



**TANENBAUM CENTER FOR
INTERRELIGIOUS UNDERSTANDING**

Audited Financial Statements

December 31, 2021

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Tanenbaum Center for Interreligious Understanding

Opinion

We have audited the accompanying financial statements of Tanenbaum Center for Interreligious Understanding (the "Organization"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the changes in net assets and its 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 (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 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 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 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.

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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these financial statements.

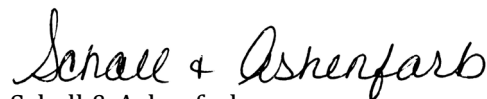
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 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 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 24, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.


Schall & Ashenfarb
Certified Public Accountants, LLC

June 21, 2022

TANENBAUM CENTER FOR INTERRELIGIOUS UNDERSTANDING
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021

(With comparative totals as of December 31, 2020)

Assets	<u>12/31/21</u>	<u>12/31/20</u>
Current assets:		
Cash and cash equivalents	\$109,920	\$73,976
Investments (Note 3)	3,713,984	3,859,632
Pledges receivable (Note 4)	70,735	190,205
Other receivables	90,560	33,971
Prepaid expenses and other assets, current portion	124,417	64,216
Total current assets	<u>4,109,616</u>	<u>4,222,000</u>
Long term assets:		
Prepaid expenses and other assets, net of current portion	0	55,000
Pledges receivable for future programs and time periods (Note 4)	0	9,745
Security deposits	26,961	26,961
Fixed assets, net (Note 5)	19,417	11,977
Pledges receivable, net - restricted for endowment (Notes 4 and 7)	343,784	329,769
Investments restricted for endowment (Notes 3 and 7)	113,683	108,764
Total long term assets	<u>503,845</u>	<u>542,216</u>
Total assets	<u><u>\$4,613,461</u></u>	<u><u>\$4,764,216</u></u>
 Liabilities and Net Assets 		
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	\$58,109	\$69,825
Deferred rent, current portion	8,005	6,098
Deferred revenue, current portion	253,500	151,783
Total current liabilities	<u>319,614</u>	<u>227,706</u>
Long term liabilities:		
Deferred rent, net of current portion	0	8,006
Deferred revenue, net of current portion	7,917	10,000
Total long term liabilities	<u>7,917</u>	<u>18,006</u>
Total liabilities	<u>327,531</u>	<u>245,712</u>
Commitments (Note 11)		
Net assets:		
Without donor restrictions	<u>3,551,206</u>	<u>3,620,841</u>
With donor restrictions:		
For future programs and time periods (Note 6)	277,257	459,130
Donor restricted endowment (Notes 6 and 7)	457,467	438,533
Total net assets with donor restrictions	<u>734,724</u>	<u>897,663</u>
Total net assets	<u>4,285,930</u>	<u>4,518,504</u>
Total liabilities and net assets	<u><u>\$4,613,461</u></u>	<u><u>\$4,764,216</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

TANENBAUM CENTER FOR INTERRELIGIOUS UNDERSTANDING
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

(With comparative totals for the year ended December 31, 2020)

	With Donor Restrictions			Total With Donor Restrictions	Total 12/31/21	Total 12/31/20
	Without Donor Restrictions	Programs and Time	Endowment			
Revenue and support:						
Contributions	\$149,948	\$205,987	\$14,015	\$220,002	\$369,950	\$370,565
In-kind contributions (Note 2i)	16,486			0	16,486	79,771
Event income (net of expenses with a direct benefit to donor) (Note 8)	266,724			0	266,724	385,392
Corporate fees	420,525			0	420,525	290,583
Paycheck Protection Program grant (Note 9)	207,632			0	207,632	212,999
Program fees and other income	219,075			0	219,075	65,464
Investment income, net of fee (Note 3)	200,516		4,919	4,919	205,435	188,821
Net assets released from restrictions (Note 6)	387,860	(387,860)		(387,860)	0	0
Total revenue and support	1,868,766	(181,873)	18,934	(162,939)	1,705,827	1,593,595
Expenses:						
Program services	1,383,629				1,383,629	1,265,535
Supporting services:						
Management and general	240,600				240,600	236,588
Fundraising	314,172				314,172	291,045
Total supporting services	554,772	0	0	0	554,772	527,633
Total expenses	1,938,401	0	0	0	1,938,401	1,793,168
Change in net assets	(69,635)	(181,873)	18,934	(162,939)	(232,574)	(199,573)
Net assets - beginning of year	3,620,841	459,130	438,533	897,663	4,518,504	4,718,077
Net assets - end of year	\$3,551,206	\$277,257	\$457,467	\$734,724	\$4,285,930	\$4,518,504

The attached notes and auditors' report are an integral part of these financial statements.

TANENBAUM CENTER FOR INTERRELIGIOUS UNDERSTANDING
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

(With comparative totals for the year ended December 31, 2020)

	Supporting Services			Total Supporting Services	Total Expenses 12/31/21	Total Expenses 12/31/20
	Program Services	Management and General	Fundraising			
Salaries	\$958,316	\$32,926	\$168,105	\$201,031	\$1,159,347	\$1,014,940
Payroll taxes and employee benefits	141,421	4,860	24,806	29,666	171,087	161,516
Total salaries and related costs	<u>1,099,737</u>	<u>37,786</u>	<u>192,911</u>	<u>230,697</u>	<u>1,330,434</u>	<u>1,176,456</u>
Professional fees	73,195	142,300	86,222	228,522	301,717	275,417
In-kind professional fees (Note 2i)	6,416	9,770	300	10,070	16,486	79,771
Occupancy	88,882	5,767	18,663	24,430	113,312	113,912
Supplies	3,572	431	750	1,181	4,753	2,002
Printing and reproduction	729		500	500	1,229	201
Postage and mailing	155	265	376	641	796	1,104
Events	34,070	1,479	38,256	39,735	73,805	20,542
Telephone	41,648	1,803	5,837	7,640	49,288	38,101
Travel		407	614	1,021	1,021	7,250
Equipment and rental	10,860	705	2,280	2,985	13,845	13,022
Insurance	10,072	654	2,115	2,769	12,841	11,370
Dues and subscriptions	7,911	272	1,388	1,660	9,571	6,883
Depreciation		6,560		6,560	6,560	3,856
Bad debt expense		22,167		22,167	22,167	42,317
Other	6,382	10,234	986	11,220	17,602	21,302
Total expenses	<u>1,383,629</u>	<u>240,600</u>	<u>351,198</u>	<u>591,798</u>	<u>1,975,427</u>	<u>1,813,506</u>
Less: direct special event expenses netted with revenue			<u>(37,026)</u>	<u>(37,026)</u>	<u>(37,026)</u>	<u>(20,338)</u>
Total expenses for statement of activities	<u>\$1,383,629</u>	<u>\$240,600</u>	<u>\$314,172</u>	<u>\$554,772</u>	<u>\$1,938,401</u>	<u>\$1,793,168</u>

The attached notes and auditors' report are an integral part of these financial statements.

TANENBAUM CENTER FOR INTERRELIGIOUS UNDERSTANDING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(With comparative totals for the year ended December 31, 2020)

	<u>12/31/21</u>	<u>12/31/20</u>
Cash flows from operating activities:		
Change in net assets	(\$232,574)	(\$199,573)
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation	6,560	3,856
Bad debt expense	22,167	42,317
Realized and unrealized gain on investments	(47,085)	(58,111)
Changes in assets and liabilities:		
Pledges receivable	93,033	58,743
Other receivables	(56,589)	5,550
Prepaid expenses and other assets	(5,201)	(34,074)
Accounts payable and accrued expenses	(11,716)	25,446
Deferred rent	(6,099)	(3,846)
Deferred revenue	99,634	7,083
Total adjustments	<u>94,704</u>	<u>46,964</u>
Net cash used for operating activities	<u>(137,870)</u>	<u>(152,609)</u>
Cash flows from investing activities:		
Purchase of investments	(696,443)	(1,278,117)
Sale of investments	884,257	1,441,695
Purchase of fixed assets	(14,000)	(8,001)
Net cash provided by investing activities	<u>173,814</u>	<u>155,577</u>
Net increase in cash and cash equivalents	35,944	2,968
Cash and cash equivalents - beginning of year	<u>73,976</u>	<u>71,008</u>
Cash and cash equivalents - end of year	<u><u>\$109,920</u></u>	<u><u>\$73,976</u></u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest and taxes	<u><u>\$0</u></u>	<u><u>\$0</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

TANENBAUM CENTER FOR INTERRELIGIOUS UNDERSTANDING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 1 - Organization

The Tanenbaum Center for Interreligious Understanding (alternatively, “Tanenbaum” and the “Organization”) is an international not-for-profit that promotes justice and builds respect for religious difference. By raising awareness, building knowledge, and implementing strategies that reduce prejudice, hate and violence by individuals and in institutions, Tanenbaum promotes long-term change in schools, workplaces, health care settings and areas of armed conflict.

For almost 30 years, Tanenbaum has provided innovative resources and prepared educators to teach about religious differences and combat bullying, helped medical professionals develop skills to care for religiously diverse patients and prevent disparities in care, created inclusive work environments in some of the world’s largest companies to counter religious harassment, and supported a network of courageous Peacemakers in the world’s most contentious conflict zones while encouraging diplomats to recognize their value as partners in peacebuilding.

The Education program counters bullying and religious conflicts in schools by training teachers to run inclusive learning environments where young people learn to debunk stereotypes and practice respectful listening. By providing teachers with Tanenbaum’s pedagogy and curricular materials, the Organization helps teachers prepare students to put respect into practice and utilize concrete skills in conflict resolution. Over 90% of the teachers trained in Tanenbaum’s pedagogy and using its curricula, report that their students learn to debunk stereotypes. In 2015, Tanenbaum added a new public education initiative called Combating Extremism, which provides data, inspirational content and easily accessible materials for adults and students to critically assess and counter hatemongering, stereotyping and the increasing divisions in our global society.

The Workplace program engages business leaders, global employers, managers, and DEI and human resources professionals to counter harassment and discrimination. Through trainings and materials on how to effectively work with a global and increasingly religiously diverse workforce and customer base, companies improve the bottom line and become more productive and inclusive environments for their national and global workforces.

The Health Care program builds health care providers’ capacity for offering religiously competent health care and thereby preventing disparities in treatment. Tanenbaum invests in the future of health care with targeted trainings, e-learning and by disseminating curriculum to medical schools, residency programs, and nursing schools to prepare the next generation of medical providers for an increasingly religiously diverse patient population.

The Peacebuilding program identifies and coordinates a Peacemakers' Network of religiously motivated peacemakers worldwide, who support and cooperate with each other to counter violence and war. Tanenbaum also studies and documents their work through publications so that their specialized techniques can be shared and replicated by others. In addition, we help diplomats become familiar with Peacemaker efforts and begin to identify ways to work with them in overcoming conflict and building stable, peaceful societies. Over the long-term, this program is advancing the recognition and institutionalization of the vocation of religious peacemaking.

The Interreligious Affairs program informs our other programs (Workplace, Health Care, Education, and Peacebuilding) by furthering the work of our namesake, Rabbi Marc H. Tanenbaum – to build a safer, more equitable world for people of all belief systems.

Note 2 - Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

b. Basis of Presentation

The Organization reports information regarding its financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents those resources for which there are no restrictions by donors as to their use.
- *Net Assets With Donor Restrictions* – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

c. Revenue Recognition

The Organization follows the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958-605 for recording contributions. Contributions are recorded at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in one of the classes of net assets described above, depending on the existence and/or nature of any donor-imposed restriction. When a restriction 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. If donor restricted contributions are satisfied in the same period they are received, they are classified as without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met.

Contributions expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques.

The Organization offers a corporate membership program for companies and provides training and consultation services that fall under the scope of FASB ASC 958-606. Corporate fees are recognized as the performance obligation is satisfied over the term of the membership period. For training and consultation services, the performance obligation is considered to be met when the services are performed. Fees received in advance of performing services are recorded as deferred income and will be recognized as income in the period earned.

Management assesses the collectability of all outstanding receivables based upon historical trends and experience with donors. Based on that review, management has concluded that all receivables are collectible. As such, no allowance for uncollectible accounts was deemed necessary.

d. Cash and Cash Equivalents

All highly liquid investments purchased with a maturity of three months or less are considered to be cash and cash equivalents, other than those held with an investment portfolio.

e. Concentration of Credit Risk

Financial instruments which potentially subject the Organization to a concentration of credit risk consist of cash, money market accounts and investment securities that have been placed with financial institutions that management deems to be creditworthy. While balances may occasionally exceed federally insured limits, the Organization has not experienced any losses in any of those accounts due to bank failure.

f. Investments

Investments are recorded at fair value, which is defined as the price that would be received when selling an asset in an orderly transaction between market participants at the measurement date. Unrealized gains and losses are included in the statement of activities.

g. Fixed Assets, Net

Fixed assets that exceed pre-determined amounts and that have a useful life of greater than one year are recorded at cost or at fair value on the date of gift, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, as follows:

Office equipment – 3 to 5 years

Furniture and fixtures – 5 years

Leasehold improvements – *Life of lease or assets, whichever is shorter*

h. Deferred Rent

Rent expense is recognized evenly over the life of the lease using the straight-line basis. Rent expense recognized in excess of cash payments is reflected as deferred rent. When payments exceed the amount of rent recognized as expense, the deferred rent is reduced until it becomes zero at the end of the lease.

i. In-Kind Contributions

Donated services are recognized when they create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind. Donated assets are recorded at the estimated fair value.

The Organization received donated goods and professional services valued at \$16,486 and \$79,771 for the years ended December 31, 2021 and 2020, respectively. One or more board members were employed at firms that provided donated professional services to the Organization, that amounted to \$6,416 and \$61,441 for the years ended December 31, 2021 and 2020, respectively.

Board members and other individuals volunteer their time and perform a variety of tasks that assist the Organization. Other than services that involve specific professional skills, these volunteer activities do not meet the criteria to be recorded and have not been included in the financial statements.

j. Use of Estimates

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

k. Functional Allocation of Expenses

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

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries	Time and effort
Payroll taxes and employee benefits	Time and effort
Professional fees	Time and effort
Occupancy	Square footage
Supplies	Square footage
Telephone	Square footage
Equipment and rental	Square footage
Insurance	Square footage
Dues and subscriptions	Time and effort
Other	Time and effort and square footage

All other expenses have been charged directly to the applicable program or supporting services.

l. Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does 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 audited financial statements for the year ended December 31, 2020, from which the summarized information was derived.

m. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending December 31, 2018 and later are subject to examination by applicable taxing authorities.

n. New Accounting Pronouncements

FASB issued Accounting Standard Update ("ASU") No. 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which becomes effective for the December 31, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures.

In addition, FASB issued ASU No. 2016-02, Leases. The ASU, which becomes effective for the December 31, 2022 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

The Organization is in the process of evaluating the impact these standards will have on future financial statements.

Note 3 - Investments

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The following summarizes the composition of investments, which have all been determined to be Level 1 investments:

	<u>12/31/21</u>	<u>12/31/20</u>
Cash	\$107,132	\$25,665
Exchange-traded funds	99,446	100,056
Foreign stock	0	62,846
Mutual funds – equity funds	1,280,145	1,125,902
Mutual funds – bond funds	<u>2,340,944</u>	<u>2,653,927</u>
Total	<u>\$3,827,667</u>	<u>\$3,968,396</u>
Investments	\$3,713,984	\$3,859,632
Investments restricted for endowment	<u>113,683</u>	<u>108,764</u>
Total	<u>\$3,827,667</u>	<u>\$3,968,396</u>

Level 1 securities are valued at the closing price reported on the active market they are traded on.

The following summarizes investment return:

	<u>12/31/21</u>	<u>12/31/20</u>
Interest and dividends income	\$162,308	\$134,670
Realized and unrealized gain	47,085	58,111
Investment fees	<u>(3,958)</u>	<u>(3,960)</u>
Total investment return	<u>\$205,435</u>	<u>\$188,821</u>

Note 4 - Pledges Receivable

Pledges receivable, net of the present value of future cash flows, are due in the following periods:

	<u>12/31/21</u>	<u>12/31/20</u>
Within 1 year	\$70,735	\$190,205
2 to 5 years	0	10,000
Greater than 5 years	<u>500,000</u>	<u>500,000</u>
Total pledges	570,735	700,205
Less: discount to fair value (2.4% - 4.3%)	<u>(156,216)</u>	<u>(170,486)</u>
Pledges receivable, net	<u>\$414,519</u>	<u>\$529,719</u>

Pledges receivable are for the following purposes:

	<u>12/31/21</u>	<u>12/31/20</u>
Short term pledges for operations	\$70,735	\$190,205
Long term pledges for operations	0	9,745
Pledges for endowment	<u>343,784</u>	<u>329,769</u>
Total	<u>\$414,519</u>	<u>\$529,719</u>

Note 5 - Fixed Assets

Fixed assets consist of the following:

	<u>12/31/21</u>	<u>12/31/20</u>
Computers	\$142,353	\$128,353
Furniture and equipment	130,522	130,522
Leasehold improvements	<u>46,419</u>	<u>46,419</u>
	319,294	305,294
Less: accumulated depreciation	<u>(299,877)</u>	<u>(293,317)</u>
Total fixed assets, net	<u>\$19,417</u>	<u>\$11,977</u>

Note 6 - Net Assets With Donor Restrictions

The following summarizes net assets released from restrictions:

	<u>12/31/21</u>	<u>12/31/20</u>
Program restricted:		
Conflict resolution	\$28,393	\$29,362
Education	199,254	70,750
Health care	49,983	65,770
Communication	938	0
Other	<u>17,792</u>	<u>7,000</u>
Total program restricted	296,360	172,882
Restricted by time	<u>91,500</u>	<u>160,000</u>
Total program and time restricted	387,860	332,882
Release of term endowment	<u>0</u>	<u>2,284,314</u>
Total	<u>\$387,860</u>	<u>\$2,617,196</u>

The following summarizes the nature of net assets with donor restrictions:

	<u>12/31/21</u>	<u>12/31/20</u>
Program restricted:		
Conflict resolution	\$0	\$28,393
Education	156,154	176,708
Health care	21,500	51,483
Communication	49,062	50,000
Other	<u>2,543</u>	<u>18,335</u>
Total program restricted	229,259	324,919
Restricted by time	<u>47,998</u>	<u>134,211</u>
Total program and time restricted	<u>\$277,257</u>	<u>459,130</u>
Donor restricted endowment:		
Endowment corpus	411,534	392,615
Endowment earnings	<u>45,933</u>	<u>45,918</u>
Total donor restricted endowment	<u>457,467</u>	<u>438,533</u>
Total	<u>\$734,724</u>	<u>\$897,663</u>

The Organization received a term endowment gift which required funds to be maintained in a separate endowment fund until a specific event occurred. That event occurred in 2020, which triggered the release from restriction of the remaining balance of the endowment in the amount of \$2,284,314.

Note 7 - Endowment Funds

The Organization's endowment consists of restricted gifts. One of the restricted gifts is required to be held in perpetuity with the income restricted to the Peacebuilding program. The second gift is an outstanding pledge.

Interpretation of Relevant Law

The Organization follows New York Prudent Management of Institutional Funds Act ("NYPMIFA"), which the board of directors has interpreted as requiring certain amounts to be retained permanently. Absent explicit donor stipulations to the contrary, the Organization will preserve the fair value of the original gift as of the gift date for all donor-restricted endowment funds.

However, under certain circumstances, the Organization has the right to appropriate for expenditure the fair value of the original gift in a manner consistent with the standard of prudence specifically prescribed by NYPMIFA.

As a result of this interpretation, the Organization classifies as endowment corpus (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

One donor has encouraged the Organization to retain a specific investment. Increases and decreases in the reported value in net assets with donor restrictions related to the endowment corpus were affected by the change in value in those investments.

When endowment funds have earnings in excess of amounts that need to be retained as part of the corpus, their earnings are restricted until the board appropriates them for expenditures, therefore, they have been classified in the net asset class with donor restrictions.

Spending Policies

In accordance with NYPMIFA, 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 fund;
- (2) The purposes of the Organization and the donor-restricted endowment fund;
- (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) The investment policies of the Organization;
- (8) Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Organization.

The following summarizes the changes in endowment net assets:

	December 31, 2021		
	<u>Corpus</u>	<u>Earnings</u>	<u>Total</u>
Endowment net assets, beginning of year	\$392,615	\$45,918	\$438,533
Adjustment to discount of long term pledges	14,015	0	14,015
Realized and unrealized gain on investments	4,904	0	4,904
Interest and dividends	<u>0</u>	<u>15</u>	<u>15</u>
Endowment net assets, end of year	<u>\$411,534</u>	<u>\$45,933</u>	<u>\$457,467</u>

	<u>December 31, 2020</u>			
	<u>Corpus</u>	<u>Earnings</u>	<u>Term</u>	<u>Total</u>
Endowment net assets, beginning of year	\$374,259	\$40,221	\$2,415,784	\$2,830,264
Adjustment to discount of long term pledges	13,444	0	0	13,444
Realized and unrealized gain/(loss) on investments	4,912	0	(182,517)	(177,605)
Interest and dividends	0	5,697	51,047	56,744
Released from restriction (Note 6)	<u>0</u>	<u>0</u>	<u>(2,284,314)</u>	<u>(2,284,314)</u>
Endowment net assets, end of year	<u>\$392,615</u>	<u>\$45,918</u>	<u>\$0</u>	<u>\$438,533</u>
		<u>12/31/21</u>	<u>12/31/20</u>	
Pledges receivable, net - restricted for endowment		\$343,784	\$329,769	
Investments restricted for endowment		<u>113,683</u>	<u>108,764</u>	
Total		<u>\$457,467</u>	<u>\$438,533</u>	

Endowment Investment Policies

An investment policy for endowment assets has been adopted that is consistent with the investment policy of the Organization's investments without restrictions. The goal is to protect its endowment investment principal, while obtaining a reasonable and competitive return on its assets.

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 or NYPMIFA requires to be retained as a fund of perpetual duration. There were no such deficiencies as of December 31, 2021 and 2020.

Note 8 - Special Event

	<u>12/31/21</u>	<u>12/31/20</u>
Gross revenue	\$303,750	\$405,730
Less: expenses with a direct benefit to donor	<u>(37,026)</u>	<u>(20,338)</u>
	266,724	385,392
Less: other event expenses	<u>(59,347)</u>	<u>(55,006)</u>
Net gala revenue	<u>\$207,377</u>	<u>\$330,386</u>

Note 9 - Paycheck Protection Program Grant

The Organization obtained loans from the SBA through the Paycheck Protection Program (PPP) during the years ended December 31, 2021 and December 31, 2020. Terms of the loans indicated that if certain conditions were met, which include maintaining average work forces during periods subsequent to receipt of the loan funds that are not less than pre-determined historical periods, that the loans, or a portion thereof, could be forgiven.

The Organization accounted for the PPP loans as conditional contributions in accordance with FASB ASC 958-605. As all conditions for each PPP loan were met during the respective fiscal year, revenue was recognized in the amount of \$207,632 and \$212,999 in 2021 and 2020, respectively. Full forgiveness for each loan was approved by the SBA.

Note 10 - Retirement Plan

The Organization maintains a tax deferred 403(b) retirement plan on behalf of participating employees. All employees who satisfy service requirements may participate by designating a percentage of their salaries, subject to regulatory limits, to the plan on a pre-tax basis. Employees may make voluntary contributions up to the maximum amount allowed by the IRS. There were no employer contributions to the plan for the years ended December 31, 2021 and December 31, 2020.

Note 11 - Commitments

The Organization has a five-year lease for office space which began on July 1, 2017 and terminates on December 31, 2022. Future minimum lease payments under this arrangement is \$116,734 for the year ended December 31, 2022.

Note 12 - Other Concentrations and Related Parties

Included in outstanding pledges receivable as of December 31, 2021 and 2020, respectively, is approximately \$344,000 and \$330,000 (net of discount) from two donors, a husband and wife, one of whom is an officer of the organization. These balances represent 83% and 62% of net pledge receivables, respectively. The spouse of the officer is a principal in a foreign company in which the Organization held stock, which was valued at \$62,846 at December 31, 2020. During the year ended December 31, 2021 the Organization sold the stock and reinvested proceeds in a money market fund which is valued at \$67,750 at December 31, 2021.

Note 13 - Availability and Liquidity

The Organization maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. As part of its liquidity management plan, the Organization operates its programs within a board approved budget and relies on contributions and earned income to fund its operations and program activities.

Financial assets at year-end:

Cash and cash equivalents	\$109,920	
Investments	3,713,984	
Pledges receivable	<u>70,735</u>	
Total short-term financial assets		\$3,894,639
Less amounts not available for general expenditures - donor-imposed program restrictions		<u>(229,259)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$3,665,380</u>

The Organization's donor restricted endowment funds are held for long term purposes; therefore, these assets are not considered available for general expenditures until they are appropriated for spending.

Note 14 - Subsequent Events

Subsequent events have been evaluated through June 21, 2022, the date the financial statements were available to be issued. Adjustments and disclosures have been made for all subsequent events that have occurred.

Note 15 - Other Matters

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. As of the date of these financial statements, many of the travel restrictions and stay at home orders have been lifted; however, supply chains remain impacted. Management continues to monitor the outbreak; however, as of the date of these financial statements, the potential impact cannot be quantified.