u>			
	<u>2022</u>		<u>2021</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Money-market funds	\$ 1,580,814	\$ 1,580,814	\$ 384,497	\$ 384,497
Equity securities	2,917,057	3,045,833	1,606,483	993,380
U.S. government bonds	80,473	94,273	400,359	387,805
Corporate bonds	150,631	169,106	85,467	85,372
Asset-backed securities	184,821	196,002	-	-
Mutual funds:				
Fixed income	817,642	666,216	2,239,583	2,220,072
Equities	<u>-</u>	<u>-</u>	<u>611,275</u>	<u>364,839</u>
	<u>\$ 5,731,438</u>	<u>\$ 5,752,244</u>	<u>\$ 5,327,664</u>	<u>\$ 4,435,965</u>

During each year, net investment (losses) income consisted of the following:

	<u>Year Ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 95,305	\$ 87,508
Investment management fees	<u>(27,072)</u>	<u>(48,338)</u>
	<u>68,233</u>	<u>39,170</u>
Net realized gains	45,032	294,542
Net unrealized (losses) gains	<u>(912,505)</u>	<u>103,731</u>
Total net realized and unrealized (losses) gains	<u>(867,473)</u>	<u>398,273</u>
Total investment (losses) income	<u>\$ (799,240)</u>	<u>\$ 437,443</u>

COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

Notes to Financial Statements December 31, 2022 and 2021

NOTE C - INVESTMENTS (CONTINUED)

ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

Level 1 : Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments, at the reporting date.

Level 2 : Valuations are based on: (i) quoted prices for similar investments in active markets; or (ii) quoted prices for those investments or similar investments in markets that are not active; or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.

Level 3 : Valuations are based on pricing inputs that are unobservable and include situations where: (i) there is little, if any, market activity for the investments; or (ii) the investments cannot be independently valued.

The availability of market data is monitored by the Foundation's management, to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The following table summarize the fair values of the Foundation's investments at each year-end, in accordance with the ASC Topic 820 fair-value levels:

	December 31,					
	2022			2021		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Equity securities	\$2,917,057	\$ -	\$2,917,057	\$1,606,483	\$ -	\$1,606,483
U.S. government bonds	-	-	-	-	155,036	155,036
U.S. Treasury bills	80,473	-	80,473	245,323	-	245,323
Corporate bonds	-	150,631	150,631	-	85,467	85,467
Asset-backed securities	-	184,821	184,821	-	-	-
Mutual funds	817,642	-	817,642	2,850,858	-	2,850,858
	<u>\$3,815,172</u>	<u>\$ 335,452</u>	<u>\$ 4,150,624</u>	<u>\$4,702,664</u>	<u>\$ 240,503</u>	<u>\$ 4,943,167</u>

Within its investment portfolio, the Foundation also has money-market funds of \$1,580,814 and \$384,497, respectively, as of December 31, 2022 and 2021.

NOTE D - PROPERTY AND EQUIPMENT

During 2021, the Foundation disposed of property and equipment no longer in use of \$12,708, resulting in a loss on the disposals of \$4,490. There was no property equipment as of December 31, 2022.

COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

**Notes to Financial Statements
December 31, 2022 and 2021**

NOTE E - CONTRIBUTED SERVICES

The Foundation received contributed services for advertising, media coverage journal, and printing service consisting of the following:

Year Ended December 31, 2022

	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and inputs
Public relations	\$ 15,600	Program-related activities	N/A	Standard industry pricing for similar services/actual costs incurred by contributor
Advertising and media coverage	\$ 285,023	Program-related activities	N/A	Standard industry pricing for similar services/actual costs incurred by contributor

Year Ended December 31, 2021

	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and inputs
Public relations	\$ 19,360	Program-related activities	N/A	Standard industry pricing for similar services/actual costs incurred by contributor
Advertising and media coverage	\$ 359,234	Program-related activities	N/A	Standard industry pricing for similar services/actual costs incurred by contributor

In addition, a substantial number of Board members and volunteers have donated significant amounts of their time and support through fund-raising and participation in events in furtherance of the Foundation's mission. The value of this donated volunteer time is not reflected in the accompanying financial statements, as it does not meet the criteria for recognition under U.S. GAAP.

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

At each year-end, net assets with donor restrictions were restricted for the following:

	December 31,	
	2022	2021
Time-restricted for future periods	<u>\$ 128,700</u>	<u>\$ 287,500</u>
	<u>\$ 128,700</u>	<u>\$ 287,500</u>

COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

Notes to Financial Statements December 31, 2022 and 2021

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

During each year, net assets released from donor restrictions were released as follows:

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
Time-restricted for future periods	<u>\$ 287,500</u>	<u>\$ 220,500</u>
	<u>\$ 287,500</u>	<u>\$ 220,500</u>

NOTE G - BANK LINE-OF-CREDIT

During 2021, the Foundation maintained a bank line-of-credit which provided for a maximum credit line of \$3,200,000 at a variable interest rate based on LIBOR plus 1.5%. The line-of-credit was collateralized by a portion of the Foundation's investments which is equivalent to the amount of the draw down. There were no drawdowns on this line-of-credit during 2021. In February 2022, the Foundation established a new line of credit with a new bank, and the rate was calculated using SOFR rate, 4.92% which is collateralized by UBS long term assets. There were no drawdowns on this line-of-credit during 2022.

NOTE H - RETIREMENT PLANS

[1] Defined contribution 403(b) retirement plan:

The Foundation participates in the Prestige Employee Administrators Retirement Savings Plan (the "Plan"), which is administrated and maintained by the Foundation's third-party professional-service-organization (Note K[1]). The Plan is covered under Section 401(k) of the code, and covers all eligible employees, whereby the Foundation contributes an amount equal to 3% of an employee's annual compensation, up to a maximum of \$8,400 per associate, as defined by the Plan. Due to the impact of COVID-19, the Foundation did not make any contributions to the Plan during either 2022 or 2021.

[2] Deferred compensation 457(b) retirement plan:

The Foundation has a 457(b) deferred compensation plan for two key employees. Accruals to this plan amounted to \$8,200 and \$7,800 in 2022 and 2021, respectively. This plan is administrated and maintained by the Foundation's third-party professional service organization (Note K[1]).

NOTE I - RELATED-PARTY TRANSACTIONS

The Foundation has various activities in common with Cosmetic Executive Women, Inc. (the "Organization"), a Section 501(c)(6) membership organization, the financial statements of which, under U.S. GAAP, do not meet the criteria for consolidation with those of the Foundation. Certain costs for shared general and administrative expenses, as well as shared office space, were allocated by the Organization to the Foundation totaling \$85,576 and \$135,717 for 2022 and 2021, respectively. Additionally, the Organization pays certain of the Foundation's expenses, including allocated costs for office space, which are reimbursed by the Foundation. The Organization and Foundation shared office space located at 250 West 57th Street under an operating lease agreement between the Organization and the landlord which expired in September 2021. At December 31, 2022 and 2021, the payables due to the Organization in each respective year amounted to \$44,412 and \$44,423.

COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

Notes to Financial Statements December 31, 2022 and 2021

NOTE J - CONCENTRATION OF REVENUE

During 2022 and 2021, approximately 64% and 73%, respectively, of the Foundation's total contributions were provided by one donor.

NOTE K - COMMITMENTS AND OTHER UNCERTAINTY

[1] Payroll:

The Foundation leases its employees from a third-party, professional-service organization, under an agreement which automatically renews on an annual basis, unless terminated with notice by either party.

[2] Other contracts:

In the normal course of business, the Foundation enters into various contracts for professional, event-related, and other services, some of which are renewable on either a month-to-month or year-to-year basis.

[3] COVID-19:

The extent of the impact of the Coronavirus ("COVID-19") outbreak on the operational and financial performance of the Foundation will depend on the continued future developments, including the duration and spread of the outbreak and related travel advisories and restrictions and the impact of COVID-19 on the overall availability of contributions towards the Foundation's programs, all of which are highly uncertain and cannot be predicted. If contributions towards the Foundation's programs are impacted for an extended period, results of operations may be materially adversely affected.

NOTE L - CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash balances in a high-credit-quality financial institution in amounts which, at times, may be in excess of federally insured limits. The Foundation has not experienced any losses in such accounts, and management monitors the risk associated with concentrations on an on-going basis. Management believes the Foundation does not face a significant risk of loss on these accounts that might result from the failure of the financial institution.

COSMETIC EXECUTIVE WOMEN FOUNDATION, LTD.

Notes to Financial Statements December 31, 2022 and 2021

NOTE M - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Foundation's financial assets available for general expenditure within one year of the statements of financial position date, reduced by amounts not available for general use within one year due to donor-imposed restrictions:

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 702,856	\$ 1,998,004
Contributions receivable	83,845	126,895
Investments	<u>5,731,438</u>	<u>5,327,664</u>
Total financial assets available within one year	<u>6,518,139</u>	<u>7,452,563</u>
Less:		
Amounts unavailable for general expenditures within one year due to:		
Time-restrictions for future periods	<u>(128,700)</u>	<u>(287,500)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,389,439</u>	<u>\$ 7,165,063</u>

Liquidity policy:

The Foundation maintains a sufficient level of operating cash and investments, available to meet general expenditures, current liabilities, and other obligations that come due. The Foundation also has a committed line-of-credit to help manage unanticipated liquidity needs, if needed.