Pulmonary Fibrosis Foundation

Financial Statements
Years Ended June 30, 2022 and 2021

Pulmonary Fibrosis Foundation

Financial Statements
Years Ended June 30, 2022 and 2021

Pulmonary Fibrosis Foundation

Contents

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Independent Auditor's Report

The Board of Directors
Pulmonary Fibrosis Foundation
Chicago, Illinois

Opinion

We have audited the financial statements of Pulmonary Fibrosis Foundation (the Organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (U.S. 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

BDO USA, LLP

February 2, 2023

Financial Statements

Pulmonary Fibrosis Foundation

Statements of Financial Position

June 30,	**2022**	2021
Assets		
Current Assets		
Cash and cash equivalents	**$ 6,468,026**	$ 6,390,586
Accounts receivable	**236,228**	463,106
Contributions receivable	**49,965**	28,296
Pledges receivable	**10,000**	30,000
Contract receivable	**2,350,585**	1,040,366
Sponsorships receivables	**145,000**	-
Prepaid expenses	**552,239**	507,279
Total Current Assets	**9,812,043**	8,459,633
Property and Equipment, Net	**73,278**	45,371
Other Assets		
Other receivables – non-current	**375,000**	375,000
Investments	**6,557,385**	5,549,485
Deposits	**56,631**	56,631
Intangibles, net	**190,132**	259,472
Total Other Assets	**7,179,148**	6,240,588
Total Assets	**$ 17,064,469**	$ 14,745,592
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	**$ 241,685**	$ 760,853
Grants payable	**350,000**	337,500
Accrued liabilities	**1,979,382**	1,316,491
Deferred revenue	**3,937,721**	2,437,790
Total Current Liabilities	**6,508,788**	4,852,634
Long-Term Liabilities		
Paycheck Protection Program loan	**580,675**	580,675
Total Long-Term Liabilities	**580,675**	580,675
Total Liabilities	**7,089,463**	5,433,309
Net Assets		
Without donor restrictions	**6,338,585**	6,584,930
With donor restrictions	**3,636,421**	2,727,353
Total Net Assets	**9,975,006**	9,312,283
Total Liabilities and Net Assets	**$ 17,064,469**	$ 14,745,592

See accompanying notes to financial statements.

Pulmonary Fibrosis Foundation

Statements of Activities and Changes in Net Assets

Year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Public support:			
Contributions	$ 4,282,934	$ 2,058,103	$ 6,341,037
Sponsorship	476,496	566,386	1,042,882
Special events	1,021,076	414,454	1,435,530
Total Public Support	5,780,506	3,038,943	8,819,449
Program service fees:			
Program service fees	2,479,461	-	2,479,461
Registration	66,286	-	66,286
Total Program Service Fees	2,545,747	-	2,545,747
Other revenues and support:			
Miscellaneous income	500	-	500
Sale of goods	9,815	-	9,815
Total Other Revenues and Support	10,315	-	10,315
Investment income:			
Interest and dividends	233,512	-	233,512
Realized gain on investments	64,444	-	64,444
Unrealized loss on investments	(659,561)	-	(659,561)
Total Investment Loss	(361,605)	-	(361,605)
Total Revenue, Gains, and Other Support, before net assets released from restriction	7,974,963	3,038,943	11,013,906
Net Assets Released from Restriction	2,129,875	(2,129,875)	-
Total Revenues, Gains, and Other Support	10,104,838	909,068	11,013,906
Expenses			
Program	7,240,774	-	7,240,774
Management and general	1,291,032	-	1,291,032
Fundraising	1,819,377	-	1,819,377
Total Expenses	10,351,183	-	10,351,183
Change in Net Assets	(246,345)	909,068	662,723
Net Assets, beginning of year	6,584,930	2,727,353	9,312,283
Net Assets, end of year	$ 6,338,585	$ 3,636,421	$ 9,975,006

See accompanying notes to financial statements.

Pulmonary Fibrosis Foundation

Statements of Activities and Changes in Net Assets

Year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Public support:			
Contributions	$ 3,264,024	$ 161,897	$ 3,425,921
In-kind contributions	916	-	916
Sponsorship	725,907	884,750	1,610,657
Special events	814,660	224,216	1,038,876
Total Public Support	4,805,507	1,270,863	6,076,370
Program service fees	2,908,697	-	2,908,697
Total Program Service Fees	2,908,697	-	2,908,697
Other revenues and support:			
Gain from forgiveness of Paycheck Protection Program loan	560,300	-	560,300
Miscellaneous income	23,649	-	23,649
Loss on disposal of fixed assets	(25,321)	-	(25,321)
Total Other Revenues and Support	558,628	-	558,628
Investment income:			
Interest and dividends	152,919	-	152,919
Realized loss on investments	(61,981)	-	(61,981)
Unrealized gain on investments	640,807	-	640,807
Total Investment Income	731,745	-	731,745
Total Revenue, Gains, and Other Support, before net assets released from restriction	9,004,577	1,270,863	10,275,440
Net Assets Released from Restriction	1,828,947	(1,828,947)	-
Total Revenues, Gains, and Other Support	10,833,524	(558,084)	10,275,440
Expenses			
Program	6,172,855	-	6,172,855
Management and general	1,243,132	-	1,243,132
Fundraising	1,594,896	-	1,594,896
Total Expenses	9,010,883	-	9,010,883
Change in Net Assets	1,822,641	(558,084)	1,264,557
Net Assets, beginning of year, as previously reported	4,012,393	3,285,437	7,297,830
Cumulative Effect Adjustment of Adopting ASC 606 on July 1, 2020 (Note 1)	749,896	-	749,896
Net Assets, beginning of year, as adjusted	4,762,289	3,285,437	8,047,726
Net Assets, end of year	$ 6,584,930	$ 2,727,353	$ 9,312,283

See accompanying notes to financial statements.

Year ended June 30, 2022

	Program										Support		
	Education	Legislative Advocacy	Outreach and Awareness	Care Center Network	PFF Patient Registry	PFF Summit	Program Support	Research Grants	Support Groups	Total Program	Management and General	Fundraising	Total
Salaries and wages	$ 278,963	$ 164,469	$ 423,244	$ 303,186	$ 357,021	$ 251,792	$ 246,950	$ 38,878	$ 86,522	$ 2,151,025	$ 737,946	$ 1,116,095	$ 4,005,066
Employee benefits	23,645	11,749	27,933	22,790	28,255	19,103	21,748	2,842	7,285	165,350	72,181	87,890	325,421
Payroll taxes	20,002	10,272	23,365	19,886	23,842	16,554	18,914	2,479	6,249	141,563	60,578	75,594	277,735
Accounting	5,894	1,108	4,707	4,776	6,232	3,376	3,855	439	1,633	32,020	10,277	17,068	59,365
Advertising	21,513	-	17,377	21,442	40,137	3,000	9,131	-	458	113,058	1,963	5,380	120,401
Bank fees	-	-	-	29	-	-	835	-	-	864	182	354	1,400
Consulting	207,584	150,069	273,903	160,281	1,988,660	93,385	170,249	25,269	17,026	3,086,426	128,084	44,834	3,259,344
Depreciation and amortization	3,254	397	5,544	1,851	6,964	1,224	70,986	158	589	90,967	3,237	6,228	100,432
Dues and subscriptions	9,561	17,750	2,297	3,877	-	-	6,031	-	-	39,516	7,635	474	47,625
Event expense	5,723	-	47,186	194	2,167	29,658	-	1,120	25,188	111,236	1,120	136,444	248,800
Grants	-	-	-	-	-	-	-	313,362	6,334	319,696	-	-	319,696
Insurance	5,454	985	4,197	4,454	5,460	3,007	3,432	391	1,456	28,836	10,959	15,321	55,116
Interest expense	-	-	-	-	-	-	-	-	-	-	3	-	3
Internet service	1,895	338	1,443	1,556	1,859	1,043	1,202	134	502	9,972	3,147	5,277	18,396
Legal	231	585	5,356	-	675	180	348	923	222	8,520	13,523	11,388	33,431
Meetings and conferences	230	45	2,070	2,480	255	131	145	2,224	65	7,645	412	679	8,736
Miscellaneous	1,098	198	843	897	1,122	600	2,103	79	293	7,233	8,164	10,106	25,503
Occupancy	383	67	286	315	361	207	240	27	100	1,986	644	1,054	3,684
Office supplies	844	51	219	484	625	160	3,345	20	76	5,824	1,144	4,017	10,985
Outside services	31,321	11,500	12,326	4,595	358,050	25,500	32,672	-	3,046	479,010	143,268	7,800	630,078
Postage	7,843	-	-	39	8,642	-	10,719	-	-	27,243	4,982	29,005	61,230
Printing	28,676	-	3,064	-	32,315	-	30,023	-	-	94,078	928	32,860	127,866
Processing fees	1,249	634	1,453	1,223	1,495	1,027	1,169	154	390	8,794	3,630	49,768	62,192
Rent	25,969	4,606	19,639	21,299	25,091	14,162	16,270	1,829	6,828	135,693	42,840	72,046	250,579
Shop PFF merchandise	-	-	830	-	-	-	-	-	-	830	6,587	-	7,417
Software subscriptions	15,204	1,368	6,548	35,398	18,197	4,427	15,487	11,552	13,977	122,158	13,340	61,341	196,839
Telephone	3,317	590	2,511	2,720	3,260	1,809	2,077	234	873	17,391	5,479	9,163	32,033
Travel	7,634	1,535	8,358	8,487	320	710	4,945	1,851	-	33,840	8,779	19,191	61,810
Total Functional Expenses	$ 707,487	$ 378,316	$ 894,699	$ 622,259	$ 2,911,005	$ 471,055	$ 672,876	$ 403,965	$ 179,112	$ 7,240,774	$ 1,291,032	$ 1,819,377	$ 10,351,183

See accompanying notes to financial statements.

Pulmonary Fibrosis Foundation

Statements of Functional Expenses

Year ended June 30, 2021

	Program										Support		
	Education	Legislative Advocacy	Outreach and Awareness	Care Center Network	PFF Patient Registry	PFF Summit	Program Support	Research Grants	Support Groups	Total Program	Management and General	Fundraising	Total
Salaries and wages	$ 406,076	$ 131,615	$ 373,089	$ 160,508	$ 330,185	$ 136,903	$ 193,507	$ 71,715	$ 66,108	$1,869,706	$ 777,912	$1,017,211	$3,664,829
Employee benefits	29,474	7,175	28,180	16,732	26,920	10,073	17,994	3,760	6,945	147,253	94,678	92,410	334,341
Payroll taxes	24,780	6,032	22,850	14,067	22,633	8,469	15,129	3,161	5,839	122,960	42,321	76,561	241,842
Accounting	3,209	781	2,959	1,822	2,931	1,097	1,959	409	756	15,923	9,764	9,916	35,603
Advertising	19,997	-	20,477	54,624	-	-	22,448	-	450	117,996	-	500	118,496
Bank fees	-	-	-	-	-	-	821	-	-	821	179	348	1,348
Consulting	357,988	120,000	219,534	82,133	833,023	19,027	236,771	15,083	11,897	1,895,456	77,656	37,579	2,010,691
Depreciation and amortization	4,487	930	9,022	2,168	3,489	1,306	25,649	487	900	48,438	6,438	11,802	66,678
Dues and subscriptions	12,497	16,100	1,956	650	-	-	5,602	-	1,716	38,521	9,411	-	47,932
Event expense	5,289	-	31,346	14,441	41,526	-	-	-	4,053	96,655	257	46,488	143,400
Grants	-	-	-	2,500	-	-	-	288,500	11,895	302,895	-	-	302,895
Insurance	4,125	1,004	3,804	2,342	3,768	1,410	2,518	526	972	20,469	8,529	12,745	41,743
Internet service	1,506	367	1,389	855	1,376	515	920	192	355	7,475	2,539	4,654	14,668
Legal	2,138	-	18,169	5,975	12,281	2,453	850	203	-	42,069	12,348	4,652	59,069
Meetings and conferences	532	129	490	302	485	182	368	68	125	2,681	896	1,642	5,219
Miscellaneous	836	203	771	474	763	286	1,886	107	197	5,523	6,208	9,046	20,777
Occupancy	631	154	582	358	576	216	385	80	149	3,131	2,457	1,949	7,537
Office supplies	259	68	557	259	554	89	3,529	33	61	5,409	1,374	2,610	9,393
Outside services	100,267	-	35,461	100	753,713	-	24,742	-	1,850	916,133	114,792	4,806	1,035,731
Postage	52,785	-	-	-	-	-	17,491	-	-	70,276	3,104	30,326	103,706
Printing	16,539	-	-	-	27,390	-	15,283	-	-	59,212	-	43,171	102,383
Processing fees	1,674	408	1,544	950	1,529	572	1,022	214	394	8,307	3,350	40,571	52,228
Rent	25,746	6,267	23,740	14,615	23,514	8,799	15,718	3,284	6,067	127,750	43,394	79,543	250,687
Shop PFF merchandise	126,091	-	-	-	-	-	-	-	-	126,091	4,418	-	130,509
Software subscriptions	11,539	1,555	7,589	39,775	5,833	2,183	14,722	11,872	10,068	105,136	10,904	56,830	172,870
Telephone	2,897	705	2,671	1,644	2,646	990	1,768	369	683	14,373	6,569	8,949	29,891
Travel	-	-	2,196	-	-	-	-	-	-	2,196	3,634	587	6,417
Total Functional Expenses	$1,211,362	$ 293,493	$ 808,376	$ 417,294	$2,095,135	$ 194,570	$ 621,082	$ 400,063	$ 131,480	$6,172,855	$1,243,132	$1,594,896	$9,010,883

See accompanying notes to financial statements.

Pulmonary Fibrosis Foundation

Statements of Cash Flows

Year ended June 30,		**2022**		2021
Cash Flows from Operating Activities				
Change in net assets	$	**662,723**	$	1,264,557
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation and amortization		**100,432**		66,678
Loss on disposal of fixed assets		**-**		1,488
Loss on disposal of goodwill		**-**		23,833
Realized (gain) loss on investments		**(64,444)**		61,981
Unrealized loss (gain) on investments		**659,561**		(640,807)
Donated securities		**(2,432,097)**		(5,808)
Deferred rent		**(3,323)**		15,259
Gain on forgiveness of Paycheck Protection Program loan		**-**		(560,300)
Changes in operating assets and liabilities:				
Accounts receivable		**226,878**		(461,478)
Contract receivable		**(1,310,219)**		(1,007,997)
Contributions receivable		**(21,669)**		2,422
Pledges receivable		**20,000**		(5,000)
Sponsorships receivable		**(145,000)**		-
Prepaid expenses		**(44,960)**		(369,936)
Accounts payable		**(519,168)**		540,061
Grants payable		**12,500**		37,500
Accrued liabilities		**666,214**		(1,733)
Deferred revenue		**1,499,931**		1,980,057
Net Cash Provided by (Used in) Operating Activities		**(692,641)**		940,777
Cash Flows from Investing Activities				
Proceeds from sale of investments		**1,059,855**		372,816
Purchases of investments		**(230,775)**		(473,944)
Proceeds from sale of property and equipment		**-**		151
Purchases of property and equipment		**(49,099)**		(31,822)
Purchases of intangibles		**(9,900)**		(149,285)
Net Cash Provided by (Used in) Investing Activities		**770,081**		(282,084)
Cash Flows from Financing Activities				
Proceeds from Paycheck Protection Program loan		**-**		580,675
Repayment of capital lease obligation		**-**		(3,288)
Net Cash Provided by Financing Activities		**-**		577,387
Net Increase in Cash and Cash Equivalents		**77,440**		1,236,080
Cash and Cash Equivalents, beginning of year		**6,390,586**		5,154,506
Cash and Cash Equivalents, end of year	$	**6,468,026**	$	6,390,586
Supplemental Disclosure of Cash Flow Information				
Cash paid during the year for interest	$	**3**	$	-

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

Nature of Activities

Our mission is to mobilize people and resources to provide access to high-quality care and lead research for a cure so that people with pulmonary fibrosis (PF) will live longer, healthier lives. By actively engaging the pulmonary fibrosis community, the Pulmonary Fibrosis Foundation (PFF or the Organization) has developed essential programs for patients, caregivers, and healthcare professionals to give them a greater understanding of PF and support while living with the disease.

Basis of Presentation

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), as recommended in the American Institute of Certified Public Accountant's Audit and Accounting Guide for Not-for-Profit Organizations.

Cash and Cash Equivalents

The Organization considers highly liquid investments with maturities of three months or less as cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments

Investments in marketable securities and mutual funds are reported at fair value based upon market quotations. Donated investments are reflected as contributions at their fair values at date of receipt. There were donated investments of $2,432,097 and $5,808 for the years ended June 30, 2022 and 2021, respectively. Realized and unrealized gains and losses are included in the accompanying statements of activities and changes in net assets. Money market accounts that are held in a portfolio at the same institution as other investments are classified as investments.

Accounts Receivable

Accounts receivable consist primarily of amounts due from patient education and PFF Events. The balance of accounts receivable was $236,228 and $463,106 for the years ended June 30, 2022 and 2021, respectively. Accounts receivable as of June 30, 2022 represent sponsorships for the Patient Education, PFF events, and miscellaneous receivables of $79,717, $155,000, and $1,511, respectively. Accounts receivable as of June 30, 2021 represent sponsorships for the PFF Summit, PFF events, corporate partnerships, and miscellaneous receivables of $210,000, $45,000, $199,649, and $8,457, respectively.

Contributions Receivable

Contributions that are mailed by the donor before year-end, but not received until after year-end, are included as contributions receivable.

Pledges Receivable

Unconditional promises to give are recognized as revenues or gains in the period received and as assets depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Pledges receivable are amounts committed by donors that have not been received by the Organization. These amounts are classified as net assets with donor restrictions until received.

Contract Receivable

Contract receivable represents fee-for-service agreements between the Organization and various companies related to Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*. As of June 30, 2022, contract receivable was $2,350,585, which represents fee-for-service agreements for the PFF Registry of $2,100,000 and various corporate partnerships of $250,585. As of June 30, 2021, contract receivable was $1,040,366, which represents fee-for-service agreements for the PFF Registry of $858,241 and various corporate partnerships of $182,125.

Other Receivables

The Organization agreed to make a prepayment of $375,000 to the Data Coordinating Center (DCC) of the PFF Registry in June 2016, to provide sufficient funds for ongoing site activity payments made by the DCC, which would be reimbursed by the Organization. The prepayment could only be used to pay site costs as described in the agreement and any unused portion would be refunded upon contract termination. The original contract was extended to October 2023 and, therefore, this prepayment has been categorized as a long-term receivable as of June 30, 2022.

Allowance for Doubtful Accounts

The Organization recognizes an allowance for losses on accounts, contributions, pledges, contracts, and sponsorships receivable in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible. The expense associated with the allowance for doubtful accounts is recognized as program expense in the statements of functional expenses. There was no allowance for doubtful accounts as of June 30, 2022 or 2021.

Property and Equipment

Property and equipment are recorded at cost if purchased or fair value at the date of donation. Depreciation is computed using the straight-line method over three to five years for computer hardware and software, and five to seven years for equipment and fixtures. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of $500. When property and equipment are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is credited or charged to operations. Maintenance and repairs are expensed as incurred.

Intangibles

Intangible assets consist of website development and trademark costs. Two additional website projects are currently under development. Under ASC 350, *Intangibles - Goodwill and Other*, these costs are recognized as an intangible asset and are amortized using the straight-line method over periods between three and ten years. Amortization expense is expected to be $125,681 for the next three years for the website and microsites; the annual trademark amortization expense is expected to be $64,451 over the next ten years.

Goodwill

On November 19, 2015, the Organization acquired all rights to the Daughters of Pulmonary Fibrosis program (the Daughters program) from the Coalition for Pulmonary Fibrosis (CPF). The Organization cultivated the Daughters program as one of its educational programs, with an expanded focus on identifying and developing resources for the caregiver community. The cost of the goodwill purchased was $55,000 to be amortized over the next ten years using the straight-line method at the rate of $5,500 per year. Goodwill amortization was $5,500 for the year ended June 30, 2021. During the year ended June 30, 2021, funding for the Daughters program was exhausted and, therefore, the program was dissolved as the Organization redirected these activities into other programs. The remaining goodwill was written off resulting in a loss on disposal of $23,833. Accumulated amortization as of June 30, 2021 was $0.

Grants Payable

Grants payable consists of awards to universities and hospitals for research purposes, which are recognized as expense when they are awarded.

Accrued Liabilities

Accrued liabilities are made up of various expenses, including payroll, medical team-related liabilities, consulting, legal fees, deferred rent, and PFF Registry site payment fees that relate to the years ended June 30, 2022 and 2021.

Deferred Rent

Rent expense on non-cancelable leases containing known future scheduled rent increases or free rent periods is recorded on a straight-line basis over the respective lease term. The lease term begins when the Organization has right to control the use of the leased property and includes the initial non-cancelable lease term plus any periods covered by renewal options that the Organization is reasonably assured of exercising. The difference between rent expense and rent paid is accounted for as deferred rent and is amortized over the lease term. For the year ended June 30, 2022, the deferred rent liability was $11,934 and was included in accrued liabilities. For the year ended June 30, 2021, the deferred rent liability was $15,259 and was included in accrued liabilities.

Net Assets

The net assets of the Organization are classified as follows:

Net Assets Without Donor Restrictions - Net assets without donor restrictions represent the portion of expendable net assets that are available for operations, which includes net assets designated by the Board for general operating purposes. The Board-designated operating reserves are intended to provide an internal source of funds for situations, such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The Board-designated operating reserves are to be used and replenished within a reasonably short period of time.

Net Assets with Donor Restrictions - Net assets with donor restrictions represent the portion of net assets that are subject to donor-imposed restrictions related to a time restraint or for a specific use, such as educational materials, legislative advocacy, outreach and awareness, the PFF Care Center Network, PFF Registry, PFF Summit, program support, research grants, support groups, and PFF events. Satisfaction of net assets with donor restrictions (i.e., when the donor-stipulated purpose has been fulfilled, or the stipulated time period has elapsed) is reported as a reclassification from net assets with donor restrictions to net assets without donor restrictions. Some assets with donor restrictions may include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor restrictions and the release of restrictions, respectively. The Organization had no assets that are perpetual in nature as of June 30, 2022 and 2021.

Revenue from Contracts with Customers

On July 1, 2020, the Organization adopted Financial Accounting Standards Board (FASB) ASC 606, *Revenue from Contracts with Customers* (ASC 606), using the modified retrospective method applied to those contracts that were not fully satisfied as of July 1, 2020. The core principle of ASC 606 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled for those goods or services. ASC 606 defines a five-step process to achieve this core principle and, in doing so, requires judgment and estimation within the revenue recognition process. Results for reporting periods beginning after July 1, 2020 are presented under ASC 606.

The Organization discloses receivables from contracts with customers separately in the statements of financial position. The timing of revenue recognition, billings, and cash collections results in receivables, contract assets, and contract liabilities. Billing may occur subsequent to revenue recognition, resulting in contract assets. Most times, the Organization receives advances or deposits from customers before the revenue is recognized, resulting in contract liabilities. Accounts receivable are recorded when the right to the consideration becomes unconditional and are presented separately in the statements of financial position as contract receivable. Contract assets are included in other assets and contract liabilities are in deferred revenue.

Revenue Recognition

Revenue streams that meet the definition of an exchange transaction and fall within the scope of Topic 606 are program service fees and special event ticket revenue.

Program Service Fees

Under Topic 606, the Organization recognizes revenue when its customer obtains control of the promised goods or services, in an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services. To determine the appropriate amount of revenue to be recognized for arrangements determined to be within the scope of Topic 606, the Organization performs the following five steps: (i) identification of the promised goods or services in the contract,

(ii) determination of whether the promised goods or services are performance obligations, (iii) measurement of the transaction price, (iv) allocation of the transaction price to the performance obligations, and (v) recognition of revenue when the Organization satisfies the performance obligation. The Organization only applies the five-step model to contracts when it is probable that it will collect consideration it is entitled to in exchange for the goods or services it transfers to customers.

Revenue can be either recognized at a point in time or over a period of time. ASC 606 lays out three criteria for determining whether the revenue should be recognized over time. If the contract meets any one of these three, the revenue is recognized over time.

- The customer simultaneously receives and consumes the benefits.
- The Organization's performance creates or enhances an asset that the customer controls.
- The Organization's performance does not create an asset with an alternative use to the Organization and the Organization has an enforceable right to payment for the performance completed to date.

If none of the above are true, then revenue must be recognized at a point in time.

Revenues measured over time are recognized as the Organization makes progress towards fulfilling the performance obligation. The Organization must choose a method to measure the progress in completing the contract. The chosen method may be based on either outputs or inputs. An output method looks at the fair market value of goods and services transferred to the customer to date. An input method will be based on the costs of labor and materials as the Organization incurs them. There are two primary performance obligations in a majority of contracts with customers. One performance obligation is the Registry stand-ready obligation, which grants customers access to the Registry data along with continual project management by the Organization to maintain the Registry. This type of performance obligation is recognized over time on a pro-rata monthly amount over the contract term. The other performance obligation is delivery of certain research studies, which is the delivery of a set of data from the Registry that can be used to complete study projects by the customer. This type of performance obligation is recognized in a point in time when the study data is delivered to the customer.

Below is a comparison of point in time versus over time revenue recognition as of June 30, 2022:

	Point in Time	Over Time	Total
Program service fees	$ 685,790	$ 1,793,671	$ 2,479,461

Deferred Revenue

The Organization's contract liabilities consist of program service fees from companies, which are referred to as deferred revenue. The amounts received are recorded as deferred revenue until the Organization satisfies its performance obligations outlined in the agreements. Depending on the nature of the performance obligation, revenue can be recognized on a pro-rata basis over the term of the agreement as the underlying performance obligation is satisfied or be recognized at a point in time when that performance obligation is met.

A summary of significant changes to the deferred revenue balance is shown below.

Balance, June 30, 2020	$	1,207,629
Cumulative effect adjustment of adopting ASC 606 on July 1, 2020		(749,896)
Amounts received in fiscal year 2021		4,888,754
Revenue recognized upon completion of performance obligations		(2,908,697)
Balance, June 30, 2021		2,437,790
Amounts received in fiscal year 2022		4,733,203
Revenue recognized upon completion of performance obligations		(3,233,272)
Balance, June 30, 2022	$	3,937,721

Special Events Revenue

Special event ticket revenue consists of both a contribution and an exchange transaction. The portion of the ticket price that corresponds to the value of the goods and services received by the attendee is considered an exchange transaction. The purchase of the event ticket is considered a contract between the Organization and the purchaser, as there is a right to enforce the contract for both parties and the Organization expects to collect the full amount it is entitled to, as the tickets are purchased in advance of the event. The Organization typically provides food and entertainment as part of the ticket price; these are not distinct within the context of the contract and, therefore, represent a single performance obligation. The fee for the ticket represents the transaction price and as there is only one performance obligation, the entire price of the ticket is allocated to the performance obligation. The revenue is recognized at a point in time when the event takes place. Because events during the year ended June 30, 2021 were held virtually, there was no exchange transaction and all revenue was deemed to be a contribution.

Contributions and Sponsorships

Contributions or sponsorships received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions and follows Topic 958. Support that is restricted by the donor is reported as an increase in net assets without restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the 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 and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Net Investment Return

The Organization holds various investments in mutual funds, equities, bonds, certificate of deposit, and money market funds. The related fees from these investments are netted against investment income.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), except for net income derived from unrelated business activities. In addition, the

Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under IRC Section 509(a).

The Organization's income tax filings are subject to audit by various taxing authorities. In evaluating the Organization's activities, management believes its position of tax-exempt status is based on current facts and circumstances, and there have been no uncertain positions taken related to recording income taxes. The Organization maintains an employee commuter benefits plan, under which benefits are deemed to be unrelated business income as of January 1, 2018. However, on December 20, 2019, the president signed into law a provision that would repeal the unrelated business income tax (UBIT) on qualified transportation fringe benefits. Accordingly, the Organization is expecting a refund of $2,486 from prior UBIT payments.

It is the policy of the Organization to include in management and general expenses penalties and interest assessed by income taxing authorities. There were penalties of $38 and interest of $285 from taxing authorities included in management and general expenses for the year ended June 30, 2022.There are no penalties or interest from taxing authorities included in management and general expenses for the year ended June 30, 2021.

Functional Allocation of Expenses

In the statements of functional expenses, the costs that are directly associated with a particular program or supporting service are charged to that functional category, such as travel, consulting, advertising, outside services, bank and processing fees, printing, event expenses, grants, shop PFF merchandise, legal fees, and interest expense. Additionally, certain costs have been allocated among the programs and supporting services benefited based on staff time devoted to the functional areas, such as salaries and wages, employee benefits, payroll taxes, accounting fees, depreciation and amortization, dues and subscriptions, insurance, internet service, meetings and conferences, miscellaneous expenses, occupancy, office supplies, postage, rent, software subscriptions, and telephone expenses. The statements of functional expenses present natural classification detail of expenses by function.

Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This update, along with ASU 2018-10, *Codification Improvements to Topic 842: Leases;* ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; and ASU 2018-20, *Leases (Topic 842): Narrow-Scope Improvements for Lessors*, establishes a comprehensive leasing standard. These updates require the recognition of lease assets and lease liabilities on the statements of financial position and disclosure of key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The guidance also expands the required quantitative and qualitative lease disclosures, as well as provides entities with an additional (and optional) transition method to adopt the new standard. The FASB issued ASU 2015-14, which deferred the effective date for the Organization until annual periods beginning after December 15, 2021. Earlier adoption is permitted. The Organization is currently evaluating the impact of this ASU on its financial statements.

Adoption of New Accounting Principal

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958).* This update addresses presentation and disclosure of contributed nonfinancial assets. This update will require a nonprofit to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash and other financial assets, and to disclose contributed nonfinancial assets recognized within the statements of activities disaggregated by category that depicts the type of contributed nonfinancial assets, and for each category of contributed nonfinancial assets recognized to include the following: qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period (if utilized, disclose a description of the programs or other activities in which those assets were used); the organization's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets; a description of any donor-imposed restrictions associated with the contributed nonfinancial assets; a description of the valuation techniques and inputs used to arrive at a fair value measure at initial recognition; and the principal market used to arrive at a fair value measure if it is a market in which the recipient organization is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The ASU is to be applied on a retrospective basis and effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Earlier adoption is permitted.

As required by ASU 2020-07, the Organization applied the requirements on a retrospective basis to contributions of nonfinancial assets for the years ended June 30, 2022 and 2021. The adoption of this standard did not have a material impact on the Organization's financial statements.

Subsequent Events

On July 7, 2022, the Small Business Administration (SBA) granted full forgiveness for the Organization's second Paycheck Protection Program (PPP) loan in the amount of $580,675. For more details, please see Note 8.

On December 1, 2022, the Organization entered into a new three-year lease agreement to occupy the current office space. Annual base rent for the first three years will be $253,229, $284,538, and $268,626, respectively.

Subsequent events were evaluated through February 2, 2023, which is the date the financial statements were available to be issued. Other than the matters disclosed above, no other matters were identified.

2. Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – This level consists of quoted prices in active markets for identical investments.

Level 2 – This level consists of other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.).

Level 3 – This level consists of significant unobservable inputs (including assumptions in determining the fair value of investments).

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 use of observable inputs and minimize the use of unobservable inputs. There were no changes in the valuation methodologies during the years ended June 30, 2022 and 2021.

Fair values of assets measured on a recurring basis were as follows:

June 30, 2022

	Level 1	Level 2	Level 3	Total
Money market	$ 1,228,288	$ -	$ -	$ 1,228,288
Mutual funds	4,190,187	-	-	4,190,187
Certificate of deposit	992,088	-	-	992,088
Bonds	138,200	-	-	138,200
Equities	8,622	-	-	8,622
Total	$ 6,557,385	$ -	$ -	$ 6,557,385

June 30, 2021

	Level 1	Level 2	Level 3	Total
Money market	$ 2,086,095	$ -	$ -	$ 2,086,095
Mutual funds	3,463,390	-	-	3,463,390
Total	$ 5,549,485	$ -	$ -	$ 5,549,485

3. Concentrations of Credit Risk

The Organization maintains the majority of its cash at several financial institutions. All deposit accounts at Federal Deposit Insurance Corporation (FDIC)-insured institutions are insured up to $250,000. At times during the year, the Organization's bank balances may have exceeded the federally insured limits; however, it has not experienced any losses with respect to its bank balances in excess of government-provided insurance.

Investments in certificates of deposit at FDIC-insured institutions are insured up to $250,000 per institution.
The Organization maintains reserve cash at a brokerage firm. This account is insured by the Securities Investor Protection Corporation up to $500,000, including a maximum of $250,000 for claims for cash, and additional coverage is provided by the brokerage firm. At June 30, 2022 and 2021, the Organization had no uninsured cash investment balances at brokerage firms.

For the years ended June 30, 2022 and 2021, 23% and 51% of total revenue was from three sources, respectively. This is the result of contracts executed with two of the organizations in October and

November of 2015 for multi-year funding of the PFF Registry, the PFF Care Center Network, and associated programs, and one funder who entered into a collaboration agreement for the PFF Registry in November 2020. These contracts contain multiple revenue types, portions of which are fee-for-service specific to the PFF Registry and other portions, which are sponsorship revenues, related to the PFF Care Center Network and associated programs. The total of these original agreements exceeds $20 million and was received over a period of five years. This funding has allowed the Organization to increase the PFF Care Center Network to 68 sites, perform various educational programming within the network, and identify the patients targeted for the PFF Registry.

The PFF will continue to operate the PFF Registry beyond the initial five-year period. To support this continued effort, the Organization has secured $7.8 million of new funding from multiple sources to cover project expenses over the next three years.

The Board and management were aware of these concentrations of credit risk when approving these projects and planned for this. The Organization is increasing other revenue streams to diversify the funding of the PFF Registry. The Board and management felt that the benefit to research and the patient community outweighed the concentration of credit risk sensitivity in the earlier stages of the project.

4. Related Party Transactions

Included in contributions on the statements of activities and changes in net assets is $99,769 and $63,733 from Board members for the years ended June 30, 2022 and 2021, respectively.

5. Property and Equipment

The Organization’s property and equipment were as follows:

June 30,		**2022**		2021
Computer hardware and software	**$**	**259,786**	$	221,720
Asset in progress		**11,033**		-
Less: accumulated depreciation		**(197,541)**		(176,349)
Total	**$**	**73,278**	$	45,371

Depreciation expense for the years ended June 30, 2022 and 2021 was $21,192 and $27,802, respectively.

Assets in progress include computer equipment of $11,033 for the year ended June 30, 2022, and are included in net property and equipment.

6. Intangible Assets

The Organization's intangible assets were as follows:

June 30,		**2022**		2021
Assets in progress	$	**-**	$	34,650
Trademarks		**69,129**		69,129
Website development		**247,020**		267,626
Other intangibles		**5,000**		5,000
Less: accumulated amortization		**(131,017)**		(116,933)
Intangibles, Net	$	**190,132**	$	259,472

Amortization expense for the years ended June 30, 2022 and 2021 was $79,240 and $33,376, respectively.

Assets in progress include internet microsites of $34,650 as of June 30, 2021, and are included in net intangibles.

7. Accrued Liabilities

Accrued liabilities consist of the following:

June 30,		**2022**		2021
PFF Registry site payments	$	**1,595,464**	$	1,125,361
Other accrued expenses		**44,091**		16,506
Medical team expenses		**213,440**		85,756
Payroll and related benefits		**114,453**		73,609
Deferred rent		**11,934**		15,259
Total Accrued Liabilities	$	**1,979,382**	$	1,316,491

8. Paycheck Protection Program Loan

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) was signed into law. The CARES Act appropriated funds for the SBA PPP loans that are forgivable in certain situations to promote continued employment to provide liquidity to small businesses harmed by COVID-19. In April 2020, the Organization applied for and received funds under the PPP in the amount of $560,300. In December 2020, the Organization was granted full forgiveness for its initial PPP loan in the amount of $560,300 and it is included in other revenues and support on the statements of activities and changes in net assets. In March 2021, the Organization applied for and received a second round of PPP loan funding in the amount of $580,675, which is included in Paycheck Protection Program loan on the statements of financial position as of June 30, 2022. On July 7, 2022, the SBA granted full forgiveness for the Organization's second PPP loan in the amount of $580,675.

The application for these funds requires the Organization to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Organization. This certification further requires the Organization to take into account the current business activity and ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. The receipt of these funds, and the forgiveness of the loan attendant to these funds, is dependent on the Organization having initially qualified for the loan and qualifying for the forgiveness of such loan based on future adherence to the forgiveness criteria. As such, there are uncertainties surrounding the extent to which the Organization may be eligible for loan forgiveness, but management continues to analyze and monitor the criteria under the program.

The loan has an interest rate of 1.0% and matures five years from the issuance date. Principal payments and interest are deferred until the date that the amount of forgiveness is remitted to the lender. If the Organization has not applied for forgiveness within ten months after the last day of the covered period, payments of principal and interest will begin.

9. Net Assets

Without Donor Restrictions

Net assets without donor restrictions were as follows:

June 30,	**2022**	2021
Board-designated operating reserves	**$ 5,187,741**	$ 3,912,525
General	**1,150,844**	2,672,405
Total	**$ 6,338,585**	$ 6,584,930

With Donor Restrictions

The following items were net assets with donor restrictions due to either use or time restrictions:

June 30,	**2022**	2021
Education	**$ 485,419**	$ 925,778
Legislative advocacy	**35,455**	50,000
Other	**37,250**	209,649
Outreach and awareness	**117,298**	265,679
PFF Care Center Network	**368,882**	253,715
PFF Registry	**1,206,058**	399,252
PFF Summit	**-**	90,279
PFF Walks	**414,454**	224,216
Research grants	**834,269**	76,630
Support groups	**137,336**	232,155
Total	**$ 3,636,421**	$ 2,727,353

The following items were released from net assets with donor restrictions and reclassified to net assets without donor restrictions due to meeting either use or time restrictions:

June 30,		**2022**		2021
Education	**$**	**603,491**	$	602,196
Legislative advocacy		**14,545**		-
Other		**194,310**		34,999
Outreach and awareness		**249,397**		277,798
PFF Care Center Network		**253,715**		503,067
PFF Registry		**294,341**		77,877
PFF Summit		**90,279**		-
PFF Walks		**224,216**		146,854
Research grants		**20,762**		455,925
Support groups		**184,819**		86,056
		2,129,875		2,184,772
Transfer Due to Donor Intent Change*		**-**		(355,825)
Total	**$**	**2,129,875**	$	1,828,947

* During the year ended June 30, 2021, there was a change in donor intent for a contribution made during fiscal year 2020. The change shifted the restriction of net assets from research grants to PFF Registry for approximately $356,000. The transfer is included in net asset releases for the research grants to move the restriction to the PFF Registry. As this is not a true release, a line is included above to add back the release to properly reflect the amount of net asset releases presented on the statement of activities and changes in net assets.

10. Lease Obligation and Rental Expense

The Organization entered into a lease agreement for office space at 230 East Ohio Street, Suite 500, Chicago, Illinois, commencing August 1, 2016 and extending through November 2025. Rental expense on all leases for the years ended June 30, 2022 and 2021 was $250,579 and $250,687, respectively. The Organization is also liable for its proportionate share of property taxes, increased expenses, insurance, utilities, and repairs.

The estimated future minimum rental and lease obligation for the succeeding years under non-cancelable operating leases is as follows:

Year ending June 30,		
2023	$	115,104
Total	$	115,104

11. Commitments

The Organization has entered into agreements with hotels to hold future events. The agreements include penalties if the Organization breaks the contract. No provision has been made in the financial statements for any contingency relating to the commitments. The Organization made the following commitments for a virtual meeting platform and hotel space (includes hotel room cancellation fees):

November 2022 – PFF Community Symposium, Virtual	$	80,250
November 2023 – PFF Summit, Orlando, Florida		287,016
November 2025 – PFF Summit, Chicago, Illinois		117,752
Total	$	485,018

12. Special Events

Revenues and expenses from special events are shown at the gross amounts in the statements of activities and changes in net assets. Gross revenue and expense for each event was as follows:

Year ended June 30, 2022

Event	Without Donor Restrictions	With Donor Restrictions	Total Revenue	Expense	Net
PFF Walk FY21-22	$ 535,732	$ -	$ 535,732	$ 341,528	$ 194,204
PFF Walk FY22-23	-	414,454	414,454	-	414,454
Broadway Belts!	485,344	-	485,344	316,619	168,725
Total Revenue	$ 1,021,076	$ 414,454	$ 1,435,530	$ 658,147	$ 777,383

Year ended June 30, 2021

Event	Without Donor Restrictions	With Donor Restrictions	Total Revenue	Expense	Net
PFF Walk FY20-21	$ 460,575	$ -	$ 460,575	$ 341,175	$ 119,400
PFF Walk FY21-22	-	224,216	224,216	-	224,216
Broadway Belts!	354,085	-	354,085	197,354	156,731
Total Revenue	$ 814,660	$ 224,216	$ 1,038,876	$ 538,529	$ 500,347

As of June 30, 2022 and 2021, the PFF Walk Program was comprised of PFF Walks in the following cities: Chicago, New York City, the District of Columbia, Dallas, San Francisco, and Pittsburgh, which was added in fiscal year 2022. Net assets with donor restrictions for the fiscal year 2022 PFF Walk of $224,216 were reflected on fiscal year 2021's financial statements as net assets with donor restrictions and released in fiscal year 2022. Net assets with donor restrictions for the fiscal year 2021 PFF Walk of $146,853 were reflected on fiscal year 2020's financial statements as net assets with donor restrictions and released in fiscal year 2021. Restrictions on these funds are related to timing of the event or receipt of the funds.

Broadway Belts! remains a PFF special event. During the years ended June 30, 2022 and 2021, the Organization also had third parties hold special events in honor of the Organization. The net proceeds of each event are remitted by the third parties to the Organization after the event has been completed. These proceeds are recorded as contributions as the events are not held by the Organization.

13. Retirement Plan

The Organization provides a 401(k) salary reduction plan that covers all full-time employees and part-time employees who work 1,000 hours in a single year. Contributions are made by the employees at an amount or percentage of their salary not to exceed applicable Internal Revenue Service limits. The Organization contributes 3% of the employee's base salary into the plan, irrespective of the employee's level of deferral. The Organization made employer contributions to the plan of $109,531 and $102,740 for the years ended June 30, 2022 and 2021, respectively.

14. Liquidity and Availability

The Organization's financial assets available within one year of the statements of financial position date for general expenditures are computed as follows:

June 30,	**2022**	2021
Total assets at year-end	**$ 17,064,469**	$ 14,745,592
Less nonfinancial assets:		
Prepaid expenses and other assets	**552,239**	507,279
Property and equipment	**73,278**	45,371
Other receivables – long-term	**375,000**	375,000
Deposits	**56,631**	56,631
Intangibles, net	**190,132**	259,472
Total Financial Assets Available Within One Year	**15,817,189**	13,501,839
Less:		
Assets included above, which are restricted to cover programmatic expenses in the next year:		
Restricted by donors with time or purpose restrictions	**3,636,421**	2,727,353
Total Assets Restricted for Programmatic Expenses	**3,636,421**	2,727,353
Total Financial Assets Available to Management for General Expenditures Within One Year	**$ 12,180,768**	$ 10,774,486

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has been building its liquid assets to ensure the stability of the mission, programs, employment, and ongoing operations of the Organization. Long-term investments are available for use should the Organization deem them necessary; however, the investments are not expected to be used within one year. As of June 30, 2022, management feels that it has a sufficient cash balance, when including the amounts restricted to cover programmatic expenses in the next year, to meet its cash needs for general expenditures within one year. Board-designated net assets are available for operations, as needed, and, therefore, are not included as a reduction to arrive at the total financial assets available to management for general expenditures.