

**Wharton Business School Club of New York, Inc.**

Financial Statements

June 30, 2017

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## Independent Auditor's Report

The Board of Directors  
Wharton Business School Club of New York, Inc.

We have audited the accompanying financial statements of Wharton Business School Club of New York, Inc. (the "Organization", a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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.

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wharton Business School Club of New York, Inc. at June 30, 2017 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited the Wharton Business School Club of New York, Inc.'s 2016 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated March 28, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Rogoff & Company PC*

New York, NY  
January 30, 2018

**Wharton Business School Club of New York, Inc.**

Statement of Financial Position

June 30, 2017

(with comparative totals as of June 30, 2016)

	<u>2017</u>	<u>2016</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,162,100	\$ 1,072,052
Accounts receivable	4,914	24,784
Prepaid annual awards event expenses	58,634	30,302
Other prepaid expenses	<u>1,600</u>	<u>13,254</u>
Total assets	<u>\$ 1,227,248</u>	<u>\$ 1,140,392</u>
<u>Liabilities and Net Assets</u>		
Liabilities		
Accounts payable and accrued expenses	\$ 21,600	\$ 18,543
Deferred membership dues	35,505	47,426
Deferred events income	<u>279</u>	<u>1,900</u>
Total liabilities	57,384	67,869
Net assets		
Unrestricted net assets	<u>1,169,864</u>	<u>1,072,523</u>
Total liabilities and net assets	<u>\$ 1,227,248</u>	<u>\$ 1,140,392</u>

The accompanying notes are an integral part of these financial statements.

**Wharton Business School Club of New York, Inc.**

Statement of Activities

Year Ended June 30, 2017

(with comparative totals for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Support and revenue		
Annual awards event		
Revenue	\$ 336,095	\$ 206,650
Less cost of direct benefits	<u>(60,681)</u>	<u>(64,080)</u>
	275,414	142,570
Program and lecture revenue	44,695	48,124
Membership dues	94,767	88,368
Interest income	2,332	1,352
Other income	<u>2,140</u>	<u>3,305</u>
Total support and revenue	<u>419,348</u>	<u>283,719</u>
Expenses		
Program and lecture expense	190,898	102,183
Supporting services		
General administration	54,932	49,559
Fund raising - annual awards event	<u>76,177</u>	<u>69,370</u>
Total expenses	<u>322,007</u>	<u>221,112</u>
Change in unrestricted net assets	97,341	62,607
Unrestricted net assets - beginning of year	<u>1,072,523</u>	<u>1,009,916</u>
Unrestricted net assets - end of year	<u>\$ 1,169,864</u>	<u>\$ 1,072,523</u>

The accompanying notes are an integral part of these financial statements.

**Wharton Business School Club of New York, Inc.**

**Statement of Functional Expenses**

Year Ended June 30, 2017

(with comparative totals for the year ended June 30, 2016)

	<u>Program and Lecture Expense</u>	<u>General Administration</u>	<u>2017 Total</u>	<u>2016 Total</u>
Lecture expenses	\$ 12,614	\$ -	\$ 12,614	\$ 20,616
Magazine production and distribution costs	49,604	-	49,604	66,447
Grant	100,000	-	100,000	-
Professional fees	-	31,210	31,210	26,989
Administrative fees	15,872	4,741	20,613	16,305
Membership expenses	-	6,204	6,204	5,487
Office expenses	3,360	1,456	4,816	4,426
Website	7,585	3,251	10,836	555
Insurance	-	4,120	4,120	3,260
Credit card processing fees	<u>1,863</u>	<u>3,950</u>	<u>5,813</u>	<u>7,657</u>
	<u>\$ 190,898</u>	<u>\$ 54,932</u>	<u>\$ 245,830</u>	<u>\$ 151,742</u>

The accompanying notes are an integral part of these financial statements.

**Wharton Business School Club of New York, Inc.**  
Statement of Cash Flows  
Year Ended June 30, 2017  
(with comparative totals for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ 97,341	\$ 62,607
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Decrease (increase) in:		
Accounts receivable	19,870	17,803
Prepaid annual awards event expenses	(28,332)	18,500
Other prepaid expenses	11,654	(10,350)
Increase (decrease) in:		
Accounts payable and accrued expenses	3,057	9,948
Deferred membership dues	(11,921)	1,386
Deferred events income	(1,621)	1,900
Net cash provided by operating activities	90,048	101,794
Cash and cash equivalents, beginning of year	<u>1,072,052</u>	<u>970,258</u>
Cash and cash equivalents, end of year	<u>\$ 1,162,100</u>	<u>\$ 1,072,052</u>

The accompanying notes are an integral part of these financial statements.



Wharton Business School Club of New York, Inc.

Notes to Financial Statements

June 30, 2017

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**Note 1. Nature of Activities**

Wharton Business School Club of New York, Inc. (the "Organization") is a not-for-profit organization that derives its financial support from membership dues, lectures, and events.

The Organization's mission is to provide excellent business, career, and social opportunities and services to all members of the Wharton Business School Club of New York in the New York metropolitan area and to promote and support the Wharton School of Business.

**Note 2. Summary of Significant Accounting Policies**

Basis of Presentation

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

The financial statement presentation follows the guidance of the Financial Accounting Standards Board Accounting Standards Codification under which the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted – Net assets resulting from contributions whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

As of June 30, 2017, there were no temporarily or permanently restricted net assets.

Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents consist of cash held in checking accounts, money market accounts, and certificates of deposit.

Wharton Business School Club of New York, Inc.

Notes to Financial Statements

June 30, 2017

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**Note 2. Summary of Significant Accounting Policies – continued**

Contributions

Contributions are recognized as income within the appropriate net asset group when they are received or unconditionally pledged.

All contributions are considered unrestricted unless they are specifically restricted by donors or are subject to other legal restrictions.

The Organization reports contributions as temporarily restricted if there are donor stipulations that limit the expenditure of the assets for specific purposes, or that designate them as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions."

Promises to Give

Unconditional promises to give are recognized as contributions in the period such promises are made. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Management believes that all outstanding balances are collectible and an allowance for doubtful accounts is not required.

Membership Dues

Membership dues are recognized as revenue over the applicable membership period.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment are stated at cost or fair value at date of gift, net of accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Management reviews property and equipment for impairment. Property and equipment are written off to operations when considered impaired.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Wharton Business School Club of New York, Inc.

Notes to Financial Statements

June 30, 2017

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**Note 2. Summary of Significant Accounting Policies – continued**

2016 Comparative Information

The financial statements include certain 2016 comparative information that may not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2016, from which the comparative information was derived.

Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statement of financial activities. Accordingly, certain personnel and other operating costs have been allocated among the programs and supporting services benefited.

Contributed services

A substantial number of volunteers have donated significant amounts of time and services in the Organization's programs and supporting services. However, such contributed services do not meet the criteria for recognition of contributed services in accordance with generally accepted accounting principles and, accordingly, are not reflected in the accompanying financial statements.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is not a private foundation under the code. Similar tax-exempt status applies at the state and local levels.

The Organization recognizes the effects of income tax positions only if those positions are more likely than not of being sustained. The Organization evaluated its tax positions and determined that it has no uncertain tax positions.

Reclassifications

Certain reclassifications have been made to the 2016 balances to conform to the 2017 presentation. These reclassifications had no effect on the change in net assets in 2016 or total net assets as of June 30, 2016.

Wharton Business School Club of New York, Inc.

Notes to Financial Statements

June 30, 2017

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**Note 3. Concentrations of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash and cash equivalents in various financial institutions and limits the amount of credit exposure to any one financial institution. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. From time to time, the organization maintains cash and cash equivalents in excess of insurance limits. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents.

**Note 4. Subsequent Events**

Management has evaluated subsequent events through January 30, 2018, which is the date the financial statements were available to be issued.