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Common Counsel Foundation

Financial Statements

December 31, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Common Counsel Foundation

Opinion

We have audited the financial statements of Common Counsel Foundation (a California non-profit organization) (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 its net assets and 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 GAAS 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 GAAS, 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.

BAKER TILLY US, LLP

Baker Tilly US, LLP

San Francisco, California
November 15, 2022

COMMON COUNSEL FOUNDATION
STATEMENT OF FINANCIAL POSITION
December 31, 2021

ASSETS

Current Assets		
Cash and cash equivalents	$	65,335,088
Investments		3,790,136
Programmatic investments - net		807,732
Grants and contributions receivable - current		11,616,890
Accounts receivable		417,547
Prepaid expenses		202,566
Total current assets		82,169,959
Other Assets		
Grants and contributions receivable - net of current portion		14,623,489
Furniture and equipment, net		134
Deposits		3,458
Total assets	$	96,797,040

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and accrued expenses	$	1,199,596
Grants payable		1,607,424
Accrued vacation		313,738
Deferred revenue		374,635
Total liabilities		3,495,393
Net Assets		
Without donor restrictions		20,911,064
With donor restrictions		72,390,583
Total net assets		93,301,647
Total liabilities and net assets	$	96,797,040

COMMON COUNSEL FOUNDATION
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Foundation grants	$ 9,541,789	$ 58,539,778	$ 68,081,567
Contributions	12,395,084	3,909,864	16,304,948
Donations in-kind	-	86,478	86,478
Program service income	865,311	-	865,311
Fees for donor services	274,239	-	274,239
Government revenue - PPP loan	148,100	-	148,100
Investment return - net	(1,282)	15,149	13,867
Miscellaneous revenue	3,686	-	3,686
Net assets released from restrictions	22,688,334	(22,688,334)	-
Total support and revenue	45,915,261	39,862,935	85,778,196
EXPENSES			
Program services	31,216,923	-	31,216,923
Management and general	911,168	-	911,168
Fundraising	159,220	-	159,220
Total expenses	32,287,311	-	32,287,311
CHANGE IN NET ASSETS	13,627,950	39,862,935	53,490,885
NET ASSETS - beginning of year	7,283,114	32,527,648	39,810,762
NET ASSETS - end of year	$ 20,911,064	$ 72,390,583	$ 93,301,647

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

COMMON COUNSEL FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	Program Services				Supporting Services		
	Donor Services	Grants to Others	Fiscal Sponsorship	Total Program Services	Management and General	Fundraising	Total
Grants	$ -	$ 19,431,669	$ -	$ 19,431,669	$ -	$ -	$ 19,431,669
Consultants	893,414	-	4,372,353	5,265,767	99,645	25,644	5,391,056
Salaries	689,534	-	3,108,409	3,797,943	396,770	90,475	4,285,188
Office expenses	71,920	-	664,639	736,559	65,996	9,576	812,131
Employee benefits	117,778	-	560,758	678,536	75,734	17,111	771,381
Travel	11,254	-	445,736	456,990	2,745	623	460,358
Payroll taxes	51,979	-	255,628	307,607	30,304	6,890	344,801
Conferences/meetings	18,193	-	236,212	254,405	8,014	1,525	263,944
Accounting	15,000	-	61,712	76,712	159,967	-	236,679
Member fund expenses	-	-	118,444	118,444	-	-	118,444
Legal	19,273	-	41,434	60,707	43,289	2,911	106,907
Insurance	20,248	-	202	20,450	19,533	4,020	44,003
Miscellaneous	6,901	-	1,994	8,895	7,222	-	16,117
Equipment rental	1,485	-	-	1,485	1,293	295	3,073
Depreciation	754	-	-	754	656	150	1,560
	$ 1,917,733	$ 19,431,669	$ 9,867,521	$ 31,216,923	$ 911,168	$ 159,220	$ 32,287,311

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

COMMON COUNSEL FOUNDATION
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	$ 53,490,885
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,560
Net unrealized and realized gain on investments	52,296
Donated investments	(180,000)
Forgiveness of PPP loan	(148,100)
(Increase) decrease in operating assets:	
Grants and contributions receivable	(24,528,119)
Accounts receivable	(67,701)
Prepaid expenses	(191,880)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	987,054
Grants payable	1,607,424
Accrued vacation	201,208
Deferred revenue	18,500
Net provided by operating activities	31,243,127
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(2,538,099)
Proceeds from sales of investments	3,506,533
Net cash provided by investing activities	968,434
NET INCREASE IN CASH AND CASH EQUIVALENTS	32,211,561
CASH AND CASH EQUIVALENTS - beginning of the year	33,123,527
CASH AND CASH EQUIVALENTS - end of the year	$ 65,335,088

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

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Common Counsel Foundation (the "Organization") is a California nonprofit organization. The purpose of the Organization is to advance equity and social justice through a combination of direct grantmaking, philanthropic advising to client member funds, and managing programmatic activities through projects focused on organizational development, leadership training and sustainability, and donor education.

The Organization has three major programs: donor services, grantmaking and fiscal sponsorship.

Donor Services

The Organization provides strategic philanthropic advice and services to independent foundations and donor-advised funds that share a commitment to equity and social justice initiatives. Partnership with the Organization facilitates clients' grantmaking processes and deepens their impact. The Organization provides comprehensive grants program management and administration for foundations, including philanthropic advising, identifying a grantmaking strategy, research and due diligence, recommending charitable organizations for grants, trustee support, accounting, grants administration and legal compliance duties. The Organization is currently home to the following member funds, which it advises: the Abelard Foundation West, the Acorn Foundation, Colombe Peace Foundation, Oscar G. and Elsa S. Mayer Family Foundation, Tykeson Family Foundation, and the Kelley Family Foundation.

Grantmaking

The Organization engages in direct grantmaking through its donor-advised funds, which include but are not limited to the David R. Stern Fund, the C.J. & Mattie Lowery Fund, DBEK Fund, Linked Fate Fund for Justice, Visionary Freedom Fund and the Kindle Project. The Organization also makes direct grants through four fields-of-interest funds, including Grassroots Exchange Fund, Social and Economic Justice Fund, the Environmental Action Fund, Native Voices Rising, and Fund for An Inclusive California.

Grassroots Exchange Fund (GXF) is a community-guided, rapid-response, small-grants program that facilitates training to strengthen organizational capacity, advocacy, and travel for joint strategizing, learning and bridge building for grassroots social-justice and environmental-justice organizations.

Social and Economic Justice Fund (SEJ) supports collaboration between grassroots groups and their allies. Currently, the Fund is focused on racial justice and criminal justice reform.

Environmental Action Fund supports environmental health and justice.

Native Voices Rising (NVR) is a joint research and re-granting project of Native Americans in Philanthropy and the Organization. NVR is intended to focus philanthropic attention on the need for increased investment in and sustained support for Native-led grassroots community organizing and advocacy in American Indian, Alaska Native, and Native Hawaiian communities.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Organization (continued)

Grantmaking (continued)

Fund for an Inclusive California (F4ICA) is a grantmaking program that supports organizations throughout California working on issues of gentrification, displacement in order to create equitable development. It includes philanthropic partners that have pooled their investments to benefit low-income, communities of color in 5 regions of California.

Fiscal Sponsorship

The Organization acts as the fiscal sponsor for various projects. Currently, the Organization is the fiscal sponsor for Color Congress, Windcall Institute, RoadMap, Movement for Black Lives and the Kindle Project.

The Color Congress is an intermediary and a funder that is building a national collective of majority people of color (POC) and POC-led organizations aimed at centering and strengthening nonfiction storytelling by, for and about people of color across the United States and territories. The Color Congress does this by supporting, resourcing, and connecting these organizations and building their collective power so they can be a more powerful force for change.

Windcall Institute supports and sustains labor and community organizers, particularly people of color and women through our signature Residency experience and Staying Power programming. Windcall believes that when our organizations are more life sustaining, imaginative, and visionary, our people and movements will more profoundly contribute to dismantling all forms of oppression.

RoadMap is a national network of organizational-development consultants dedicated to strengthening grassroots organizations. It also serves as a forum for peer exchange and innovation among organizational-development consultants. Continually RoadMap is developing and testing new strategies to build healthier and more sustainable organizations, networks, coalitions and alliances.

The Movement for Black Lives (M4BL) formed in December of 2014, was created as a space for Black organizations across the country to debate and discuss the current political conditions, develop shared assessments of what political interventions were necessary in order to achieve key policy, cultural and political wins, convene organizational leadership in order to debate and co-create a shared movement wide strategy. Under the fundamental idea that we can achieve more together than we can separately.

The Kindle Project is based in Santa Fe, New Mexico. It seeks to foster a nexus of creative ideas and cultivators to inspire and support possibilities for change.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The Organization maintains its records using the accrual method of accounting in accordance with generally accepted accounting principles in the United States of America for Not-for-Profit Organizations ("U.S. GAAP").

Description of Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions

Those net assets and activities which represent the portion of expendable funds that have no use or time restrictions.

Net Assets With Donor Restrictions

Those net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by passage of time or the events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when specific stipulations are met.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents. Certain cash and cash equivalents held in the investment portfolio are recorded as cash in the investments.

Grants and Contributions Receivable

Grants and contributions receivable represents promises to give from donors that have been accrued for and have not yet been collected. Promises to give which are expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-free discount rates ranging from 0.42% - 1.15%, designed to reflect the assumptions market participants would use in pricing the asset.

The Organization uses the allowance method to account for uncollectible grants and contributions receivable. The allowance is based on historical experience and management's evaluation of outstanding grants and contributions receivable as of year end. At December 31, 2021, the Organization believes all grants and contributions receivable are fully collectible, therefore, there is no allowance for uncollectible grants and contributions receivable.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

Accounts receivables represents amounts billed and accrued for that have not yet been collected related to services rendered. The Organization uses the allowance method to account for uncollectible accounts receivable. The allowance is based on historical experience and management's evaluation of outstanding accounts receivable as of year-end. At December 31, 2021, the Organization believes all accounts receivable are fully collectible, therefore, there is no allowance for accounts receivable.

Furniture and Equipment

Furniture and equipment with an original purchase price in excess of $2,500 are carried at cost. Contributed property and equipment are recorded at their estimated fair market values at the date of donation. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets. Repairs and maintenance which neither materially add to the value of the property or equipment nor appreciably prolong its life are charged to expense as incurred.

Investments

The Organization's investments consist of equity securities and certificates of deposit and are recorded at fair value. Certain cash and cash equivalents held in the investment portfolio are recorded as cash in the investments. Certificates of deposit are valued at amortized cost, which approximates fair value. The fair values of equity securities are based on quoted market prices for those investments. Realized and unrealized gains and losses are included in the statement of activities. Gain and losses are reflected as increases or decreases in the net assets without donor restrictions unless the donor or relevant laws place a restriction on the gains and losses, they will then be recorded as net assets with donor restrictions.

Programmatic Investments

Programmatic investments includes recoverable grants that represents various loans made to other organizations and are recorded at net realizable value. Upon origination of the donation, the Organization determines the probability of repayment. The difference between the cash transferred and the present value of the contractual payments is considered an inherent contribution and as a contribution expense.

Each year, management evaluates the collectability of the remaining recoverable grant receivable. At December 31, 2021, there is no additional allowance reflected in the financial statements.

Fair Value Measurements

The Organization is required to consider the use of market-based information over entity-specific information in valuing its financial assets measured at fair value, using a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the measurement date.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

The three-level hierarchy for fair value categorizes the inputs as follows:

> *Level 1*: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization can access at the measurement date.
>
> *Level 2*: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
>
> *Level 3*: Unobservable inputs for the asset or liability using the best information available in the circumstances.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the observable inputs and minimize the use of unobservable inputs. At December 31, 2021, there have been no changes in the methodologies used.

Accrued Paid Time Off

The Organization accrues vacation liabilities as the vacation hours are earned by employees. The sabbatical policy has been simplified; starting in 2015, an employee is eligible for a two-month sabbatical based on the regular hours that they worked per week after completing five years of service. Sabbatical liabilities are accrued only when it is probable that an employee will reach the year for the sabbatical, which is assumed to have been achieved at the beginning of the fourth year of employment. Prior to 2015, the Organization allowed a three-month sabbatical for permanent employees that worked at least 30 hours a week and a six-week sabbatical for permanent employees that worked less than 30 hours per week after the employee reached 9,100 hours of services and five years.

Revenue Recognition

Grants and Contributions

Unconditional promises to give are recorded as revenue at fair value when the promise is made by the donor/grantor. Conditional grants and contributions are those with a barrier to entitlement that the Organization must overcome and a right of return if the conditions are not met. Cash collected for conditional grants and contributions are accounted for as a liability initially until the barrier to entitlement is overcome, at which point, the revenue is recognized at fair value. Grants and contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When the Organization incurs qualifying expenditures towards the restricted purpose, net assets with donor restrictions are reclassified to net assets without donor restrictions.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Grants and Contributions (continued)

The Organization receives contributions from donors under donor-advised fund agreements (“DAFs”). While the named advisors to the DAFs have the right to, and are encouraged to, make grant recommendations for grants to nonprofit organizations, the Organization retains variance power and, therefore, has ultimate discretion regarding the use of the funds. Contributions received under DAFs are recognized at fair value on the date promised and are recorded as increases to net assets without donor restrictions.

Program Service Income

Revenue recognition for program service income is evaluated under Accounting Standards Codification (“ASC”) 606 through the following five steps: (i) identification of the contract or contracts with a customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price in the contract; and (v) recognition of revenue when or as a performance obligation is satisfied. The Organization utilizes the portfolio approach practical expedient to account for program service income as the contracts and performance obligations have similar characteristics and the Organization reasonably expects that the effects on the financial statements from applying the portfolio method are not materially different than applying ASC 606 to the individual contracts.

The performance obligation related to program service income contracts is to provide consulting services to other organizations. The Organization recognizes program service income over time in the period that services are rendered. The Organization bills for services on a quarterly basis. Payment is typically due within 30 days after billing. Payments collected in excess of the related program service income recognized as of year-end are recorded as deferred revenue.

Fees for Donor Services

Fees for donor services include management service fees from providing administrative and management services provided by the Organization. These contracts are generally long-term. Revenue is recognized over the period the services are provided. These services are delivered as a single performance obligation and are billed for a fixed amount on a periodic basis. Revenue is measured as the amount of consideration it expects to receive in exchange for providing a service.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Contributed Goods and Services

Donated materials and equipment are recorded as contribution revenue at their estimated fair value on the date of receipt. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset for a specific purpose.

The Organization records contribution revenue for certain services received at the fair value of those services, if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would be purchased if not donated.

Grants Expense

Unconditional grants made by the Organization to unrelated nonprofit organizations are recorded as expense when promised. Conditional grants made by the Organization to unrelated nonprofit organizations are recorded as expense when the underlying conditions have been met by the recipient.

Functional Allocation of Expenses

The costs of providing the various program and supporting activities have been summarized on a functional basis in the statement of activities. Expenses are allocated to program and supporting services based on the nature of each expense and services provided for each function. Accordingly, certain expenses have been allocated to program and supporting services based on employee time estimates.

Estimates

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

Income Taxes

The Organization is exempt from paying federal and state income taxes under Internal Revenue Code Section 501(c)(3) and by the California Revenue and Taxation Code under Section 23701(d). Accordingly, no provision has been made for such taxes in the accompanying financial statements.

Each year, management considers whether any material tax position the Organization has taken is more likely than not to be sustained upon examination by the applicable taxing authority. Management believes that any position the Organization has taken is supported by substantial authority and hence does not need to be measured or disclosed in these financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently Issued Accounting Standards

During February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases* (*Topic 842*). ASU 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the statement of financial position. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. FASB has issued subsequent standards that deferred the implementation date. Topic 842 (as amended) is effective for annual periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022.

During June 2016, FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 requires financial assets measured at amortized cost to be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost basis. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. FASB has issued subsequent standards to clarify, correct errors in or improve the guidance. ASU 2016-13 (as amended) is effective for annual periods and interim periods within those annual periods beginning after December 15, 2022. Early adoption is permitted for annual and interim periods beginning after December 15, 2018.

During September 2020, FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The standard will be required to be applied retrospectively for annual periods beginning after June 15, 2021.

The Organization is currently assessing the effect of these Accounting Standard Updates will have on its financial statements.

Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure through November 15, 2022, which represents the date the financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization is substantially supported by contributions, specifically funds held for Fiscally Sponsored Projects and Donor Advised Funds. Because a donor's restriction requires resources to be used a particular manner or in a future period, the Organization maintains sufficient resources to meet those responsibilities. These financial assets are not available for general expenditure within one year but are available for programmatic expenditure.

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)

As part of the Organization'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 Organization invests cash in excess of daily requirements in short-term investments, certificates of deposit, and money market funds.

The General Fund holds unrestricted cash to meet the operational needs of the Organization. Short-term investments are structured in a way that ensures that adequate cash will be on hand to meet the grant obligations approved by the Board of Trustees on a quarterly basis.

At December 31, 2021, financial assets available for general expenditures consist of the following:

Cash and cash equivalents	$	65,335,088
Investments		3,790,136
Grants and contributions receivable		26,240,379
Accounts receivable		417,547
		95,783,150
Less amounts not available to meet general expenditures within one year:		
Net assets with donor restrictions		(72,390,583)
Fiscal sponsorship		(590,443)
Donor advised funds		(11,626,588)
		(84,607,614)
Financial assets available to meet general expenditures within one year	$	11,175,536

3. GRANTS AND CONTRIBUTIONS RECEIVABLE

At December 31, 2021, grants and contributions receivable are due as follows:

Receivable within one year	$	11,616,890
Receivable within two to five years		14,855,000
Present value discount		(231,511)
	$	26,240,379

The Foundation recognizes conditional promises to give that is, those with a measurable performance or other barrier and a right of return when the conditions on which they depends have been met. At June 30, 2022, grants and contributions amounting to $1,000,000 have not been recognized in the accompanying financial statements because of the barriers and right of returns on the grant have not been met.

4. FURNITURE AND EQUIPMENT

At December 31, 2021, furniture and equipment consist of the following:

Equipment	$	25,432
Furniture		1,357
		26,789
Less: accumulated depreciation		(26,655)
	$	134

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

At December 31, 2021, the major categories of investments measured at fair value on a recurring basis during the year ended December 31, 2021 using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3) consist of the following:

		Fair Value Measurements using		
	Fair Value	Level 1	Level 2	Level 3
Cash equivalents	$ 250,000	$ 250,000	$ -	$ -
Certificates of deposits	3,540,136	-	3,540,136	-
	$ 3,790,136	$ 250,000	$ 3,540,136	$ -

6. PROGRAMMATIC INVESTMENTS

Programmatic investments consist of various loans made to other organizations in 2021. Upon donation of the investment, management performs an assessment of the impairment of the loans. The difference between the cash transferred and the present value of the contractual payments of the loans at the effective interest rate is recognized as contribution expense and a discount on the loans. The loans mature at various times between 2022 and 2029.

The grant and accumulated inherent contribution at December 31, 2021 are as follows:

Recoverable grant	$	905,000
Inherent contribution		(97,268)
	$	807,732

7. PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, the Organization received loan proceeds in the amount of $148,100 under the Paycheck Protection Program (“PPP”) which was established as part of the Coronavirus Aid, Relief and Economic Security “CARES”) Act and is administered through the Small Business Administration (“SBA”). The PPP provides loans to qualifying organizations in amounts up to 2.5 times their average monthly payroll expenses and was designed to provide a direct financial incentive for qualifying businesses to keep their workforce employed during the Coronavirus crisis. PPP loans are uncollateralized and guaranteed by the SBA and are forgivable after a “covered period” (eight or twenty-four weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible expenses, including payroll, benefits, mortgage interest, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries and wages more than 25% during the covered period. Any unforgiven portion is payable over 2 years at an interest rate of 1% with payments deferred until the SBA remits the borrower’s loan forgiveness amount to the lender, or, if the borrower does not apply for forgiveness, ten months after the end of the covered period. PPP loan terms provide for customary events of default, including payment defaults, breaches of representations and warranties, and insolvency events and may be accelerated upon the occurrence of one or more of these events of default. Additionally, PPP loan terms do not include prepayment penalties.

The Organization believes it met the PPP’s loan forgiveness requirements and therefore applied for forgiveness on March 22, 2021. On April 16, 2021, the Organization received legal release from the SBA and therefore recorded the amount forgiven, $148,100, as forgiveness income in its statement of activities for the year ended December 31, 2021.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

8. NET ASSETS WITH DONOR RESTRICTIONS

During the year ended December 31, 2021, net assets with donor restrictions consist of the following:

Subject to expenditure for specific purpose:		
Movement 4 Black Lives	$	43,425,275
Color Congress Initative		1,238,960
Visionary Freedom Fund		1,105,959
Fund for Inclusive CA		811,493
Native Voices Rising		1,297,365
Windcall		18,305
Health Impact fund		100,489
Environmental Action Fund		65,000
Grassroots Exchange Fund		37,762
Linked fate		3,232
		48,103,840
Subject to purpose and passage of time		
Movement 4 Black Lives		19,175,000
Color Congress Initative		1,750,000
Visionary Freedom Fund		1,275,000
Fund for Inclusive CA		1,300,000
Native Voices Rising		420,000
Windcall		350,000
Social and Economic Justice Fund		16,743
		24,286,743
	$	72,390,583

8. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets with donor restrictions released for donor-restricted purpose expenses during the year ended December 31, 2021, are as follows:

Movement 4 Black Lives	$ 12,840,498
Fund for Inclusive CA	3,771,148
Native Voices Rising	2,860,939
Visionary Freedom Fund	1,210,505
RoadMap	942,069
Windcall	493,000
Color Congress Initative	166,040
Still We Rise	161,171
Linked Fate	104,250
Environmental Action Fund	60,000
Social and Economic Justice Fund	44,655
Grassroots Exchange Fund	17,201
Kindle Project	16,843
Transform Finance	15
	$ 22,688,334

9. FISCAL SPONSORSHIPS

The Organization enters into agreements with some projects that are determined to be consistent with the Organization's charitable mission to serve as their fiscal sponsor. These projects are unincorporated charitable associations established to manage the affairs of the projects.

The Organization has the ultimate responsibility of the activities conducted by the projects and the project employees are at-will employees of the Organization. The fiscal sponsorship shall terminate when the Organization can no longer reasonably accomplish the objectives of the project, or the fiscal sponsorship can be terminated by a 90-day written notice to the other party as long as another acceptable nonprofit organization (not classified as private foundation) is found and is willing and able to sponsor the project. Upon termination, all assets and liabilities existing at the time of termination will be transferred to the successor fiscal sponsor. In addition, either party can terminate the sponsorship agreement by giving a 30-day written notice to the other party upon a material breach of the fiscal-sponsorship agreement.

For administrative services, the Organization charges a percentage of funds raised. These revenue and expenses are eliminated in these financial statements since they are internal charges.

9. FISCAL SPONSORSHIPS (continued)

At of December 31, 2021, net assets of fiscally sponsored projects are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Movement 4 Black Lives	$ -	$ 43,425,275	$ 43,425,275
Color Congress Initiative	-	2,988,960	2,988,960
RoadMap	429,537	-	429,537
Windcall	140,540	18,305	158,845
Kindle Project	20,366	-	20,366
	$ 590,443	$ 46,432,540	$ 47,022,983

10. CONDITIONAL PROMISES TO GIVE

At December 31 2021, grants and contributions amounting to $1,000,000 with the condition to incur qualifying program expenses, have not been recognized in the accompanying financial statements because of their condition on which they depends have not been met.

11. CONCENTRATIONS

Credit and Investment Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, cash equivalents, investments, and receivables. Risks associated with cash and cash equivalents are mitigated by banking with various creditworthy institutions. Cash and cash equivalents in accounts held by Royal Bank of Canada are insured up to the limit set by the Canadian Deposit Insurance Corporation (CDIC) (currently $100,000 per depositor). All other cash and cash equivalents accounts, which are held by institutions in the United States, are insured up to the limit set by the Federal Deposit Insurance Corporation (FDIC) (currently $250,000 per depositor). The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Certain investments are insured up to the limit set by the Securities Investor Protection Corporation (SIPC) (currently $500,000 per depositor). At December 31, 2021, the Organization held investments in excess of the SIPC insurance limits.

Major Donors

During the year ended December 31, 2021, $15,000,000 of foundation grant revenue was derived from one donor to support Movement 4 Black Lives. During the year ended December 31, 2021, 62% of contribution revenue was derived from two donors. At December 31, 2021, 56% of grants and contributions receivable were due from three donors.

12. RETIREMENT PLAN

The Organization adopted a Simple IRA plan (the "Plan") effective January 1, 2014. An employee who has received at least $5,000 compensation in the prior year and is reasonably expected to receive at least $5,000 in compensation in the current year is eligible to participate in the Plan. The Organization contributes a percentage (3% for the year ended December 31, 2021) of eligible employees' prior year compensation to the Plan. During the year ended December 31, 2021, employer contributions under the Plan totaled $100,414.

13. COMMITMENTS

On April 1, 2016, the Organization entered into a lease agreement for its office space in Oakland, California which expired on December 31, 2021, and calls for monthly base rental payments ranging from $2,983 and $3,458 over the term of the lease. During the year ended December 31, 2021, rent expense under this lease, including CAM charges, amounted to $75,177. On February 1, 2022 the Organization amended its office lease agreement to extend the expiration date to January 31, 2025, with monthly base rental payments ranging from $5,560 and 5,894.

On April 1, 2016, the Organization entered into a lease agreement for a copier which expired on April 1, 2021 and calls for monthly payments of $194 and is automatically renewed for 3 month terms. During the year ended December 31, 2021, rent expense under this lease amounted to $3,072.

At December 31, 2021, minimum future lease payments for the office lease consist of the following:

Year Ending December 31,	Office	Copier
2022	$ 61,160	$ 582
2023	68,555	-
2024	70,556	-
2025	5,894	-
	$ 206,165	$ 582