

**WORLD MONUMENTS FUND, INC.
AND SUBSIDIARY**

**Consolidated Financial Statements
and
Supplementary Information
For the Year Ended
June 30, 2022**

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Independent Auditor's Report

To the Board of Trustees of
World Monuments Fund, Inc.

Opinion

We have audited the accompanying consolidated financial statements of World Monuments Fund, Inc. (the "WMF") and Subsidiary (collectively, the "Organization") which comprise the consolidated statement of financial position as of June 30, 2022 and the related consolidated statements of activities and cash flows for the year then ended and the related notes to the consolidated financial statements. We did not audit the financial statements of World Monuments Fund Britain (the "Subsidiary") whose financial statements reflected total assets of \$1,431,062 as of June 30, 2022 and total revenue of \$4,582,856, expenses of \$4,378,692 and other deductions totaling \$174,088. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Subsidiary is based solely on the report of the other auditors.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2022 and the result of their activities and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2022 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Condon O'Meara McGinty + Donnelly LLP

October 11, 2022

WORLD MONUMENTS FUND, INC. AND SUBSIDIARY

**Consolidated Statement of Financial Position
June 30, 2022**

Assets

	<u>WMF</u>	<u>Subsidiary</u>	<u>Total</u>
Current assets			
Cash and cash equivalents	\$ 1,712,500	\$ 1,322,963	\$ 3,035,463
Short-term investments, at fair value	16,217,442	-	16,217,442
Current portion of contributions receivable	7,751,349	-	7,751,349
Accounts receivable	665,540	54,424	719,964
Prepaid expenses	<u>150,534</u>	<u>53,274</u>	<u>203,808</u>
Total current assets	26,497,365	1,430,661	27,928,026
Long-term investments, at fair value	28,281,306	-	28,281,306
Contributions receivable, net	256,275	-	256,275
Property and equipment, net	1,227,079	401	1,227,480
Security deposits	<u>449,331</u>	<u>-</u>	<u>449,331</u>
Total assets	<u>\$ 56,711,356</u>	<u>\$ 1,431,062</u>	<u>\$ 58,142,418</u>

Liabilities and Net Assets

Current liabilities			
Accounts payable and accrued expenses	\$ 572,358	\$ 33,256	\$ 605,614
Deferred rent	<u>134,009</u>	<u>-</u>	<u>134,009</u>
Total liabilities	<u>706,367</u>	<u>33,256</u>	<u>739,623</u>
Net assets			
Without donor restrictions	2,180,114	519,349	2,699,463
With donor restrictions	<u>53,824,875</u>	<u>878,457</u>	<u>54,703,332</u>
Total net assets	<u>56,004,989</u>	<u>1,397,806</u>	<u>57,402,795</u>
Total liabilities and net assets	<u>\$ 56,711,356</u>	<u>\$ 1,431,062</u>	<u>\$ 58,142,418</u>

See notes to consolidated financial statements.

WORLD MONUMENTS FUND, INC. AND SUBSIDIARY

**Consolidated Statement of Activities
Year Ended June 30, 2022**

	Without Donor Restrictions		With Donor Restrictions		Total		Eliminating Items	Total All Funds
	WMF	Subsidiary	Total	WMF	Subsidiary	Total		
Support and revenue								
Contributions	\$ 2,887,696	\$ 402,892	\$ 3,290,588	\$ 14,746,436	\$ 4,179,964	\$ 18,926,400	(\$ 3,627,602)	\$ 18,589,386
Special events, net of cost of direct benefits of \$204,235	727,776	-	727,776	-	-	-	-	727,776
Program fees	42,955	-	42,955	-	-	-	-	42,955
Net assets released from restrictions	10,625,589	3,983,233	14,608,822	(10,625,589)	(3,983,233)	(14,608,822)	-	-
Total support and revenue	<u>14,284,014</u>	<u>4,386,125</u>	<u>18,670,139</u>	<u>4,120,847</u>	<u>196,731</u>	<u>4,317,578</u>	<u>(3,627,602)</u>	<u>19,360,115</u>
Expenses								
Program	11,351,063	4,151,497	15,502,560	-	-	-	(3,627,602)	11,874,958
Supporting activities								
General and administrative	1,131,608	92,342	1,223,950	-	-	-	-	1,223,950
Fund-raising	1,711,005	134,853	1,845,858	-	-	-	-	1,845,858
Total supporting activities	2,842,613	227,195	3,069,808	-	-	-	-	3,069,808
Total expenses	<u>14,193,676</u>	<u>4,378,692</u>	<u>18,572,368</u>	<u>4,120,847</u>	<u>196,731</u>	<u>4,317,578</u>	<u>(3,627,602)</u>	<u>14,944,766</u>
Increase before other	90,340	7,433	97,773	4,211,187	204,164	4,415,351	-	4,415,351
Other								
Investment return, net	138,263	5,641	143,904	(3,111,828)	-	(3,111,828)	-	(2,967,924)
Foreign currency translation loss	-	(71,286)	(71,286)	-	(108,443)	(108,443)	-	(179,729)
Increase (decrease) in net assets	228,603	(58,212)	170,391	1,009,019	88,288	1,097,307	-	1,267,698
Net assets, beginning of year	<u>1,951,511</u>	<u>577,561</u>	<u>2,529,072</u>	<u>52,815,856</u>	<u>790,169</u>	<u>53,606,025</u>	<u>1,367,730</u>	<u>56,135,097</u>
Net assets, end of year	<u>\$ 2,180,114</u>	<u>\$ 519,349</u>	<u>\$ 2,699,463</u>	<u>\$ 53,824,875</u>	<u>\$ 878,457</u>	<u>\$ 54,703,332</u>	<u>\$ 1,397,806</u>	<u>\$ 57,402,795</u>

See notes to consolidated financial statements.

WORLD MONUMENTS FUND, INC. AND SUBSIDIARY

**Consolidated Statement of Cash Flows
June 30, 2022**

Cash flows from operating activities	
Increase in net assets	\$ 1,267,698
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Donated investments	(450,530)
Sale of donated investments	449,372
Depreciation	152,596
Net realized and unrealized loss on investments	3,987,859
Forgiveness of loan payable	(493,330)
(Increase) decrease in assets	
Contributions receivable	1,432,029
Accounts receivable	(399,222)
Prepaid expenses	(107,538)
Security deposits	(179,730)
Increase in liabilities	
Accounts payable and accrued expenses	43,935
Deferred rent	134,009
Net cash provided by operating activities	<u>5,837,148</u>
Cash flows from investing activities	
Proceeds from sale of investments	1,971,586
Purchases of investments	(6,667,499)
Purchases of property and equipment	<u>(1,209,555)</u>
Net cash (used in) investing activities	<u>(5,905,468)</u>
Net (decrease) in cash and cash equivalents	(68,320)
Cash and cash equivalents, beginning of year	<u>3,103,783</u>
Cash and cash equivalents, end of year	<u>\$ 3,035,463</u>

See notes to consolidated financial statements.

WORLD MONUMENTS FUND, INC. AND SUBSIDIARY**Notes to Consolidated Financial Statements
June 30, 2022****Note 1 – Nature of organization**

World Monuments Fund, Inc. (“WMF”) was incorporated in 1965 as a not-for-profit organization. WMF was organized to preserve important historic architectural sites and works of art without regard to national boundaries.

Note 2 – Summary of significant accounting policies**Financial statement presentation**

These consolidated financial statements include WMF’s wholly owned subsidiary World Monuments Fund Britain (collectively the “Organization”). Interoffice accounts and transactions were eliminated in consolidation.

WMF does not include the accounts of its independent affiliated organizations. All non-controlled affiliated organizations use the World Monuments Fund name and their offices are located in India, Italy, Peru, Portugal and Spain.

Financial reporting

The Organization reports information regarding its financial position and activities in two classes of net assets, which are as follows:

Without donor restrictions

Net assets used to account for the general activity of the Organization.

With donor restrictions

Net assets with donor restrictions include expendable gifts and contributions received, which are restricted by the donor or pertain to future periods. When the funds are spent, they are released from their restriction. Included in this category are net assets subject to donor-imposed restrictions to be maintained in perpetuity by the Organization.

Contributions

The Organization reports contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulation expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions and endowment release for approved appropriations.

WORLD MONUMENTS FUND, INC. AND SUBSIDIARY**Notes to Consolidated Financial Statements (continued)****June 30, 2022****Note 2 – Summary of significant accounting policies (continued)**Cash equivalents

The Organization considers highly liquid assets with an original maturity of 90 days or less to be cash equivalents.

Allowance for doubtful accounts

As of June 30, 2022, WMF has provided approximately \$273,000 for an allowance for doubtful accounts for any potentially uncollectible contributions receivable. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Investments

The investments are recorded in the consolidated financial statements at fair value. Net investment return is allocated between net assets without donor restrictions and net assets with donor restrictions. The cost of investments sold is determined on a specific identification basis.

Property and equipment

Property and equipment above a nominal value and with an estimated useful life greater than one year are recorded at cost. Furniture, fixtures and equipment are being depreciated on the straight-line method over the estimated useful lives of the assets ranging from 3 to 10 years. Leasehold improvements are being amortized over the life of the lease or the estimated useful life of the assets, whichever is shorter.

Allocation of expenses

The costs of providing the various programs have been summarized on a functional basis in the consolidated statement of activities and the costs of the supporting activities have been summarized in note 11. Accordingly, certain costs have been allocated among the program services and supporting activities benefitted. Expenses attributable to more than one functional area are allocated based on the ratio of each functional areas' personnel costs to the total of such personnel costs.

Use of estimates

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

WORLD MONUMENTS FUND, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (continued)

June 30, 2022

Note 2 – Summary of significant accounting policies (continued)

Concentrations of credit risk

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash, investments and receivables. The Organization places its cash and cash equivalents with what it believes to be quality financial institutions. At times, certain of the Organization's cash balances exceed the FDIC insurance limit, however, the Organization has not incurred any losses in such accounts to date. Due to the level of uncertainty related to the changes in interest rates, market volatility, liquidity and credit risks, it is reasonably possible that changes in these risks could materially affect the fair value of investments reported in the consolidated statement of financial position at June 30, 2022. The Organization routinely assesses the financial strength of its cash and investment portfolio. The Organization believes that its receivables are collectible. As a consequence, the Organization believes concentrations of credit risk to be limited with respect to its cash, cash equivalents, investments and receivables.

Foreign currency translation

The consolidated financial statements are presented in dollars, which is the functional currency of the parent company. On consolidation, assets and liabilities have been translated into dollars at the closing rate on June 30, 2022. Revenue and expenses have been translated into U.S. dollars at the average rate over the fiscal year.

Subsequent events

The Organization has evaluated events and transactions for potential recognition or disclosure through October 11, 2022, which is the date the consolidated financial statements were available to be issued.

Note 3 – Financial assets and liquidity resources

As of June 30, 2022, financial assets and liquidity resources available within one year of the consolidated statement of financial position date for general expenditures, such as operating expenses, were as follows:

Financial assets

Cash and cash equivalents	\$ 3,035,463
Investments, at fair value	44,498,748
Contributions receivable due within one year	7,751,349
Accounts receivable	719,964
Less: Net assets with perpetual donor restrictions	<u>(27,334,871)</u>
Total	<u>\$ 28,670,653</u>

WORLD MONUMENTS FUND, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (continued)

June 30, 2022

Note 4 – Contributions receivable

Contributions receivable are unconditional promises from external organizations and individuals to donate to the Organization. As of June 30, 2022, contributions receivable, which are reflected at their present value discounted by approximately \$212,000 at either 6% or 4%, are due as follows:

<u>Fiscal year</u>	<u>Total</u>
2023	\$ 7,751,349
2024	324,842
2025	182,673
2026	<u>21,564</u>
Total	8,280,428
Less: Allowance for doubtful accounts	<u>272,804</u>
Sub-total	8,007,624
Less: Current portion	<u>7,751,349</u>
Long-term portion, net	<u>\$ 256,275</u>

Note 5 – Investments

As of June 30, 2022, the Organization's investments consisted of the following:

	<u>Cost</u>	<u>Fair Value</u>
Demand notes and money market funds	\$ 18,380,880	\$ 18,380,880
Fixed income	7,422,172	7,264,225
Mutual funds		
Fixed income	2,428,530	2,031,487
Equity	4,757,256	4,287,349
Exchange traded funds	2,867,814	3,885,427
Common stocks	5,737,142	6,711,256
Limited partnerships and other alternative investments	<u>968,374</u>	<u>1,938,124</u>
Total	<u>\$ 42,562,168</u>	<u>\$ 44,498,748</u>

Investments consist of the following at June 30, 2022:

Short-term	\$ 16,217,442
Long-term	<u>28,281,306</u>
Total	<u>\$ 44,498,748</u>

WORLD MONUMENTS FUND, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (continued)

June 30, 2022

Note 5 – Investments (continued)

For the year ended June 30, 2022, investment return consisted of the following:

Interest and dividends	\$ 1,118,367
Foreign currency gain	8,400
Unrealized foreign currency gain	38,124
Realized gain on investments	727,549
Unrealized (loss) on investments	(4,715,408)
Fees	<u>(144,956)</u>
Total	<u>\$ (2,967,924)</u>

Fair value measurements

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. Fair value measurements are required to be separately disclosed by level within the fair value hierarchy. The three levels of inputs that may be used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets.
- Level 2 – Observable inputs other than Level 1 prices, such as quoted prices of similar assets; quoted prices in markets with insufficient volume or infrequent transactions (less active markets).
- Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets.

The following table summarizes the Organization's investments in the fair value hierarchy as of June 30, 2022:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Demand notes and money market funds	\$ 18,380,880	\$ 18,380,880	\$ -	\$ -
Fixed income	7,264,225	7,264,225	-	-
Mutual funds				
Fixed income	2,031,487	2,031,487	-	-
Equity	4,287,349	4,287,349	-	-
Exchange traded funds	3,885,427	3,885,427	-	-
Common stocks	6,711,256	6,711,256	-	-
Limited partnerships and other alternative investments	<u>1,938,124</u>	<u>-</u>	<u>-</u>	<u>1,938,124</u>
Total	<u>\$ 44,498,748</u>	<u>\$ 42,560,624</u>	<u>\$ -</u>	<u>\$ 1,938,124</u>

WORLD MONUMENTS FUND, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (continued)

June 30, 2022

Note 5 – Investments (continued)

Fair value measurements (continued)

The following is a summary of changes in the fair value of the Organization's Level 3 investments for the year ended June 30, 2022:

Balance, June 30, 2021	\$ 1,423,661
Purchases and acquisitions	188,750
Sales and redemptions	(272,213)
Unrealized gain on investments	<u>597,926</u>
Balance, June 30, 2022	\$ <u>1,938,124</u>

The Organization's limited partnerships and other alternative investments are composed of various funds with different investment objectives. These funds have restrictions on withdrawals and transferability. Depending on the fund, withdrawals require written notice to each fund ranging from 30 to 180 days prior to withdrawal, as well as certain other requirements and restrictions, such as minimum withdrawals, fees, etc. The ability of the Organization to withdraw capital from these funds is subject to the ability of these funds to withdraw capital from their underlying investments. Many underlying investments have the right to suspend the payment of redemptions under certain circumstances. Some underlying investments may also be subject to lock-ups, redemption fees, etc. As of June 30, 2022, the Organization has a remaining capital commitment of approximately \$707,000 for three limited partnerships and other alternative investments.

Note 6 – Property and equipment

The summary of the property and equipment as of June 30, 2022 is as follows:

	<u>WMF</u>	<u>Subsidiary</u>	<u>Total</u>
Leasehold improvements	\$ 593,573	\$ -	\$ 593,573
Furniture, fixtures and equipment	<u>1,221,501</u>	<u>4,619</u>	<u>1,226,120</u>
Sub-total	1,815,074	4,619	1,819,693
Less: Accumulated depreciation and amortization	<u>587,995</u>	<u>4,218</u>	<u>592,213</u>
Total	\$ <u>1,227,079</u>	\$ <u>401</u>	\$ <u>1,227,480</u>

During 2022, fully depreciated property and equipment with an original cost basis of \$878,660 were removed from the books and records.

WORLD MONUMENTS FUND, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (continued)

June 30, 2022

Note 7 – Loan payable

During 2021, the Organization applied for and received a loan of \$459,330 under the Paycheck Protection Program which is a business loan program established under the Coronavirus Aid, Relief, and Economic Security Act. The Organization previously elected to record the proceeds as a liability until the loan is, in part or wholly, forgiven and the Organization was legally released. The Organization had the loan forgiven in its entirety during the 2022 fiscal year and recorded the proceeds in contributions in the consolidated statement of activities.

Note 8 – Lease agreements

During June 2010, the Organization entered into a ten-year lease agreement, with a commencement date in October 2010, for the rental of office space for its headquarters at the Empire State Building located at 350 Fifth Avenue. During July 2019, the Organization entered into a no cost extension, extending the lease end date from April 30, 2021 to March 31, 2022 at \$44,087 per month during the extension period.

During August 2021, the Organization entered into a 134 month lease agreement, which commenced April 2022, for the rental of its new office space for its New York City headquarters at 600 Fifth Avenue. In connection with the lease, the Organization was granted a 14-month rent abatement. Rent expense for the 14-month abatement period is being recognized based on a pro-rata share of the total rent to be paid over the term of the lease. Once the abatement period expires, the Organization is required to pay an annual base rent of \$598,575 for five years, increasing to \$638,480 through the final year of the agreement. The Organization has the option to renew the lease for one additional five year term. In connection with the lease, the Organization was required to deposit \$448,932 with the landlord as security.

For the 2022 fiscal year, rent expense totaled \$530,789, which is included in occupancy in the accompanying consolidated financial statements.

The expected future minimum annual payments required under the leases for WMF is as follows:

<u>Fiscal year</u>	<u>Amount</u>
2023	\$ 49,881
2024	598,575
2025	598,575
2026	598,575
2027	598,575
2028 and thereafter	<u>3,741,095</u>
Total	<u>\$ 6,185,276</u>

WORLD MONUMENTS FUND, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (continued)

June 30, 2022

Note 9 – Pension plans

WMF has a 403(b) plan, which covers all eligible employees. Eligible employees can contribute to the plan, not to exceed annual limits established by the Internal Revenue Service (“IRS”). In addition, WMF will make contributions of 9% of an employee’s compensation. Pension expense for the 2022 fiscal year totaled \$209,855.

In addition, WMF has a 457(b) plan, which covers certain key executive employees. Eligible employees can make contributions to the plan, not to exceed annual limits established by the Internal Revenue Service. WMF may contribute to the plan annually. WMF did not contribute to the plan in fiscal 2022.

Note 10 – Net assets with donor restrictions

Net assets with donor restrictions consists of net assets with temporary and perpetual donor restrictions.

Net assets with temporary donor restrictions

Net assets with temporary donor restrictions are available for the following purposes at June 30, 2022:

	<u>WMF</u>	<u>Subsidiary</u>	<u>Total</u>
Programs			
Conservation Projects	\$ 25,543,568	\$ 878,457	\$ 26,422,025
Endowment Funds	946,436	-	946,436
Total	<u>\$ 26,490,004</u>	<u>\$ 878,457</u>	<u>\$ 27,368,461</u>

Net assets with perpetual donor restrictions

Permanently restricted net assets of \$27,334,871 at June 30, 2022 are restricted to endowment. WMF is permitted to use, in accordance with certain donor limitations, an amount not exceeding five percent of the fair market value of the assets based on a rolling five-year average. The amount expended, which is generated from the endowment investments and reflected as unrestricted, temporarily, and permanently restricted revenue, is approved annually by the Board. For the year ended June 30, 2022, the Board approved the appropriation of \$847,950 was appropriated from the perpetually restricted net assets.

Note 11 – Tax status

WMF is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, WMF has been determined by the Internal Revenue Service to be a publicly supported organization and not a private foundation under the meaning of Section 509(a) of the Code.

WORLD MONUMENTS FUND, INC. AND SUBSIDIARY**Notes to Consolidated Financial Statements (continued)****June 30, 2022****Note 12 – Employee retention credits**

In response to the coronavirus emergency, the Coronavirus Aid, Relief and Economic Security Act and subsequent legislations provided, among other things, a refundable credit of certain of qualified wages per eligible employee for wages paid or incurred from March 13, 2020 through September 30, 2021. In connection therewith, such credits through June 30, 2022, totaled approximately \$387,000 and are recorded as an accounts receivable in the consolidated statement of financial position.

WORLD MONUMENTS FUND, INC. AND SUBSIDIARY**Notes to Consolidated Financial Statements (continued)
June 30, 2022****Note 14 – Endowments**

The Organization reports its restricted net assets in accordance with current accounting standards as well as New York Uniform Prudent Management of Institutional Funds Act (“NYPMIFA”) which governs how not-for-profit organizations administer and manage endowment assets.

The Organization which endowment consists of various individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation

The Organization follows the New York State Not-For-Profit Corporation Law (N-PCL) with respect to donor-restricted contributions. The Organization preserves the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Organization classifies as net assets with perpetual donor restrictions at the original value of gifts donated to the permanent endowment, the original value of subsequent gifts, and explicit to donor stipulations changes in fair value, to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with perpetual donor restrictions is classified as without donor restrictions or net assets with temporary donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by N-PCL.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the funds
- (2) The purposes of the Organization and the donor-restricted endowment funds
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) If appropriate and circumstances warrant, alternatives to endowment expenditures
- (8) The investment policies of the Organization

WORLD MONUMENTS FUND, INC. AND SUBSIDIARY**Notes to Consolidated Financial Statements (continued)****June 30, 2022****Note 14 – Endowments (continued)****Funds with deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, absent explicit donor stipulations, deficiencies of this nature would be charged to net assets without donor restrictions. At June 30, 2022, there were no funds with deficiencies.

Return objectives and risk parameters

The Organization 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.

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment return is achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places an emphasis on diversified asset managed mutual funds and equities to enhance its long-term return.

Spending policy

The Organization has a policy of spending an amount not exceeding five percent of the fair value of the assets based on a rolling five-year average on an individual fund basis from its funds with perpetual donor restrictions allowable under the donor guidelines. This is consistent with the Organization's objectives to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional growth through investment return and new gifts.

WORLD MONUMENTS FUND, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (continued)

June 30, 2022

Note 14 – Endowments (continued)

At June 30, 2022, the activity in WMF’s net assets with temporarily and perpetually donor restrictions endowment was as follows:

	<u>Endowment- Related Temporarily Restricted</u>	<u>Perpetually Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,799,035	\$ 30,654,100	\$ 32,453,135
Investment return			
Interest and dividends	209,907	809,922	1,019,829
Realized gain on sale of investments	223,627	863,110	1,086,737
Unrealized (loss) on investments	(1,044,253)	(4,029,185)	(5,073,438)
Fees	(29,830)	(115,126)	(144,956)
Total investment return	(640,549)	(2,471,279)	(3,111,828)
Endowment release for appropriations	(212,050)	(847,950)	(1,060,000)
(Decrease) in net assets	(852,599)	(3,319,229)	(4,171,828)
Endowment net assets, end of year	\$ 946,436	\$ 27,334,871	\$ 28,281,307
Named fund net assets at June 30, 2022			
General Endowment Fund			\$ 2,203,263
Jewish Heritage Program Fund			1,704,961
The Sara Shallenberger Brown Fund			1,912,968
The David Davies and Jack Weedin Fund			1,109,185
The Paul Mellon Fund for Architectural Preservation in Great Britain			8,049,946
The Paul Mellon Education Fund			12,533,796
Bonnie Burnham Fellowship Fund			767,188
Total			\$ 28,281,307