

**EISNERAMPER**

**ASSOCIATION OF THE BAR OF THE  
CITY OF NEW YORK FUND, INC.**

**FINANCIAL STATEMENTS**

**APRIL 30, 2022 and 2021**



# ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.

## Contents

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Financial Statements</b>	
Statements of financial position as of April 30, 2022 and 2021	3
Statements of activities for the years ended of April 30, 2022 and 2021	4
Statement of functional expenses for the year ended April 30, 2022 (with summarized financial information for 2021)	5
Statement of functional expenses for the year ended April 30, 2021	6
Statements of cash flows for the years ended April 30, 2022 and 2021	7
Notes to financial statements	8

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Association of the Bar of the City of New York Fund, Inc.

### **Report on the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the Association of the Bar of the City of New York Fund, Inc. (the "City Bar Fund"), which comprise the statements of financial position as of April 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for 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 Association of the Bar of the City of New York Fund, Inc. as of April 30, 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 City Bar Fund 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 City Bar Fund'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 City Bar Fund's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

#### ***Auditors' Responsibility 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.



"EisnerAmper" is the brand name under which EisnerAmper LLP and Eisner Advisory Group LLC provide professional services.

EisnerAmper LLP and Eisner Advisory Group LLC are independently owned firms that practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper LLP is a licensed CPA firm that provides attest services, and Eisner Advisory Group LLC and its subsidiary entities provide tax and business consulting services. Eisner Advisory Group LLC and its subsidiary entities are not licensed CPA firms.

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 City Bar Fund'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 City Bar Fund'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  
September 23, 2022



**ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.**

**Statements of Financial Position**

	<b>April 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,115,052	\$ 4,912,354
Pledges and grants receivable, net	3,323,267	4,454,786
Investments	6,834,965	7,971,316
Related party loan receivable	1,166,670	2,000,000
Other receivables and prepaid expenses	46,297	160,151
Property and equipment, net	-	17,921
	<u>\$ 17,486,251</u>	<u>\$ 19,516,528</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 432,019	\$ 311,356
Deferred revenue	63,820	-
Paycheck Protection Program Second Draw loan payable	-	740,785
	<u>495,839</u>	<u>1,052,141</u>
Total liabilities		
Commitments and other uncertainty (see Notes H(2)), N and O)		
Net Assets:		
Net assets without donor restrictions	<u>6,233,087</u>	<u>6,376,762</u>
With donor restrictions:		
Time restricted	6,728,218	7,747,762
Purpose restricted	3,327,006	3,637,762
Perpetual in nature	<u>702,101</u>	<u>702,101</u>
Total net assets with donor restrictions	<u>10,757,325</u>	<u>12,087,625</u>
Total net assets	<u>16,990,412</u>	<u>18,464,387</u>
	<u>\$ 17,486,251</u>	<u>\$ 19,516,528</u>

**ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.**

**Statements of Activities**

	Year Ended April 30,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:						
Contributions and government grants	\$ 311,996	\$ 4,729,787	\$ 5,041,783	\$ 1,013,235	\$ 6,763,760	\$ 7,776,995
Donated services	265,333	-	265,333	289,000	-	289,000
Net investment (losses) income, net	(511,389)	(302,999)	(814,388)	1,578,432	737,654	2,316,086
Other income: lectures and other programs	237,563	-	237,563	128,771	-	128,771
Special events revenue (net of direct benefit to donors of \$48,720 in 2022)	1,101,069	-	1,101,069	276,464	884,733	1,161,197
Gain on loan forgiveness	740,785	-	740,785	-	-	-
Total revenues and other support before net assets released from restrictions	<u>2,145,357</u>	<u>4,426,788</u>	<u>6,572,145</u>	<u>3,285,902</u>	<u>8,386,147</u>	<u>11,672,049</u>
Net assets released from restrictions:						
Satisfaction of donors' restrictions:						
Time restricted	3,571,228	(3,571,228)	-	3,412,815	(3,412,815)	-
Purpose restricted	2,185,860	(2,185,860)	-	1,886,800	(1,886,800)	-
Total net assets released from restrictions	<u>5,757,088</u>	<u>(5,757,088)</u>	<u>-</u>	<u>5,299,615</u>	<u>(5,299,615)</u>	<u>-</u>
Total revenues and other support	<u>7,902,445</u>	<u>(1,330,300)</u>	<u>6,572,145</u>	<u>8,585,517</u>	<u>3,086,532</u>	<u>11,672,049</u>
Expenses:						
Program activities:						
Education and research	2,415,864	-	2,415,864	2,179,399	-	2,179,399
Community outreach and services	4,253,315	-	4,253,315	3,611,921	-	3,611,921
Total program activities	6,669,179	-	6,669,179	5,791,320	-	5,791,320
General and administrative	933,441	-	933,441	533,683	-	533,683
Fundraising	443,500	-	443,500	476,822	-	476,822
Total expenses	<u>8,046,120</u>	<u>-</u>	<u>8,046,120</u>	<u>6,801,825</u>	<u>-</u>	<u>6,801,825</u>
<b>Change in net assets</b>	<b>(143,675)</b>	<b>(1,330,300)</b>	<b>(1,473,975)</b>	<b>1,783,692</b>	<b>3,086,532</b>	<b>4,870,224</b>
Net assets - beginning of year	<u>6,376,762</u>	<u>12,087,625</u>	<u>18,464,387</u>	<u>4,593,070</u>	<u>9,001,093</u>	<u>13,594,163</u>
<b>Net assets - end of year</b>	<b><u>\$ 6,233,087</u></b>	<b><u>\$ 10,757,325</u></b>	<b><u>\$ 16,990,412</u></b>	<b><u>\$ 6,376,762</u></b>	<b><u>\$ 12,087,625</u></b>	<b><u>\$ 18,464,387</u></b>

See notes to financial statements.

# ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.

## Statement of Functional Expenses Year Ended April 30, 2022

(with summarized financial information for 2021)

	Program Services			Supportive Services			Total	
	Education and Research	Community Outreach and Services	Total	General and Administrative	Fundraising	Total	2022	2021
Salaries	\$ 1,192,065	\$ 2,438,710	\$ 3,630,775	\$ 458,523	\$ 141,496	\$ 600,019	\$ 4,230,794	\$ 3,898,666
Employee benefits	<u>307,646</u>	<u>673,934</u>	<u>981,580</u>	<u>133,549</u>	<u>18,564</u>	<u>152,113</u>	<u>1,133,693</u>	<u>956,233</u>
Total salaries and related expenses	1,499,711	3,112,644	4,612,355	592,072	160,060	752,132	5,364,487	4,854,899
Occupancy	370,572	412,232	782,804	61,502	33,949	95,451	878,255	650,085
Contributions to the related party	305,494	-	305,494	-	-	-	305,494	102,345
Grants	49,020	290,957	339,977	-	-	-	339,977	198,775
Donated legal services	-	265,333	265,333	-	-	-	265,333	289,000
Professional services	97,571	8,132	105,703	19,404	177,364	196,768	302,471	305,923
Conference, conventions, and meetings	9,711	5,256	14,967	11,505	1,325	12,830	27,797	14,149
Travel	19,596	1,788	21,384	940	5,705	6,645	28,029	5,292
Direct benefit to donors	-	-	-	-	48,720	48,720	48,720	-
Office expenses	14,932	50,882	65,814	84,086	9,720	93,806	159,620	75,086
Audio and visual technical services	16,696	993	17,689	-	23,410	23,410	41,099	15,000
Insurance	6,117	30,586	36,703	-	-	-	36,703	40,430
Membership and publications	4,898	24,975	29,873	2,221	1,399	3,620	33,493	22,838
Depreciation and amortization	-	17,921	17,921	-	-	-	17,921	21,968
Accounting fees	-	-	-	29,193	-	29,193	29,193	25,235
Bank and credit card fees	5,707	979	6,686	-	11,843	11,843	18,529	15,046
Bad debt expense	-	-	-	34,001	-	34,001	34,001	28,230
Temporary staff	-	-	-	8,925	-	8,925	8,925	-
Miscellaneous expenses	<u>15,839</u>	<u>30,637</u>	<u>46,476</u>	<u>89,592</u>	<u>18,725</u>	<u>108,317</u>	<u>154,793</u>	<u>137,524</u>
Total expenses	<u>2,415,864</u>	<u>4,253,315</u>	<u>6,669,179</u>	<u>933,441</u>	<u>492,220</u>	<u>1,425,661</u>	<u>8,094,840</u>	<u>6,801,825</u>
Less:								
Special event expenses – direct benefit	-	-	-	-	(48,720)	(48,720)	(48,720)	-
Total expenses per statements of activities	<u>\$ 2,415,864</u>	<u>\$ 4,253,315</u>	<u>\$ 6,669,179</u>	<u>\$ 933,441</u>	<u>\$ 443,500</u>	<u>\$ 1,376,941</u>	<u>\$ 8,046,120</u>	<u>\$ 6,801,825</u>

See notes to financial statements.

**ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.**

**Statement of Functional Expenses  
Year Ended April 30, 2021**

	Program Services			Supportive Services			Total Expenses
	Education and Research	Community Outreach and Services	Total	General and Administrative	Fundraising	Total	
Salaries	\$ 1,203,211	\$ 2,146,829	\$ 3,350,040	\$ 260,078	\$ 288,548	\$ 548,626	\$ 3,898,666
Employee benefits	<u>265,786</u>	<u>557,331</u>	<u>823,117</u>	<u>96,821</u>	<u>36,295</u>	<u>133,116</u>	<u>956,233</u>
Total salaries and related expenses	1,468,997	2,704,160	4,173,157	356,899	324,843	681,742	4,854,899
Occupancy	254,359	336,380	590,739	34,249	25,097	59,346	650,085
Contributions to the related party	102,345	-	102,345	-	-	-	102,345
Grants	72,212	126,563	198,775	-	-	-	198,775
Donated legal services	-	289,000	289,000	-	-	-	289,000
Professional services	212,877	1,119	213,996	413	91,514	91,927	305,923
Conference, conventions, and meetings	13,649	140	13,789	145	215	360	14,149
Travel	2,672	2,192	4,864	126	302	428	5,292
Office expenses	16,053	48,683	64,736	2,162	8,188	10,350	75,086
Audio and visual technical services	-	-	-	-	15,000	15,000	15,000
Insurance	10,108	30,322	40,430	-	-	-	40,430
Membership and publications	6,300	12,913	19,213	1,036	2,589	3,625	22,838
Depreciation and amortization	-	21,445	21,445	523	-	523	21,968
Accounting fees	-	-	-	25,235	-	25,235	25,235
Bank and credit card fees	7,519	3	7,522	-	7,524	7,524	15,046
Bad debt expense	-	-	-	28,230	-	28,230	28,230
Miscellaneous expenses	<u>12,308</u>	<u>39,001</u>	<u>51,309</u>	<u>84,665</u>	<u>1,550</u>	<u>86,215</u>	<u>137,524</u>
Total expenses per statements of activities	<u>\$ 2,179,399</u>	<u>\$ 3,611,921</u>	<u>\$ 5,791,320</u>	<u>\$ 533,683</u>	<u>\$ 476,822</u>	<u>\$ 1,010,505</u>	<u>\$ 6,801,825</u>

See notes to financial statements.



**ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.**

**Statements of Cash Flows**

	<b>Year Ended April 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (1,473,975)	\$ 4,870,224
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	17,921	21,968
Net realized and unrealized losses (gains) on investments	935,030	(2,226,214)
Proceeds from donated securities	50,318	50,355
Donated securities	(50,318)	(50,355)
Bad debt expense	34,001	28,230
Gain on loan forgiveness	(740,785)	-
Changes in:		
Pledges and grants receivable, net	1,097,518	(865,259)
Other receivables and prepaid expenses	113,854	241,403
Accounts payable and accrued expenses	120,663	(43,928)
Deferred revenue	63,820	(527,000)
Net cash provided by operating activities	<u>168,047</u>	<u>1,499,424</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sales of investments	912,909	1,500,976
Purchases of investments	(711,588)	(1,288,426)
Repayment of loan from related party	833,330	-
Loan extended to related party	-	(2,000,000)
Net cash provided by (used in) investing activities	<u>1,034,651</u>	<u>(1,787,450)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from Paycheck Protection Program Second Draw loan	-	740,785
<b>Net increase in cash and cash equivalents</b>	<b>1,202,698</b>	<b>452,759</b>
Cash and cash equivalents - beginning of year	<u>4,912,354</u>	<u>4,459,595</u>
Cash and cash equivalents - end of year	<u>\$ 6,115,052</u>	<u>\$ 4,912,354</u>
<b>Supplementary information:</b>		
Donated services	<u>\$ 265,333</u>	<u>\$ 289,000</u>
In-kind interest	<u>\$ 82,031</u>	<u>\$ 82,031</u>

# ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.

## Notes to Financial Statements April 30, 2022 and 2021

### NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### [1] Organization:

The Association of the Bar of the City of New York Fund, Inc. (the "City Bar Fund"), incorporated in 1946 in the State of New York, was established for the purpose of utilizing the funds received to facilitate and improve the administration of justice, the cultivation and diffusion of knowledge and understanding of the law, and to facilitate access to justice.

The City Bar Fund is exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws and is not a private foundation.

The City Bar Fund is affiliated with The Association of the Bar of the City of New York (the "Association") and shares space and certain resources with the Association. Although the members of the Association's Board of Directors constitute the entire membership of the City Bar Fund, the Association does not have a substantial economic interest in, or control of, the City Bar Fund, and, therefore, the two organizations' financial statements are not consolidated.

#### [2] Basis of accounting:

The financial statements have been prepared using the accrual basis of accounting, in accordance with 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, revenues and other support and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

#### [4] Cash and cash equivalents:

The City Bar Fund's management considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, with the exception of those money-market funds held as short-term investments within the investment portfolio.

#### [5] Investments:

Investments in corporate stocks, an exchange traded fund, and mutual funds consisting of equity and fixed income funds, are reported at their published fair values as of each fiscal year-end. Short-term investments consist of money market funds. The fair value of the limited liability company has been estimated based on the net asset value ("NAV") per share (or its equivalent unit) of the investment, as reported by the investment manager. Because of the complex management structure, the nature of the underlying investments, and the inherent uncertainty of the valuation of the investment, the City Bar Fund's management and its investment manager monitor its position to reduce the risk of potential losses due to changes in fair value or the failure of counterparties to perform on a routine basis. The City Bar Fund's management reviews and evaluates the values provided by the related investment manager and believes that the investment is reported at a reasonable estimate of its fair value. Estimated values may differ significantly from the value that would have been used had a ready market for the instrument existed.

# ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.

## Notes to Financial Statements April 30, 2022 and 2021

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

#### [5] Investments: (continued)

The City Bar Fund'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.

Investment transactions are recorded on a trade-date basis. Realized gains or losses on investments sold, and unrealized appreciation or 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 or losses on investments are determined by comparison of the cost at time of acquisition to proceeds at the time of disposition. Distributions received from the limited liability company in excess of the City Bar Fund's cumulative cost basis are recognized as realized gains. Unrealized gains or 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.

Investment expenses include the services of investment advisors. The balances of investment advisory fees disclosed in Note C are those specific fees charged by the City Bar Fund's investment advisors in each year.

Donated securities are recorded at their fair values at the dates of donation. The City Bar Fund's policy is to sell donated securities immediately, and, accordingly, for purposes of the statements of cash flows, donated securities and the proceeds generated from their sale are included as operating activities.

#### [6] Property and equipment:

Property and equipment, consisting of computer equipment and software, are recorded at cost at the date of acquisition or at the fair-market value at the date of donation, less accumulated depreciation, and amortization. The City Bar Fund capitalizes assets over \$5,000. Depreciation and amortization is calculated using the straight-line method over an estimated useful life of five years.

#### [7] Library books and works of art:

Library books, and works of art have been donated to the City Bar Fund and are held primarily for research and educational purposes. A portion of the library is composed of irreplaceable research materials and rare and antique books. The City Bar Fund stores the library books and works of art in a restricted area of the library that has a fire control system to protect the collection. Proceeds from the sale of library materials would be used to support the direct care of existing collections, or to purchase additional library materials. In accordance with U.S. GAAP for this type of asset, the items have not been reported as an asset in the City Bar Fund's statements of financial position.

#### [8] Accrued vacation:

Employees accrue vacation on a calendar-year basis. Accrued vacation is included as a liability in the financial statements and represents the potential liability for unused employee vacation time payable in the event of employee departures. At April 30, 2022 and 2021, the accrued vacation obligation was \$87,933 and \$74,017, respectively, and is included as part of the accounts payable and accrued expenses in the accompanying statements of financial position.

# ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.

## Notes to Financial Statements April 30, 2022 and 2021

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

#### [9] Paycheck Protection Program loan payable:

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"), provided businesses, including certain not-for-profit organizations, with funds to pay payroll and other costs during the coronavirus ("COVID-19") outbreak.

There are two acceptable methods for accounting for the PPP funds received under the CARES Act. Entities can elect to treat the funds as a loan or as a conditional contribution. The City Bar Fund applied for and received a First Draw PPP loan which was forgiven during the fiscal-year 2021, and accordingly, was reflected as a government grant. The City Bar Fund also applied for and received a Second Draw PPP loan and had elected to record these PPP funds as a loan under the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") 470, *Debt*. During fiscal-year 2022, the City Bar Fund applied for and received forgiveness of the loan in the amount \$740,785 (see Note G).

#### [10] Net assets:

The net assets of the City Bar Fund and changes therein are classified and reported as follows:

(i) *Net assets without donor restrictions:*

Net assets without donor restrictions represent those resources for which there are no restrictions by donors and are therefore available for general operations that include the ongoing activities and working capital needs of the City Bar Fund.

(ii) *Net assets with donor restrictions:*

Net assets with donor restrictions represent those resources that are subject to donor-imposed restrictions, such as specific purposes and/or a specific period of time. Also included within net assets with donor restrictions are donor restrictions that are perpetual in nature and subject to the requirements of the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). These donors have stipulated that those resources be maintained in perpetuity with the resultant income and net capital appreciation arising from the underlying assets to be used in satisfaction of the wishes of the donors. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, or funds are appropriated through an action of the Board of Directors, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as "net assets released from restrictions." It is the policy of the City Bar Fund that donations, the restriction of which are satisfied in the year of donation, appear in the category of net assets without donor restrictions.

#### [11] Revenue recognition:

(i) *Contributions and grants:*

Contributions and grants are recorded as revenue upon the receipt of cash, other assets, or unconditional pledges. Contributions and grants are considered without donor restrictions unless specifically restricted by the donor. Contributions and grants to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved. The City Bar Fund periodically assesses collectability of its contributions and grants, and related receivables using management's judgment of potential defaults, which considers factors such as prior collection history, type of contribution or grants, and the nature of fund-raising activity and provides allowances for anticipated losses, if any, when necessary.

# ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.

## Notes to Financial Statements April 30, 2022 and 2021

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

#### [11] Revenue recognition: (continued)

##### (ii) *Special events:*

The City Bar Fund conducts special events whereby a portion of the gross proceeds paid by attendees at these events, held as fundraising activities, represents contribution revenue, and the other portion represents the payment of the direct costs of the benefits received by the attendees at the event. Special-event income is reported net of the direct benefits to donors. Special event revenue, other than contributions, received for a future year's event is deferred and recognized when the event takes place.

##### (iii) *Donated services:*

Contributions of services are recognized by the City Bar Fund as both revenues and expenses if the services: (i) create or enhance assets; (ii) require specialized skills and are provided by individuals possessing those skills, and (iii) would typically need to be purchased if not provided by donation. At April 30, 2022 and 2021, the value of contributed legal services recognized in the statements of activities was \$265,333 and \$289,000, respectively.

The City Bar Fund directs professional services contributed at no fee by lawyers and other volunteers largely to indigent persons who need legal assistance. The City Bar Justice Center (the "Justice Center") coordinated approximately \$13,000,000 and \$15,000,000 in volunteer services for fiscal years 2022 and 2021, respectively. Because the Justice Center coordinates and supervises these services and is not the recipient of these services, these services are not reported in the financial statements.

##### (iv) *Other income:*

Each year, the City Bar Fund hosts lectures and various events for which tickets may be purchased; the income from these events is included as other income within the statements of activities. The income related to these events is recognized when the event takes place. The City Bar Fund does not provide refunds.

#### [12] Grants expense:

Unconditional grants and awards made to others are recognized in the financial statements at the time of approval by the City Bar Fund's Board of Directors. The City Bar Fund does not approve multi-year commitments.

#### [13] Functional allocation of expenses:

The City Bar Fund's financial statements report certain categories of expenses that are attributable to program and supporting services of the City Bar Fund. These costs have been summarized by their functional and natural classifications in the statements of functional expenses. Accordingly, certain costs that are directly attributable to a specific functional area of the City Bar Fund are reported as an expense to the appropriate program or supporting service. Natural expenses attributable to more than one functional expense category have been allocated among the programs and supporting services based on the time spent by employees and the nature of the expense. The expenses that are allocated include professional fees, occupancy, office expenses, conference, conventions and meetings, insurance, and depreciation and amortization.

# ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.

## Notes to Financial Statements April 30, 2022 and 2021

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

#### [14] Income tax uncertainties:

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

#### [15] Upcoming accounting pronouncements:

(i) *Accounting Updates to Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets:*

In September 2020, the FASB issued Accounting Standards 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, 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; (iv) the valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in *Topic 820, Fair Value Measurement*, at initial recognition; and (v) the principal market (or most advantageous market) 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 will be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. The City Bar Fund is currently evaluating the effect that this new guidance will have on the financial statements and related disclosures.

(ii) *Leases:*

In February 2016, the FASB issued its new lease accounting guidance in ASU 2016-02, *Leases*. ASU 2016-02 will require lessees to recognize for all leases (with terms of more than 12 months) at the commencement date, the following: a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and b) a right-of-use-asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The new lease guidance also simplified the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. Lessees will no longer be provided with a source of off-balance sheet financing. The standard is effective for the City Bar Fund for the fiscal year beginning after December 15, 2021. Upon the adoption of the guidance, operating leases are capitalized on the statements of financial position at the present value of lease payments, using the applicable incremental borrowing rate, or risk-free rate, at the date of adoption. The impact on the City Bar Fund's financial statements is currently being evaluated. Information about the City Bar Fund's leases and the timing of those payments is provided in Note H.

#### [16] Subsequent events:

The City Bar Fund evaluated subsequent events through September 23, 2022, the date on which the financial statements were available to be issued.

## ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.

### Notes to Financial Statements April 30, 2022 and 2021

#### NOTE B - PLEDGES AND GRANTS RECEIVABLE

At each fiscal year-end, pledges and grants receivable are estimated to be due as follows:

	April 30,	
	2022	2021
Less than one year	\$ 3,348,267	\$ 3,881,623
One to five years	-	575,000
	<u>3,348,267</u>	4,456,623
Reduction of contributions due in excess of one year to present value at a discount rate of .16% in 2021	-	(1,837)
	<u>3,348,267</u>	4,454,786
Less: estimated uncollectible amounts	<u>(25,000)</u>	-
	<u>\$ 3,323,267</u>	<u>\$ 4,454,786</u>

The estimate for doubtful pledges and grants is determined on an annual basis by management after considering such factors as prior collection history, type of contribution and the nature of the fund-raising activity. During fiscal-year 2022, prior fiscal years' pledges and grants amounting to approximately \$25,000 were deemed uncollectible and written off against the allowance. There was no allowance for uncollectible amounts in fiscal-year 2021.

#### NOTE C - INVESTMENTS

At each fiscal year-end, the City Bar Fund's investments consisted of the following:

	April 30,	
	2022	2021
Money-market funds	\$ 24,964	\$ 22,106
Corporate stocks	10,544	13,703
Exchange traded fund	162,115	185,021
Mutual funds:		
Equity funds	4,648,586	5,553,966
Fixed-income fund	1,438,465	1,596,710
Limited liability company (a)	<u>550,291</u>	<u>599,810</u>
	<u>\$ 6,834,965</u>	<u>\$ 7,971,316</u>

- a) Invests at least 80% of its net assets, plus any borrowings for investment purposes, in securities of medium-sized companies in a diversified portfolio of structured credit products in the United States and European credit markets.

# ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.

## Notes to Financial Statements April 30, 2022 and 2021

### NOTE C - INVESTMENTS (CONTINUED)

The City Bar Fund utilizes a "total-return policy" on its investment portfolio, whereby an annual specified spending rate is established to determine the amount of investment earnings to be used for current operations. A spending rate of 4.75% was used for both fiscal-years 2022 and 2021. The City Bar Fund's investment earnings appropriated for current operations are composed of income from the externally managed investment portfolio, pursuant to the spending rate, plus investment income earned on other short-term investments managed internally

The investment return and its classification in the statements of activities were as follows for each of the fiscal years ended:

	April 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Dividends and interest	\$ 123,235	\$ 21,628	\$ 144,863
Net realized gains	320,422	163,905	484,327
Net unrealized losses	<u>(939,022)</u>	<u>(480,335)</u>	<u>(1,419,357)</u>
	(495,365)	(294,802)	(790,167)
Investment fees	<u>(16,024)</u>	<u>(8,197)</u>	<u>(24,221)</u>
Net investment losses	<u>\$ (511,389)</u>	<u>\$ (302,999)</u>	<u>\$ (814,388)</u>

	April 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Dividends and interest	\$ 94,010	\$ 13,867	\$ 107,877
Net realized gains	555,431	237,386	792,817
Net unrealized gains	<u>941,043</u>	<u>492,354</u>	<u>1,433,397</u>
	1,590,484	743,607	2,334,091
Investment fees	<u>(12,052)</u>	<u>(5,953)</u>	<u>(18,005)</u>
Net investment gains	<u>\$ 1,578,432</u>	<u>\$ 737,654</u>	<u>\$ 2,316,086</u>

ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy for fair-value measurements. These valuation techniques are based upon 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 identical 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. The City Bar Fund had no Level 2 investments in fiscal-years 2022 or 2021.



# ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.

## Notes to Financial Statements April 30, 2022 and 2021

### NOTE C - INVESTMENTS (CONTINUED)

Level 3: Valuations are based on pricing inputs that are unobservable and include situations where there is little, if any, market activity for the investments, or the investments cannot be independently valued. The City Bar Fund had no Level 3 investments in fiscal-years 2022 or 2021.

The City Bar Fund has an investment that is valued using the NAV per share (or its equivalent unit) as a practical expedient of fair value. The use of the practical expedient applies to investments which: (i) do not have a readily determinable fair value; and (ii) whose financial statements were prepared by the respective investment manager consistent with the measurement principles of an investment company or have the attributes of an investment company. Investments that are valued using NAV are not required to be categorized within the fair value hierarchy, and accordingly, have been excluded from the fair-value hierarchy.

The availability of market data is monitored 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 tables summarize the fair values of the City Bar Fund's assets at each fiscal year-end, in accordance with ASC Topic 820 valuation levels:

	<b>April 30, 2022</b>		
	<b>Amounts within Fair-Value Hierarchy</b>	<b>Valued at NAV</b>	<b>Total Investments</b>
	<b>Level 1</b>		
Money-market funds	\$ 24,964	\$ -	\$ 24,964
Corporate stocks	10,544	-	10,544
Exchange traded fund	162,115	-	162,115
Mutual funds	6,087,051	-	6,087,051
Limited liability company	-	550,291	550,291
	<u>\$ 6,284,674</u>	<u>\$ 550,291</u>	<u>\$ 6,834,965</u>

	<b>April 30, 2021</b>		
	<b>Amounts within Fair-Value Hierarchy</b>	<b>Valued at NAV</b>	<b>Total Investments</b>
	<b>Level 1</b>		
Money-market funds	\$ 22,106	\$ -	\$ 22,106
Corporate stocks	13,703	-	13,703
Exchange traded fund	185,021	-	185,021
Mutual funds	7,150,676	-	7,150,676
Limited liability company	-	599,810	599,810
	<u>\$ 7,371,506</u>	<u>\$ 599,810</u>	<u>\$ 7,971,316</u>

At April 30, 2022, the City Bar Fund had no unfunded commitments for its investments. The City Bar Fund can redeem its interest in the limited liability company on a monthly basis, with 10-days' notice.

# ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.

## Notes to Financial Statements April 30, 2022 and 2021

### NOTE D - PROPERTY AND EQUIPMENT

At each fiscal year-end, property and equipment consisted of the following:

	April 30,	
	<u>2022</u>	<u>2021</u>
Computers and software	\$ 195,208	\$ 195,208
Accumulated depreciation and amortization	<u>(195,208)</u>	<u>(177,287)</u>
	<u>\$ -</u>	<u>\$ 17,921</u>

### NOTE E - RETIREMENT PLANS

#### [1] Defined-benefit pension plan:

Employees of the City Bar Fund participate in the Association's defined-benefit pension plan upon meeting the requirements for eligibility. The plan was amended to cease all benefit accruals effective July 1, 2004 and no future employees are eligible for this benefit. All active participants are fully vested in their accrued benefits. During fiscal-year 2016, the Association offered a buy-out to all current participants in the plan, approximately 50% of participants accepted the buy-out. The City Bar Fund does not contribute towards this plan.

#### [2] 401(k) plan:

The City Bar Fund participates in the Association's Section 401(k) Plan, under which employees make contributions up to the maximum allowable by law. All eligible employees are entitled to receive up to a 3% matching contribution. In April 2020, the City Bar Fund suspended its 3% matching contribution due to the COVID-19 pandemic. However, in January 2021, the match was reinstated. Accordingly, the 3% match contributed by the City Bar Fund in fiscal-years 2022 and 2021 was \$86,732 and \$29,287, respectively.

### NOTE F - REVENUE FOR SPECIAL EVENTS

The following table provides information about significant changes in deferred revenue from special events ticket sales consisting of the following:

	April 30,	
	<u>2022</u>	<u>2021</u>
Deferred revenue, beginning of year	\$ -	\$ 527,000
Donors changed characterization of revenue to contributions	-	(527,000)
Revenue recognized that was included in deferred revenue at the beginning of the year	-	-
Increase in deferred revenue due to cash received during the period	<u>63,820</u>	<u>-</u>
Deferred revenue, end of year	<u>\$ 63,820</u>	<u>\$ -</u>

**ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.**

**Notes to Financial Statements  
April 30, 2022 and 2021**

**NOTE G - LOANS PAYABLE**

During fiscal-year 2021, the City Bar Fund applied for and received a First Draw PPP loan in the amount of \$740,785 in May 2020. The City Bar applied for forgiveness of this loan and received notification that the full amount had been forgiven by the SBA as of April 30, 2021. Accordingly, during fiscal-year 2021, these funds were recognized as a government grant within the accompanying statement of activities.

In addition, in February 2021, the City Bar Fund applied for and received a Second Draw PPP loan for \$740,785 and this amount was reported as a loan payable on the accompanying statements of financial position as of April 30, 2021. During fiscal-year 2022, the City Bar Fund applied for forgiveness of the loan and was notified in September 2021 that it received full forgiveness from the SBA on its Second Draw PPP loan. Accordingly, the forgiven amount is reflected as a gain on loan forgiveness on the statement of activities for the year ended April 30, 2022.

**NOTE H - RELATED-PARTY TRANSACTIONS**

**[1] Operating expenses reimbursement:**

Certain expenses are paid for by the Association on behalf of the City Bar Fund. Of these inter-entity transactions, the City Bar Fund reimburses a portion of them to the Association. Such reimbursements totaled \$305,494 and \$102,345 in fiscal years 2022 and 2021, respectively.

**[2] Lease agreement:**

The City Bar Fund pays rent for its usage of space and reimburses the Association for support services provided to the usage of the leased space within the Association’s building based on an office lease agreement, renewable annually. Rent expense for fiscal-years 2022 and 2021 was \$878,255 and \$650,085, respectively. In March, 2022, the City Bar Fund renewed its annual lease with the Association through April, 2023 and its future minimum lease payment is approximately \$314,000 for fiscal-year 2023.

**[3] Loan and other receivables:**

In July 2020, the City Bar Fund loaned \$2,000,000 to the Association to assist in funding business related expenses affected by the COVID-19 outbreak. In lieu of paying interest on the loan, the Association will provide administrative and financial management services to the City Bar Fund during the term of the loan, which are valued at approximately \$82,031, the equivalent of a 4.1% annual interest rate. During both fiscal-year 2022 and 2021, the City Bar Fund earned loan interest income of \$82,031, respectively, for administrative and financial management services provided by the Association and is included within other income on the statements of activities. Principal is collected in twenty-four equal monthly installments that began in July 2021 and continue through July 2023. During fiscal-year 2022, the Association repaid \$833,330 of the loan. As of April 30, 2022 and 2021, the balance of the loan receivable is \$1,166,670 and \$2,000,000, respectively. The required future minimum payments to be received on the loan receivable subsequent to April 30, 2022 are as follows:

<u>Year Ending April 30,</u>	<u>Total</u>
2023	\$ 1,000,000
2024	<u>166,670</u>
	<u>\$ 1,166,670</u>

# ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.

## Notes to Financial Statements April 30, 2022 and 2021

### NOTE H - RELATED-PARTY TRANSACTIONS (CONTINUED)

#### [3] Loan and other receivables: (continued)

In addition, as of April 30, 2022 and 2021, the Association owed the City Bar Fund \$32,275 and \$88,569, respectively, mainly related to contributions sent to the Association on behalf of the City Bar Fund. These amounts were repaid in full subsequent to year end.

### NOTE I - SIGNIFICANT SOURCE OF REVENUE

The City Bar Fund received grants from an unrelated party in fiscal-year 2022 totaling \$1,254,472. The City Bar Fund received grants from an unrelated party in fiscal-year 2021 totaling \$2,535,415. Such grants represented approximately 25% and 33% of total contributions and grant revenue in fiscal-years 2022 and 2021, respectively.

### NOTE J - CONCENTRATION OF CREDIT RISK

The City Bar Fund maintains its cash and cash equivalents in high-credit-quality financial institutions in amounts which, at times, may exceed federally insured limits. The City Bar Fund has not experienced any losses in such accounts, and management believes that the City Bar Fund is not exposed to any significant risk of loss due to the failure of the financial institutions.

### NOTE K - ENDOWMENT

#### [1] The endowment:

The City Bar Fund's endowment consists of nine individual funds established for a variety of purposes including education, lectures, and library renovations.

#### [2] Interpretation of relevant law:

NYPMIFA is applicable to the City Bar Fund's endowment funds. The Board of Directors will continue to adhere to NYPMIFA's requirements.

#### [3] Return objectives and risk parameters:

The Board of Directors of the City Bar Fund has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the City Bar Fund must hold in perpetuity. Under these policies, as approved by the Board of Directors, the endowment assets are invested with the long-term objective of earning a net return of at least the Consumer Price Index (the "CPI"). Actual returns in any given year may vary from this amount.

#### [4] Strategies employed for achieving objectives:

To satisfy its long-term rate-of-return objectives, the City Bar Fund relies on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The City Bar Fund targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.**

**Notes to Financial Statements  
April 30, 2022 and 2021**

**NOTE K - ENDOWMENT (CONTINUED)**

**[5] Spending policy and related objectives:**

For both fiscal-years 2022 and 2021, the Board of Directors of the City Bar Fund approved a policy of appropriating for distribution, and did appropriate, 4.75% of its endowment fund's average fair value over the prior 12 quarters, through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Board considered the long-term expected return on its endowment. Accordingly, over the long term, the Board expects the current spending policy to allow its endowment to grow at an annual average of the CPI, plus the spending rate. This is consistent with the City Bar Fund's objective of maintaining the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment returns.

**[6] Policy on underwater funds spending:**

It is the policy of the Board of Directors of the City Bar Fund not to spend from underwater endowment funds, unless otherwise stipulated by donor intent or unless affirmatively approved by the Board of Directors.

**[7] Endowment net-asset composition, by type of fund, as of each fiscal year-end:**

	<u>April 30, 2022</u>		
	<u>Amounts Subject to Appropriation</u>	<u>Amounts Held In Perpetuity</u>	<u>Total</u>
Endowment funds – with donor restrictions	<u>\$ 982,408</u>	<u>\$ 702,101</u>	<u>\$ 1,684,509</u>
	<u>April 30, 2021</u>		
	<u>Amounts Subject to Appropriation</u>	<u>Amounts Held In Perpetuity</u>	<u>Total</u>
Endowment funds – with donor restrictions	<u>\$ 1,322,258</u>	<u>\$ 702,101</u>	<u>\$ 2,024,359</u>

**ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.**

**Notes to Financial Statements  
April 30, 2022 and 2021**

**NOTE K - ENDOWMENT (CONTINUED)**

**[8] Changes in endowment net assets, by type of fund, during each fiscal year:**

	Year Ended April 30, 2022		
	Amounts Subject to Appropriation	Amounts Held in Perpetuity	Total
Endowment net assets and the earnings thereon, beginning of year	<u>\$ 1,322,258</u>	<u>\$ 702,101</u>	<u>\$ 2,024,359</u>
Investment return:			
Investment income, net	8,897	-	8,897
Net depreciation (realized and unrealized)	<u>(316,430)</u>	<u>-</u>	<u>(316,430)</u>
Total investment return	<u>(307,533)</u>	<u>-</u>	<u>(307,533)</u>
Other changes:			
Appropriation of endowment assets for expenditures	<u>(32,317)</u>	<u>-</u>	<u>(32,317)</u>
Endowment net assets and the earnings thereon, end of year	<u>\$ 982,408</u>	<u>\$ 702,101</u>	<u>\$ 1,684,509</u>

	Year Ended April 30, 2021		
	Amounts Subject to Appropriation	Amounts Held in Perpetuity	Total
Endowment net assets and the earnings thereon, beginning of year	<u>\$ 613,287</u>	<u>\$ 702,101</u>	<u>\$ 1,315,388</u>
Investment return:			
Investment income, net	7,914	-	7,914
Net appreciation (realized and unrealized)	<u>729,740</u>	<u>-</u>	<u>729,740</u>
Total investment return	<u>737,654</u>	<u>-</u>	<u>737,654</u>
Other changes:			
Appropriation of endowment assets for expenditures	<u>(28,683)</u>	<u>-</u>	<u>(28,683)</u>
Endowment net assets and the earnings thereon, end of year	<u>\$ 1,322,258</u>	<u>\$ 702,101</u>	<u>\$ 2,024,359</u>

**ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.**

**Notes to Financial Statements  
April 30, 2022 and 2021**

**NOTE K - ENDOWMENT (CONTINUED)**

**[9] Funds with deficiencies:**

Due to unfavorable market fluctuations, from time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may decline below the historical dollar value of the donor's original restricted contribution, or the amount required to be maintained under state law, referred to as underwater endowment. Under the terms of NYPMIFA, the City Bar Fund has no responsibility to restore such decreases in value. At April 30, 2022 and 2021, there were no deficiencies of this nature

**NOTE L - NET ASSETS WITH DONOR RESTRICTIONS**

At each fiscal year-end, net assets with donor restrictions consisted of the following:

	<b>Year Ended April 30,</b>	
	<b>2022</b>	<b>2021</b>
Time restricted	<b>\$ 6,728,218</b>	\$ 7,747,762
Purpose restricted:		
Education and research	<b>1,903,651</b>	1,764,060
Community outreach and services	<b>440,947</b>	551,444
Amounts subject to appropriation	<b><u>982,408</u></b>	<u>1,322,258</u>
	<b><u>3,327,006</u></b>	<u>3,637,762</u>
Perpetual in nature:		
Education and research	<b>175,719</b>	175,719
Operations	<b><u>526,382</u></b>	<u>526,382</u>
	<b><u>702,101</u></b>	<u>702,101</u>
	<b><u>\$ 10,757,325</u></b>	<u>\$ 12,087,625</u>

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

	<b>Year Ended April 30,</b>	
	<b>2022</b>	<b>2021</b>
Time restricted	<b>\$ 3,571,228</b>	\$ 3,412,815
Purpose restrictions satisfied:		
Education and research	<b>1,542,566</b>	1,258,996
Community outreach and services	<b><u>643,294</u></b>	<u>627,804</u>
	<b><u>2,185,860</u></b>	<u>1,886,800</u>
	<b><u>\$ 5,757,088</u></b>	<u>\$ 5,299,615</u>

**ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.**

**Notes to Financial Statements  
April 30, 2022 and 2021**

**NOTE M - LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following reflects the City Bar Fund’s financial assets as of the statements of financial position date, reduced by amounts not available for general use within one year of April 30, 2022 and 2021 because of donor imposed restrictions.

	<u>April 30,</u>	
	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	<b>\$ 6,115,052</b>	\$ 4,912,354
Pledges and grants receivable, net	<b>3,323,267</b>	4,454,786
Investments	<b>6,834,965</b>	7,971,316
Loan receivable	<b>1,166,670</b>	2,000,000
Other receivables	<b><u>32,770</u></b>	<u>88,988</u>
 Total financial assets available within one year	 <b><u>17,472,724</u></b>	 <u>19,427,444</u>
 Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors for:		
Time	<b>(6,728,218)</b>	(7,747,762)
Purpose	<b>(3,327,006)</b>	(3,637,762)
Perpetual in nature	<b><u>(702,101)</u></b>	<u>(702,101)</u>
 Total amounts unavailable for general expenditure within one year	 <b><u>(10,757,325)</u></b>	 <u>(12,087,625)</u>
 Total financial assets available to meet cash needs for general expenditures within one year	 <b><u>\$ 6,715,399</u></b>	 <u>\$ 7,339,819</u>

Liquidity policy:

The City Bar Fund maintains a sufficient level of operating cash and investments to be available as its general expenditures, liabilities, and other obligations come due as part of the City Bar Fund's liquidity management. Additionally, the City Bar Fund has appreciated earnings on endowment funds, whereby amounts could be made available for current operations, if necessary; however, the City Bar Fund does not intend to spend these funds for purposes other than those approved by the donors.

**NOTE N - COVID-19**

The extent of the impact of the COVID-19 outbreak on the operational and financial performance of the City Bar Fund’s services were dependent on the continued future developments, including the duration and spread of the outbreak, related travel advisories and restrictions, and the impact of COVID-19 on overall demand for the City Bar Fund’s programs and services, some of which were highly uncertain and could not be predicted. During fiscal year 2020, in response to the shelter-in-place State mandated order in New York due to COVID-19 in March 2020, the City Bar Fund had closed its office maintaining very limited access to ensure the continuation of critical operations. During fiscal-year 2021, the office of the City Bar Fund had partially reopened for appointments on a limited basis. In September 2021, the City Bar Fund was fully reopened with services provided using a hybrid in-person and remote model. The City Bar Fund continues to monitor the situation and follow guidance from federal, state, and local public health authorities.



**ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.**

**Notes to Financial Statements  
April 30, 2022 and 2021**

**NOTE O - UNION CONTRACT**

Certain employees of the City Bar Fund are members of a local union. During fiscal-years 2022 and 2021, the City Bar Fund had one union contract in effect, which expires on February 3, 2024.