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TANENBAUM CENTER FOR INTERRELIGIOUS UNDERSTANDING

Audited Financial Statements

December 31, 2022

INDEPENDENT AUDITOR'S 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, 2022, 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, 2022, 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 Auditor's 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.

Auditor's 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 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 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 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

The financial statements of the Organization as of and for the year ended December 31, 2021, were audited by other auditors whose report dated June 21, 2022, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects with the audited financial statements for which it was derived.

Sax CPAs LLP
New York, NY
June 14, 2023

TANENBAUM CENTER FOR INTERRELIGIOUS UNDERSTANDING
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022
(With comparative totals as of December 31, 2021)

Assets

	12/31/22	12/31/21
Current assets:		
Cash and cash equivalents	$170,211	$109,920
Investments (Note 3)	3,057,282	3,713,984
Pledges receivable (Note 4)	290,500	70,735
Other receivables	24,739	90,560
Prepaid expenses and other assets, current portion	53,414	124,417
Total current assets	3,596,146	4,109,616
Long term assets:		
Pledges receivable for future programs and time periods (Note 4)	150,000	0
Security deposits	26,961	26,961
Fixed assets, net (Note 5)	26,655	19,417
Pledges receivable, net - restricted for endowment (Notes 4 and 7)	358,395	343,784
Investments restricted for endowment (Notes 3 and 7)	116,698	113,683
Total long term assets	678,709	503,845
Total assets	$4,274,855	$4,613,461

Liabilities and Net Assets

	12/31/22	12/31/21
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	$120,600	$58,109
Deferred rent, current portion	0	8,005
Deferred revenue, current portion	327,292	253,500
Total current liabilities	447,892	319,614
Long term liabilities:		
Deferred revenue, net of current portion	10,833	7,917
Total long term liabilities	10,833	7,917
Total liabilities	458,725	327,531
Commitments (Note 12)		
Net assets:		
Without donor restrictions	2,757,516	3,551,206
With donor restrictions:		
For future programs and time periods (Note 6)	583,521	277,257
Donor restricted endowment (Notes 6 and 7)	475,093	457,467
Total net assets with donor restrictions	1,058,614	734,724
Total net assets	3,816,130	4,285,930
Total liabilities and net assets	$4,274,855	$4,613,461

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

TANENBAUM CENTER FOR INTERRELIGIOUS UNDERSTANDING
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

		With Donor Restrictions				
	Without Donor Restrictions	Programs and Time	Endowment	Total With Donor Restrictions	Total 12/31/22	Total 12/31/21
Revenue and support:						
Contributions	$357,736	$611,500	$14,611	$626,111	$983,847	$369,950
Donated services (Note 8)	53,135			0	53,135	16,486
Special event income (net of expenses with a direct benefit to donor) (Note 9)	549,505			0	549,505	266,724
Corporate fees	677,363			0	677,363	420,525
Paycheck Protection Program grant (Note 10)				0	0	207,632
Program fees and other income	158,794			0	158,794	219,075
Investment return, net of fee (Note 3)	(413,325)		3,015	3,015	(410,310)	205,435
Net assets released from restrictions (Note 6)	305,236	(305,236)		(305,236)	0	0
Total revenue and support	1,688,444	306,264	17,626	323,890	2,012,334	1,705,827
Expenses:						
Program services	1,659,185				1,659,185	1,383,629
Supporting services:						
Management and general	326,872				326,872	240,600
Fundraising	496,077				496,077	314,172
Total supporting services	822,949	0	0	0	822,949	554,772
Total expenses	2,482,134	0	0	0	2,482,134	1,938,401
Change in net assets	(793,690)	306,264	17,626	323,890	(469,800)	(232,574)
Net assets - beginning of year	3,551,206	277,257	457,467	734,724	4,285,930	4,518,504
Net assets - end of year	$2,757,516	$583,521	$475,093	$1,058,614	$3,816,130	$4,285,930

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

TANENBAUM CENTER FOR INTERRELIGIOUS UNDERSTANDING
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

		Supporting Services				
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses 12/31/22	Total Expenses 12/31/21
Salaries	$1,178,783	$68,957	$242,664	$311,621	$1,490,404	$1,159,347
Payroll taxes and employee benefits	162,912	9,532	33,536	43,068	205,980	171,087
Total salaries and related costs	1,341,695	78,489	276,200	354,689	1,696,384	1,330,434
Professional fees	94,479	131,226	71,311	202,537	297,016	301,717
Donated services (Note 8)	26,965	15,697	10,473	26,170	53,135	16,486
Occupancy	94,318	8,586	23,732	32,318	126,636	113,312
Supplies	8,473	2,855	2,132	4,987	13,460	4,753
Printing and reproduction	57	17,423	0	17,423	17,480	1,229
Postage and mailing	1,923	3,846	0	3,846	5,769	796
Events	4,002		152,504	152,504	156,506	73,805
Telephone	46,040	15,144	7,312	22,456	68,496	49,288
Travel	6,979	27,074	0	27,074	34,053	1,021
Equipment and rental	10,238	932	2,576	3,508	13,746	13,845
Insurance	10,359	943	2,607	3,550	13,909	12,841
Dues and subscriptions	2,766	162	569	731	3,497	9,571
Depreciation		4,750		4,750	4,750	6,560
Bad debt expense		3,000		3,000	3,000	22,167
Other	10,891	16,745	3,305	20,050	30,941	17,602
Total expenses	1,659,185	326,872	552,721	879,593	2,538,778	1,975,427
Less: direct special event expenses netted with revenue			(56,644)	(56,644)	(56,644)	(37,026)
Total expenses for statement of activities	$1,659,185	$326,872	$496,077	$822,949	$2,482,134	$1,938,401

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

TANENBAUM CENTER FOR INTERRELIGIOUS UNDERSTANDING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

	12/31/22	12/31/21
Cash flows from operating activities:		
Change in net assets	($469,800)	($232,574)
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation	4,750	6,560
Bad debt expense	3,000	22,167
Realized and unrealized loss/(gain) on investments	492,898	(47,085)
Changes in assets and liabilities:		
Pledges receivable	(387,376)	93,033
Other receivables	65,821	(56,589)
Prepaid expenses and other assets	71,003	(5,201)
Accounts payable and accrued expenses	62,491	(11,716)
Deferred rent	(8,005)	(6,099)
Deferred revenue	76,708	99,634
Total adjustments	381,290	94,704
Net cash used for operating activities	(88,510)	(137,870)
Cash flows from investing activities:		
Purchase of investments	(1,265,382)	(696,443)
Sale of investments	1,426,171	884,257
Purchase of fixed assets	(11,988)	(14,000)
Net cash provided by investing activities	148,801	173,814
Net increase in cash and cash equivalents	60,291	35,944
Cash and cash equivalents - beginning of year	109,920	73,976
Cash and cash equivalents - end of year	$170,211	$109,920
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest and taxes	$0	$0

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

TANENBAUM CENTER FOR INTERRELIGIOUS UNDERSTANDING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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. The Organization's primary sources of revenue are contributions, special event income and corporate fees.

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. Recently Adopted Accounting Pronouncements
Effective January 1, 2022, the Organization adopted the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") 2020-07, Not-for-Profit Entities (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* 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 qualitative and quantitative disclosures. Adoption of the standard did not have a material impact on the Organization's financial statements.

Additionally, on January 1, 2022, FASB ASU 2016-02, Leases, became effective, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to restate the comparative period (2021). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases.

As a result of implementing FASB ASU No. 2016-02, the Organization recognized right-of-use ("ROU") assets of $108,729 and lease liabilities totaling $116,734 in its statement of financial position as of January 1, 2022 for a lease for space that expired on December 31, 2022. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease term. Due to its immaterial nature, no discount to present value has been taken. The adoption of this standard did not have a material impact. See Note 12 for further details.

c. 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.

d. Revenue Recognition

The Organization follows the requirements of the FASB's Accounting Standards Codification ("ASC") 958-605 for recording contributions, which 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 holds special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. The direct costs of the special events, which ultimately benefit the donor rather than the Organization, are recorded as exchange transaction revenue and exchange transaction expense. All proceeds received in excess of the direct costs are recorded as special events income in the accompanying statement of activities.

The Organization follows the requirements of FASB ASC 606 for recognizing revenue from contracts with customers. The Organization offers a corporate membership program for companies and provides training and consultation services that fall under the scope of FASB ASC 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.

e. 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 in an investment portfolio.

f. 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.

g. 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.

h. Fixed Assets

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*

i. Deferred Rent

The Organization followed FASB ASC 840 for recording rent expense for 2022 and 2021. 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.

j. In-Kind Contributions

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

Board members and other individuals volunteer their time and perform a variety of services 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.

k. 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.

l. 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:

Expense	Method of Allocation
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.

m. Advertising Costs
Advertising costs are expensed as incurred.

n. 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, 2021, from which the summarized information was derived.

o. 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, 2019 and later are subject to examination by applicable taxing authorities.

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:

	12/31/22	12/31/21
Cash	$199,472	$107,132
Exchange-traded funds	178,056	99,446
US Treasuries	610,890	0
Mutual funds – equity funds	827,178	1,280,145
Mutual funds – bond funds	1,358,384	2,340,944
Total	$3,173,980	$3,827,667
Investments	$3,057,282	$3,713,984
Investments restricted for endowment	116,698	113,683
Total	$3,173,980	$3,827,667

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

The following summarizes investment return:

	12/31/22	12/31/21
Interest and dividends income	$86,113	$162,308
Realized and unrealized (loss)/gain	(492,898)	47,085
Investment fees	(3,525)	(3,958)
Total investment return	($410,310)	$205,435

Note 4 - Pledges Receivable

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

	12/31/22	12/31/21
Within 1 year	$290,500	$70,735
2 to 5 years	150,000	0
Greater than 5 years	500,000	500,000
Total pledges	940,500	570,735
Less: discount to fair value (2.4% - 4.3%)	(141,605)	(156,216)
Pledges receivable, net	$798,895	$414,519

Pledges receivable are for the following purposes:

	12/31/22	12/31/21
Short term pledges for operations	$290,500	$70,735
Long term pledges for operations	150,000	0
Pledges for endowment	358,395	343,784
Total	$798,895	$414,519

Note 5 - Fixed Assets

Fixed assets consist of the following:

	12/31/22	12/31/21
Computers	$154,341	$142,353
Furniture and equipment	130,522	130,522
Leasehold improvements	46,419	46,419
	331,282	319,294
Less: accumulated depreciation	(304,627)	(299,877)
Total fixed assets, net	$26,655	$19,417

Note 6 - Net Assets With Donor Restrictions

The following summarizes net assets released from restrictions:

	12/31/22	12/31/21
Program restricted:		
Conflict resolution	$0	$28,393
Education	142,020	199,254
Health care	20,479	49,983
Communication	93,408	938
Other	6,297	17,792
Total program restricted	262,204	296,360
Restricted by time	43,032	91,500
Total program and time restricted	$305,236	$387,860

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

	12/31/22	12/31/21
Program restricted:		
Education	$214,134	$156,154
Health care	11,021	21,500
Communication	22,654	49,062
Other	30,746	2,543
Total program restricted	278,555	229,259
Restricted by time	304,966	47,998
Total program and time restricted	583,521	277,257
Donor restricted endowment:		
Endowment corpus	427,095	411,534
Endowment earnings	47,998	45,933
Total donor restricted endowment	475,093	457,467
Total	$1,058,614	$734,724

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, 2022		
	Corpus	Earnings	Total
Endowment net assets, beginning of year	$411,534	$45,933	$457,467
Adjustment to discount of long term pledges	14,611	0	14,611
Realized and unrealized gain on investments	950	0	950
Interest and dividends	0	2,065	2,065
Endowment net assets, end of year	$427,095	$47,998	$475,093

	December 31, 2021		
	Corpus	Earnings	Total
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	0	15	15
Endowment net assets, end of year	$411,534	$45,933	$457,467

	12/31/22	12/31/21
Pledges receivable, net - restricted for endowment	$358,395	$343,784
Investments restricted for endowment	116,698	113,683
Total	$475,093	$457,467

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, 2022 and 2021.

Note 8 - Donated Services

During the year ended December 31, 2022, the Organization received donated professional services valued at $53,135, of which $26,965 was allocated to program, $15,697 was allocated to management and general, and $10,473 was allocated to fundraising. During the year December 31, 2021, the Organization received donated professional services valued at $16,486, of which $6,416 was allocated to program, $9,770 was allocated to management and general, and $300 was allocated to fundraising.

	12/31/22	12/31/21
Legal services	$44,941	$6,551
HR consulting services	6,710	9,635
Other professional services	1,484	300
Total donated professional services	$53,135	$16,486

One or more board members were employed at firms that provided donated professional services to the Organization that amounted to $46,425 and $6,416 for the years ended December 31, 2022 and 2021, respectively.

Professional services are valued at the estimated fair value based on current hourly rates for similar services in the same geographic region. The services are directly charged to the applicable program or supporting services.

Note 9 - Special Event

	12/31/22	12/31/21
Gross revenue	$606,149	$303,750
Less: expenses with a direct benefit to donor	(56,644)	(37,026)
	549,505	266,724
Less: other event expenses	(168,360)	(59,347)
Net event income	$381,145	$207,377

Note 10 - Paycheck Protection Program Grant

The Organization obtained loans from the Small Business Administration ("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 included maintaining average work forces during periods subsequent to receipt of the loan funds that were 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 11 - 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, 2022 and December 31, 2021.

Note 12 - Commitments

The Organization had a five- year lease for office space, which began on July 1, 2017 and terminated on December 31, 2022. As the lease expired at year-end, the right-of-use assets and lease liabilities amounted to $0 as of December 31, 2022. For the year ended December 31, 2022, total operating lease cost was $108,728. Cash paid for the operating lease for the year ended December 31, 2022 was $116,734. There were no noncash investing and financing transactions related to leasing other than the transition entry described in Note 2b.

Subsequent to year-end, the Organization entered into a licensing agreement for office space that commences on January 3, 2023 and expires on January 31, 2024. Future minimum lease payments under this arrangement are $15,876 and $1,323 for the years ended December 31, 2023 and 2024, respectively.

Note 13 - Other Concentrations and Related Parties

Included in outstanding pledges receivable as of December 31, 2022 and 2021, respectively, is approximately $360,000 and $340,000 (net of discount) from two donors, a husband and wife, one of whom is an officer of the Organization. These balances represent 45% and 83% of net pledges receivable, 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 $68,700 at December 31, 2022.

Note 14 - Availability and Liquidity

Financial assets at year-end:

Cash and cash equivalents	$170,211	
Investments	3,057,282	
Pledges receivable	290,500	
Total short-term financial assets		$3,517,993
Less amounts not available for general expenditures - donor-imposed program restrictions		(278,555)
Financial assets available to meet cash needs for general expenditures within one year		$3,239,438

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.

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

Note 15 - Subsequent Events

Subsequent events have been evaluated through June 14, 2023, the date the financial statements were available to be issued. Adjustments and disclosures have been made for all subsequent events that have occurred.