



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

United Philanthropy Forum

Financial Statements

December 31, 2022 and 2021

with Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
United Philanthropy Forum

Opinion

We have audited the accompanying financial statements of United Philanthropy Forum (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for 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 United Philanthropy Forum as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for 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. 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 United Philanthropy Forum 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

Management is responsible for the preparation and fair presentation of the 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Philanthropy Forum's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 United Philanthropy Forum'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 United Philanthropy Forum'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.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
July 24, 2023

United Philanthropy Forum
Statements of Financial Position
December 31, 2022 and 2021

| Assets | <u>2022</u> | <u>2021</u> |
|---|---------------------|------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 2,952,776 | 3,098,096 |
| Certificate of deposit | 251,919 | - |
| Contributions, grants and other receivables, current portion | 1,525,634 | 1,077,383 |
| Prepaid assets | <u>20,889</u> | <u>13,038</u> |
| | <u>4,751,218</u> | <u>4,188,517</u> |
| Property and equipment: | | |
| Furniture and equipment | 57,768 | 53,074 |
| Knowledge Management System | <u>1,767,465</u> | <u>1,555,017</u> |
| | 1,825,233 | 1,608,091 |
| Less accumulated depreciation | <u>1,304,825</u> | <u>1,006,928</u> |
| | <u>520,408</u> | <u>601,163</u> |
| Other assets: | | |
| Contributions, grants and other receivables, net of current portion | - | 100,000 |
| Certificate of deposit | - | 251,881 |
| Deposits | 14,010 | 14,010 |
| Operating right-of-use asset | <u>441,126</u> | <u>-</u> |
| | <u>455,136</u> | <u>365,891</u> |
| | <u>\$ 5,726,762</u> | <u>5,155,571</u> |
| Liabilities and Net Assets | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 392,501 | 165,656 |
| Deferred revenue | 197,823 | 220,187 |
| Operating lease obligation, current portion | <u>122,991</u> | <u>-</u> |
| | <u>713,315</u> | <u>385,843</u> |
| Long-term liability: | | |
| Operating lease obligation, less current portion | <u>377,653</u> | <u>-</u> |
| Net assets: | | |
| Without donor restriction: | | |
| Undesignated | 2,560,794 | 408,208 |
| Board designated - operating reserves | - | 3,000,000 |
| With donor restriction | <u>2,075,000</u> | <u>1,361,520</u> |
| | <u>4,635,794</u> | <u>4,769,728</u> |
| | <u>\$ 5,726,762</u> | <u>5,155,571</u> |

See accompanying notes to the financial statements.

United Philanthropy Forum
Statement of Activities
Year Ended December 31, 2022

| | <u>Without Donor Restriction</u> | <u>With Donor Restriction</u> | <u>Total</u> |
|---------------------------------------|--|-----------------------------------|----------------------|
| Revenues and support: | | | |
| Grants and contributions | \$ 153,600 | 2,175,000 | 2,328,600 |
| User fees | 986,905 | - | 986,905 |
| Membership dues | 705,042 | - | 705,042 |
| Meetings | 264,071 | - | 264,071 |
| Interest income | 8,002 | - | 8,002 |
| Miscellaneous | <u>13,695</u> | <u>-</u> | <u>13,695</u> |
| | 2,131,315 | 2,175,000 | 4,306,315 |
| Net assets released from restrictions | <u>1,461,520</u> | <u>(1,461,520)</u> | <u>-</u> |
| Total revenues and support | <u>3,592,835</u> | <u>713,480</u> | <u>4,306,315</u> |
| Expenses: | | | |
| Program services: | | | |
| Knowledge services | 1,250,551 | - | 1,250,551 |
| Programs, communications and services | <u>2,398,372</u> | <u>-</u> | <u>2,398,372</u> |
| | <u>3,648,923</u> | <u>-</u> | <u>3,648,923</u> |
| Support services: | | | |
| Administrative | 682,114 | - | 682,114 |
| Fundraising | <u>109,212</u> | <u>-</u> | <u>109,212</u> |
| | <u>791,326</u> | <u>-</u> | <u>791,326</u> |
| Total expenses | <u>4,440,249</u> | <u>-</u> | <u>4,440,249</u> |
| Change in net assets | (847,414) | 713,480 | (133,934) |
| Net assets - beginning of year | <u>3,408,208</u> | <u>1,361,520</u> | <u>4,769,728</u> |
| Net assets - end of year | \$ <u>2,560,794</u> | <u>2,075,000</u> | <u>4,635,794</u> |

See accompanying notes to the financial statements.

United Philanthropy Forum
Statement of Activities
Year Ended December 31, 2021

| | Without Donor <u>Restriction</u> | With Donor Restriction | <u>Total</u> |
|--|--|---------------------------|------------------|
| Revenues and support: | | | |
| Grants and contributions | \$ 3,092,675 | 500,000 | 3,592,675 |
| User fees | 847,328 | - | 847,328 |
| Membership dues | 688,177 | - | 688,177 |
| Meetings | 50,397 | - | 50,397 |
| Interest income | 3,971 | - | 3,971 |
| Paycheck Protection Program loan forgiveness | 170,000 | - | 170,000 |
| Miscellaneous | <u>8,469</u> | <u>-</u> | <u>8,469</u> |
| | 4,861,017 | 500,000 | 5,361,017 |
| Net assets released from restrictions | <u>1,323,219</u> | <u>(1,323,219)</u> | <u>-</u> |
| Total revenues and support | <u>6,184,236</u> | <u>(823,219)</u> | <u>5,361,017</u> |
| Expenses: | | | |
| Program services: | | | |
| Knowledge services | 1,112,790 | - | 1,112,790 |
| Programs, communications and services | <u>1,471,507</u> | <u>-</u> | <u>1,471,507</u> |
| | <u>2,584,297</u> | <u>-</u> | <u>2,584,297</u> |
| Support services: | | | |
| Administrative | 638,347 | - | 638,347 |
| Fundraising | <u>67,064</u> | <u>-</u> | <u>67,064</u> |
| | <u>705,411</u> | <u>-</u> | <u>705,411</u> |
| Total expenses | <u>3,289,708</u> | <u>-</u> | <u>3,289,708</u> |
| Change in net assets | 2,894,528 | (823,219) | 2,071,309 |
| Net assets - beginning of year | <u>513,680</u> | <u>2,184,739</u> | <u>2,698,419</u> |
| Net assets - end of year | \$ <u>3,408,208</u> | <u>1,361,520</u> | <u>4,769,728</u> |

See accompanying notes to the financial statements.

United Philanthropy Forum
Statement of Functional Expenses
Year Ended December 31, 2022

| | Program Services | | | Support Services | | | Total |
|------------------------------------|-----------------------|--|------------------|------------------|----------------|----------------|------------------|
| | Knowledge Services | Program, Communications and Services | Total | Administration | Fundraising | Total | |
| Grants | \$ - | 425,000 | 425,000 | - | - | - | 425,000 |
| Personnel | 531,535 | 686,679 | 1,218,214 | 336,093 | 28,175 | 364,268 | 1,582,482 |
| Professional fees and contractors | 470,209 | 631,742 | 1,101,951 | 182,461 | 61,967 | 244,428 | 1,346,379 |
| Occupancy | 40,645 | 52,509 | 93,154 | 40,201 | 2,154 | 42,355 | 135,509 |
| Travel, programs and meetings | 25,552 | 430,214 | 455,766 | 16,243 | 1,354 | 17,597 | 473,363 |
| Depreciation and amortization | 100,302 | 129,578 | 229,880 | 63,422 | 5,317 | 68,739 | 298,619 |
| Office and administrative expenses | 82,308 | 42,650 | 124,958 | 43,694 | 10,245 | 53,939 | 178,897 |
| | <u>\$ 1,250,551</u> | <u>2,398,372</u> | <u>3,648,923</u> | <u>682,114</u> | <u>109,212</u> | <u>791,326</u> | <u>4,440,249</u> |

See accompanying notes to the financial statements.

United Philanthropy Forum
Statement of Functional Expenses
Year Ended December 31, 2021

| | Program Services | | | Support Services | | | |
|------------------------------------|-----------------------|--|------------------|------------------|---------------|----------------|------------------|
| | Knowledge Services | Program, Communications and Services | Total | Administration | Fundraising | Total | Total |
| Grants | \$ - | 120,000 | 120,000 | - | - | - | 120,000 |
| Personnel | 432,607 | 567,010 | 999,617 | 332,340 | 26,370 | 358,710 | 1,358,327 |
| Professional fees and contractors | 496,500 | 531,122 | 1,027,622 | 167,244 | 23,190 | 190,434 | 1,218,056 |
| Occupancy | 38,938 | 51,035 | 89,973 | 29,913 | 2,373 | 32,286 | 122,259 |
| Travel, programs and meetings | 1,750 | 50,500 | 52,250 | 12,510 | 8,804 | 21,314 | 73,564 |
| Depreciation and amortization | 76,575 | 100,366 | 176,941 | 58,827 | 4,668 | 63,495 | 240,436 |
| Office and administrative expenses | <u>66,420</u> | <u>51,474</u> | <u>117,894</u> | <u>37,513</u> | <u>1,659</u> | <u>39,172</u> | <u>157,066</u> |
| | <u>\$ 1,112,790</u> | <u>1,471,507</u> | <u>2,584,297</u> | <u>638,347</u> | <u>67,064</u> | <u>705,411</u> | <u>3,289,708</u> |

See accompanying notes to the financial statements.

United Philanthropy Forum
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

| | 2022 | 2021 |
|--|--------------|------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ (133,934) | 2,071,309 |
| Adjustments to reconcile change in net assets to net cash flows from operating activities: | | |
| Depreciation and amortization | 298,619 | 240,436 |
| Paycheck Protection Program loan forgiveness | - | (170,000) |
| Loss on disposal of asset | 721 | - |
| Non-cash portion of lease expense | (6,957) | - |
| Effects of changes in operating assets and liabilities: | | |
| Contributions, grants and other receivables | (348,251) | 37,129 |
| Prepaid assets | (7,851) | 7,739 |
| Accounts payable and accrued liabilities | 226,845 | 21,600 |
| Deferred rent | 66,475 | - |
| Deferred revenue | (22,364) | 42,997 |
| Net cash flows from operating activities | 73,303 | 2,251,210 |
| Cash flows from investing activities: | | |
| Purchase of certificate of deposit | (38) | (1,254) |
| Purchase of property and equipment | (218,585) | (372,422) |
| Net cash flows from investing activities | (218,623) | (373,676) |
| Change in cash and cash equivalents | (145,320) | 1,877,534 |
| Cash and cash equivalents - beginning of year | 3,098,096 | 1,220,562 |
| Cash and cash equivalents - end of year | \$ 2,952,776 | \$ 3,098,096 |
| <u>Supplemental Disclosure of Cash Flows Information:</u> | | |
| Paycheck Protection Program loan forgiveness | \$ _____ - | \$ _____ 170,000 |

See accompanying notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of United Philanthropy Forum (the Forum) are set forth to facilitate the understanding of data presented in the financial statements:

Nature of operations

The Forum is a not-for-profit organization incorporated in the District of Columbia. The Forum's mission is to lead, strengthen and inform a national network of organizations that advance philanthropy's impact for the common good. The Forum's vision is to envision a courageous philanthropic sector that catalyzes a just and equitable society where all can participate and prosper.

Basis of accounting

The accompanying financial statements of the Forum have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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 and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New accounting standard

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, Leases. The FASB also subsequently issued additional ASUs, which amended and clarify Topic 842. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the statements of financial position.

The Forum elected to adopt these ASUs effective January 1, 2022. The Forum also elected multiple practical expedients. These included transition elections that permitted the Forum to not reassess prior conclusions about lease identification, lease classification, and initial direct costs for existing or expired leases, as well as not assessing existing land easements under the new standard. In addition, the Forum adopted ongoing accounting policies to not recognize right-of-use ("ROU") assets and lease liabilities for leasing arrangements with terms of less than one year and to not separate lease and non-lease components for all classes of underlying assets. The adoption had a material impact on the Forum's statements of financial position but did not have a material impact on the statements of activities. The most significant impact was the recognition of a ROU asset and lease liability for operating leases. Upon adoption, the Forum recognized an operating lease right-of-use asset of \$552,058 and corresponding operating lease liability of \$618,533 while also removing \$66,475 in deferred rent under Topic 840.

Basis of presentation

The financial statements of the Forum have been prepared in accordance with U.S. GAAP, which requires the Forum to report information regarding its financial position and activities according to the following net asset classifications:

- Net assets without donor restriction: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Forum. These net assets may be used at the discretion of the Forum's management and Board of Directors.
- Net assets with donor restriction: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will likely be met by actions of the Forum or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Forum had no donor restricted funds to be maintained in perpetuity at December 31, 2022 or 2021.

Cash and cash equivalents

For purposes of the statements of cash flows, the Forum considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Certificate of deposit

The certificate of deposit is shown at the original amount deposited plus accrued interest.

Contributions, grants and other receivables

Contributions, grants and other receivables represent promises to give which have been made by donors or agreements with grantor agencies but not yet received by the Forum. Management considers all amounts to be fully collectible. Accordingly, no allowance for doubtful accounts has been established.

Property and depreciation

Property and equipment are stated at cost or fair value if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 5 years. New development for the Knowledge Management System is capitalized and amortized over three years. Routine maintenance and repairs are charged to expense as incurred. The cost of assets sold or retired, and the related accumulated depreciation are eliminated from the accounts in the year of disposal, with any gain or loss from disposals included in the change in net assets.

Grants and contributions

Revenues from contributions are recognized when a donor's unconditional commitment is received. Donor-restricted contributions are reported as increases in net assets with donor restriction. Contributions received through grants are recorded in the grants and contributions line on the statements of activities. All contributions and grants are due in less than two years at December 31, 2022 and 2021.

Revenue recognition

The Forum's primary revenue and support is obtained from grants and contributions, user fees, membership dues, and meeting fees. Incidental items that are immaterial in the context of the contract are recognized as expense. The Forum does not have any significant financing components as payment is received at or shortly after the point of sale.

Membership dues and user fees are based on the satisfaction of performance over time. Revenue from performance obligations satisfied over time is recognized using the output method. Under this method, the Forum measures completion of the total performance obligation as time elapses because the members and users are granted access to the Forum and software on an ongoing basis.

Meeting fees are based on the satisfaction of performance obligations at a point in time. Performance obligations related to meetings are the delivery of the event. Upon completion of the event, the Forum would record revenue. Meeting fees received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

Contract liabilities consisted of \$153,971 January 1, 2021. All contract liabilities are recognized in the subsequent year.

Expense allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Expenses are allocated based on the relative time spent by each employee working for the Forum. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising expenses

The Forum uses non-direct response advertising. Advertising costs are expensed as incurred. Advertising expenses incurred during the years ended December 31, 2022 and 2021 were \$1,796 and \$105, respectively.

Income taxes

The Forum is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code), except for income derived from unrelated business activities, as defined in the Code. In addition, the Forum qualifies for the charitable deduction under Section 170 and has been classified as an Organization that is not a private foundation under Section 509(a)(1).

Leases

The Forum considers an arrangement a lease if, at inception, the arrangement transfers the right to control the use of an identified asset for a period of time in exchange for consideration. Under leasing standards, control is defined as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use ("ROU") asset, other current liability, and operating lease liability in the statements of financial position.

The lease term reflects the noncancellable period of the lease together with periods covered by an option to extend or terminate the lease when management is reasonably certain that it will exercise such option. The Forum uses the risk-free rate for a period of time similar to the lease term, determined at the lease commencement date, in determining the present value of lease payments. The risk-free rate is used as the information necessary to determine the rate implicit in the lease and the Forum's incremental borrowing rate is not readily available. The Forum has lease agreements with lease and non-lease components, which are generally accounted for as a single lease. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Short-term leases are less than one year without purchase or renewal options that are reasonably certain to be exercised and are recognized on a straight-line basis over the lease term. The right-of-use asset is tested for impairment in accordance with ASC 360.

Subsequent events

The Forum evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through July 24, 2023, the date on which the financial statements were available to be issued.

2. CONTRIBUTIONS, GRANTS AND OTHER RECEIVABLES:

Unconditional contributions, grants and other receivables at December 31 consisted of the following:

| | <u>2022</u> | <u>2021</u> |
|---------------------------------------|---------------------|------------------|
| Receivables due in less than one year | \$ 1,525,634 | 1,077,383 |
| Receivables due in one to five years | <u>-</u> | <u>100,000</u> |
| | <u>\$ 1,525,634</u> | <u>1,177,383</u> |

There was no discount rate used at December 31, 2022 or 2021.

3. NET ASSETS WITH DONOR RESTRICTION:

Net assets with donor restriction at December 31 consisted of the following:

| | <u>2022</u> | <u>2021</u> |
|-------------------------------|---------------------|------------------|
| Restricted for future periods | \$ 200,000 | 385,000 |
| Rural Equity program | 1,875,000 | 908,944 |
| COVID-19 response fund | <u>-</u> | <u>67,576</u> |
| | <u>\$ 2,075,000</u> | <u>1,361,520</u> |

During the years ended December 31, 2022 and 2021, net assets were released from donor restrictions due to the passage of time or the fulfillment of donor-imposed restrictions as follows:

| | <u>2022</u> | <u>2021</u> |
|----------------------|---------------------|------------------|
| Time restrictions | \$ 385,000 | 590,000 |
| Purpose restrictions | <u>1,076,520</u> | <u>733,219</u> |
| | <u>\$ 1,461,520</u> | <u>1,323,219</u> |

4. PAYCHECK PROTECTION PROGRAM LOAN:

The Forum received a Paycheck Protection Program (PPP) loan as part of the Coronavirus Aid, Relief, and Economic Security Act for \$170,000 in May 2020. The Forum elected to present the PPP loan as traditional borrowing on the statements of financial position and statements of cash flows. The Forum applied for and received full forgiveness of the PPP loan in September 2021. The related revenue from the forgiveness is included on the accompanying statements of activities.

5. OPERATING LEASE:

The Forum has a non-cancelable operating lease for office space in Washington, D.C. through May 2026.

As of December 31, 2022, the Forum has not entered into any material leases expected to commence in 2023.

For the year ended December 31, 2022 the Forum had \$118,673 recorded in operating expenses associated with lease arrangements.

Other Information:

| | |
|---|------------|
| Weighted-average remaining lease term in years for operating leases | 3.83 years |
| Weighted-average discount rate for operating leases | 1.37% |

Rent expense for operating leases under ASC 840 – Leases was \$122,259 for the year ended December 31, 2021

The following is an analysis of maturities of lease liabilities as of December 31:

| <u>Year ending December 31:</u> | |
|---------------------------------|--------------------------|
| 2023 | \$ 129,085 |
| 2024 | 132,635 |
| 2025 | 136,283 |
| 2026 | <u>116,429</u> |
| Total minimum lease payments | <u>514,432</u> |
| Less imputed interest | <u>(13,788)</u> |
| Total operating lease liability | \$ <u><u>500,644</u></u> |

Non-cash lease expense on the statement of cash flows includes the amortization of the lease right-of-use asset of \$110,932, offset by a change in the lease liability of \$117,889 for the year ended December 31, 2022. Lease payments within operating activities were \$125,630 for the year ended December 31, 2022.

6. TAX-DEFERRED ANNUITY PLAN:

The Forum has a 403(b) tax-deferred annuity plan (the Plan), which covers substantially all employees. The Plan provides for voluntary employee contributions, and employer contributions equal to 5% of the participants' gross annual compensation. An employee is eligible to participate in the Plan immediately upon hire and is eligible to receive an employer contribution after completing three months of service and attaining age 21. Employer contributions to the Plan totaled \$71,369 and \$58,096 during 2022 and 2021, respectively.

7. REVENUE CONCENTRATION:

Concentrations discussed in this note were limited to significant concentrations exceeding 10% of total grants and contributions. During the year ended December 31, 2022, the Forum received approximately 44% of its total annual revenues and support from one source, and approximately 86% of its total receivables from contributions, grants and other sources from one source. During the year ended December 31, 2021, the Forum received approximately 56% of its total annual revenues and support from one source, and approximately 86% of its total receivables from contributions, grants and other sources from three sources.

8. CONCENTRATION OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF FEDERALLY INSURED LIMITS:

The Forum maintains its cash and cash equivalent balances at a few financial institutions that are insured by the Federal Deposit Insurance Corporation on balances up to \$250,000 as of December 31, 2022 and 2021. The Forum has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk on cash or cash equivalents.

9. LIQUIDITY DISCLOSURES:

The Forum is substantially supported by contributions and grants, some of which come with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Forum must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Forum's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table presents the financial assets available to meet cash needs for general expenditures within one year at December 31:

| | <u>2022</u> | <u>2021</u> |
|--|---------------------|------------------|
| Cash and cash equivalents | \$ 2,952,776 | 3,098,096 |
| Certificate of deposit | 251,919 | 251,881 |
| Contributions, grants and other receivables | <u>1,525,634</u> | <u>1,177,383</u> |
| Financial assets at year-end | <u>4,730,329</u> | <u>4,527,360</u> |
| Less those unavailable for general expenditures: | | |
| Board designated for operating reserves | - | 3,000,000 |
| Restricted by donor due to time or purpose | <u>2,075,000</u> | <u>1,361,520</u> |
| | <u>2,075,000</u> | <u>4,361,520</u> |
| Financial assets available to meet cash needs for general expenditures within one year | \$ <u>2,655,329</u> | <u>165,840</u> |

