Alliance
FOR AGING RESEARCH

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

ALLIANCE FOR AGING RESEARCH

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DECEMBER 31, 2022 AND 2021

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7910 WOODMONT AVENUE
SUITE 500
BETHESDA, MD 20814
(T) 301.986.0600

Independent Auditor's Report

Board of Directors
Alliance for Aging Research
Washington, D.C.

Opinion

We have audited the accompanying financial statements of Alliance for Aging Research (the Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 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 available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 2 of the financial statements, the Organization adopted Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842).* Our opinion is not modified with respect to this matter.

In addition, as discussed in Note 2 of the financial statements, the Organization adopted Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958).* Our opinion is not modified with respect to this matter.

Councilor, Buchanan + Mitchell, P.C.

Bethesda, Maryland — Certified Public Accountants
May 3, 2023

ALLIANCE FOR AGING RESEARCH

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
Assets		
Current Assets		
Cash and Cash Equivalents	$ 798,786	$ 917,731
Grants and Contributions Receivable	650,000	668,500
Investments	3,513,684	3,529,431
Prepaid Expenses	59,276	29,672
Total Current Assets	5,021,746	5,145,334
Deposits	14,855	14,855
Investment for Deferred Compensation	40,000	20,000
Operating Right-of-Use Asset	564,553	-
Finance Right-of-Use Asset, Net of Accumulated Amortization of $2,540	9,948	-
Property and Equipment		
Furniture and Office Equipment	23,596	23,596
Office Equipment under Capital Lease	-	14,714
Computer Equipment and Software	32,106	28,096
Leasehold Improvements	59,623	67,566
Website	158,000	177,750
Total Property and Equipment	273,325	311,722
Less Accumulated Depreciation and Amortization	(137,255)	(151,337)
Net Property and Equipment	136,070	160,385
Total Assets	$ 5,787,172	$ 5,340,574
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Expenses	$ 194,912	$ 260,729
Operating Lease Liability	190,294	-
Finance Lease Liability	2,899	-
Deferred Rent and Lease Incentive	-	17,138
Capital Lease Payable	-	2,651
Total Current Liabilities	388,105	280,518
Deferred Compensation Payable	40,000	20,000
Operating Lease Liability, Net of Current Portion	464,335	-
Finance Lease Liability, Net of Current Portion	8,685	-
Deferred Rent and Lease Incentive, Net of Current Portion	-	91,845
Capital Lease Payable, Net of Current Portion	-	11,196
Total Liabilities	901,125	403,559
Net Assets		
Without Donor Restrictions	3,196,355	3,429,223
With Donor Restrictions	1,689,692	1,507,792
Total Net Assets	4,886,047	4,937,015
Total Liabilities and Net Assets	$ 5,787,172	$ 5,340,574

See accompanying Notes to Financial Statements.

ALLIANCE FOR AGING RESEARCH

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Revenues						
Grants and Contributions	**$ 214,145**	**$ 3,252,180**	**$ 3,466,325**	$ 541,130	$ 3,209,256	$ 3,750,386
Donated Services	**2,792,066**	**-**	**2,792,066**	2,481,264	-	2,481,264
Annual Event	**605,893**	**-**	**605,893**	514,708	-	514,708
Interest and Dividend Income	**70,076**	**-**	**70,076**	54,174	-	54,174
Other Income	**6,100**	**-**	**6,100**	6,023	-	6,023
Net Assets Released from Restrictions	**3,070,280**	**(3,070,280)**	**-**	2,792,684	(2,792,684)	-
Total Revenues	**6,758,560**	**181,900**	**6,940,460**	6,389,983	416,572	6,806,555
Expenses						
Program	**6,079,830**	**-**	**6,079,830**	5,367,256	-	5,367,256
Management and General	**138,339**	**-**	**138,339**	386,495	-	386,495
Fundraising	**295,598**	**-**	**295,598**	164,763	-	164,763
Total Expenses	**6,513,767**	**-**	**6,513,767**	5,918,514	-	5,918,514
Change in Net Assets before (Loss) Gain on Investments	**244,793**	**181,900**	**426,693**	471,469	416,572	888,041
(Loss) Gain on Investments	**(477,661)**	**-**	**(477,661)**	268,513	-	268,513
Change in Net Assets	**(232,868)**	**181,900**	**(50,968)**	739,982	416,572	1,156,554
Net Assets, Beginning of Year	**3,429,223**	**1,507,792**	**4,937,015**	2,689,241	1,091,220	3,780,461
Net Assets, End of Year	**$ 3,196,355**	**$ 1,689,692**	**$ 4,886,047**	$ 3,429,223	$ 1,507,792	$ 4,937,015

See accompanying Notes to Financial Statements.

ALLIANCE FOR AGING RESEARCH

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program	Management and General	Fundraising	Total
Salaries	$ 921,029	$ 296,513	$ 110,896	$ 1,328,438
Payroll Taxes	70,391	26,180	8,513	105,084
Benefits	134,451	27,919	2,246	164,616
Management Info Systems	3,651	30,395	20,280	54,326
Advertising and Marketing	2,948,434	19,770	1,512	2,969,716
Dues and Subscriptions	28,151	20,373	865	49,389
Audio/Visual	17,443	357	27,183	44,983
Consultants	681,213	-	-	681,213
Partnerships	131,000	-	-	131,000
Professional Fees	212,632	70,455	-	283,087
Honorariums	49,800	-	-	49,800
Donations	41,000	-	-	41,000
Sponsorships	35,000	-	-	35,000
Operating Lease Expense	-	173,253	-	173,253
Supplies	146	1,304	696	2,146
Telephone	-	19,456	-	19,456
Printing	10,360	500	6,785	17,645
Depreciation and Amortization	-	44,224	-	44,224
Travel	14,936	5,654	2,763	23,353
Interest Expense	-	176	-	176
Bank Fees	53	1,600	566	2,219
Meetings/Events	101,588	9,421	111,957	222,966
Website Design	21,358	10,496	-	31,854
Other Expenses	22,811	4,459	1,336	28,606
Insurance	364	9,853	-	10,217
Overhead Allocated	634,019	(634,019)	-	-
Total Functional Expenses	$ 6,079,830	$ 138,339	$ 295,598	$ 6,513,767

See accompanying Notes to Financial Statements.

ALLIANCE FOR AGING RESEARCH

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program	Management and General	Fundraising	Total
Salaries	$ 740,840	$ 281,953	$ 97,285	$ 1,120,078
Payroll Taxes	58,007	23,078	7,680	88,765
Benefits	100,799	38,363	13,237	152,399
Management Info Systems	4,470	30,519	6,105	41,094
Advertising and Marketing	2,733,669	15,875	6,255	2,755,799
Dues and Subscriptions	19,927	29,376	908	50,211
Audio/Visual	157	-	111	268
Consultants	683,781	37,555	-	721,336
Partnerships	323,020	-	-	323,020
Professional Fees	163,659	50,778	-	214,437
Honorariums	63,950	-	-	63,950
Donations	198	3,541	-	3,739
Sponsorships	20,000	-	-	20,000
Rent	-	179,230	-	179,230
Supplies	-	2,566	-	2,566
Telephone	49	19,998	-	20,047
Printing	7,458	415	1,850	9,723
Depreciation and Amortization	-	45,695	-	45,695
Travel	6,389	906	24	7,319
Interest Expense	-	370	-	370
Bank Fees	-	1,818	203	2,021
Meetings/Events	23,967	1,851	23,661	49,479
Website Design	22,337	4,157	7,000	33,494
Other Expenses	3,223	4,458	444	8,125
Insurance	-	5,349	-	5,349
Overhead Allocated	391,356	(391,356)	-	-
Total Functional Expenses	$ 5,367,256	$ 386,495	$ 164,763	$ 5,918,514

See accompanying Notes to Financial Statements.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash Flows from Operating Activities		
Change in Net Assets	**$ (50,968)**	$ 1,156,554
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities		
Depreciation and Amortization	**44,224**	45,695
Loss (Gain) on Investments	**477,661**	(268,513)
Loss on Disposal of Property and Equipment	**-**	8,698
Operating Lease Expense	**173,253**	-
(Increase) Decrease in Assets		
Grants and Contributions Receivable	**18,500**	(293,535)
Prepaid Expenses	**(29,604)**	72,848
Investment for Deferred Compensation	**(20,000)**	(20,000)
Increase (Decrease) in Liabilities		
Accounts Payable and Accrued Expenses	**(65,817)**	93,652
PPP Refundable Advance	**-**	(211,742)
Operating Lease Liability	**(192,160)**	-
Deferred Rent and Lease Incentive	**-**	(12,451)
Deferred Compensation Payable	**20,000**	20,000
Net Cash Provided by Operating Activities	**375,089**	591,206
Cash Flows from Investing Activities		
Proceeds from Sales and Maturities of Investments	**845,019**	419,786
Purchases of Investments	**(1,306,933)**	(1,242,515)
Purchases of Property and Equipment	**(29,260)**	(110,340)
Net Cash Used in Investing Activities	**(491,174)**	(933,069)
Cash Flows from Financing Activities		
Principal Payments on Finance Lease Liability	**(2,860)**	-
Principal Payments on Capital Lease Payable	**-**	(5,035)
Net Cash Used in Financing Activities	**(2,860)**	(5,035)
Net Decrease in Cash and Cash Equivalents	**(118,945)**	(346,898)
Cash and Cash Equivalents, Beginning of Year	**917,731**	1,264,629
Cash and Cash Equivalents, End of Year	**$ 798,786**	$ 917,731
Noncash Transactions from Investing and Financing Activities		
Establishment of Operating Right-of-Use Asset	**$ 728,875**	$ -
Establishment of Finance Right-of-Use Asset	**12,488**	-
Establishment of Operating Lease Liability	**837,858**	-
Establishment of Finance Lease Liability	**14,444**	-

See accompanying Notes to Financial Statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Alliance for Aging Research (the Organization) is a nonprofit organization incorporated in the District of Columbia in 1986. The Organization is a leading national nonprofit organization dedicated to accelerating science through public and private funding of medical research and geriatric education to improve aging and health. The Organization is committed to helping Americans live longer, happier, more productive lives and actively reducing healthcare costs over the long term.

With this focus, the Organization has convened the world's leading medical experts, researchers, scientists, policymakers, and patient advocates to address health-related issues that impact older Americans. The Organization guides efforts to increase aging research funding, build influential coalitions, spearhead efforts to guide groundbreaking regulatory advancements and public policies. The Organization also creates award-winning educational materials on a variety of diseases and conditions. All of this is done to fulfill the Organization's mission and help improve the health and well-being of older adults and their family caregivers.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Consequently, revenue is recognized when earned and expense is recognized when the obligation is incurred.

Financial Statement Presentation

The Organization has presented its financial statements in accordance with principles generally accepted in the United States of America. Under those principles, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions - resources that are available for general operations and resources designated by the Organization's Board of Directors for approved expenditures.

Net Assets With Donor Restrictions - net assets with donor restrictions are resources that are subject to donor-imposed restriction. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity (endowment).

Use of 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 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.

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

Income Tax Status

The Organization is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities and is not considered a "private foundation" by the Internal Revenue Service.

The Organization requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include, or reflect, any uncertain tax positions.

The Organization's Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the taxing authorities generally for three years after filing.

Cash and Cash Equivalents

The Organization considers cash and cash equivalents to include all cash and money market funds, except those held within its investment account.

Grants and Contributions Receivable

Unconditional grants and contributions receivable are recorded at their net realizable value. Amounts over ninety days past due are analyzed for collectability and when all collection efforts have been exhausted, the account is written off as bad debt expense. Management estimates that all receivables are fully collectible at December 31, 2022 and 2021. Therefore, no allowance for doubtful accounts has been recognized.

Investments

Investments consist of money markets, mutual funds, equities, bonds, and exchange-traded products that are recorded at fair value based on quoted market prices or from readily available sources for comparable instruments.

Right-of-Use Assets and Lease Liabilities

Lease liabilities are initially measured at the present value of minimum lease payments using a risk-free rate that approximates the remaining term of the lease. The right-of-use asset is the lease liability adjusted for other lease-related accounts. Management considers the likelihood of exercising renewal or termination clauses (if any) in measuring the Organization's right-of-use assets and lease liabilities. Operating lease expense and finance lease amortization expense is allocated over the remaining lease term on a straight-line basis. Finance lease interest expense is calculated using a risk-free rate that approximates the remaining term of the lease multiplied by the outstanding finance lease liability.

The Organization considers leases with initial terms of twelve months or less, and no option to purchase the underlying asset, to be short-term leases. Accordingly, short-term lease costs are expensed over the remaining lease term, with no corresponding right-of-use asset or lease liability. In addition, the Organization does not separate non-lease components from lease components (if any) when determining the payments for leases of office equipment.

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

Property and Equipment

The Organization capitalizes all property and equipment acquisitions of $1,000 and above. Property and equipment are recorded at cost, if purchased, or at fair market value at the date of donation, if contributed. Depreciation is provided using the straight-line method over the estimated useful life of the asset. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated lives of the related assets or the remaining lease term and is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. Expenditures for maintenance and repairs are charged to expense as incurred.

Grants and Contributions

Unconditional grants and contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Conditional contributions received are reported as refundable advances until the conditions have been substantially met or explicitly waived by the donor. Revenue is recognized on the date the condition is met.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Annual Event

Annual event sponsorships contain both an exchange transaction element and an unconditional contribution element. The portion of annual event sponsorships attributable to ticket sales and other benefits are considered exchange transactions and are recognized at a point in time, when the annual event occurs. The remaining portion is considered an unconditional contribution and is recognized when pledged. Unconditional contributions related to annual event sponsorships are considered donor restricted if received in advance of the fiscal year of the event. Amounts of donor-restricted contributions are subsequently released to net assets without donor restrictions in the year of the event.

The following presents the breakout of exchange transactions and unconditional contributions for annual event sponsorships for the years ended December 31, 2022 and 2021:

	2022	2021
Exchange Transactions - Recognized at a Point in Time	**$ 57,718**	$ -
Unconditional Contribution - Recognized when Pledged	**548,175**	514,708
Total Annual Event Revenue	**$ 605,893**	$ 514,708

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

Functional Allocation of Expenses

The costs of providing programs and supporting services have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, benefits, and general expenses, which are allocated on the basis of estimates of time and effort by employees. Expenses directly identifiable to specific programs and supporting activities are presented accordingly.

Reclassifications

Certain 2021 amounts have been reclassified for comparative purposes.

2. ADOPTION OF ACCOUNTING STANDARDS UPDATES

Accounting Standard Update 2016-02

During the year ended December 31, 2022, the Organization adopted the Financial Accounting Standards Board's (FASB) Accounting Standard Update (ASU) 2016-02, *Leases (Topic 842),* which supersedes the leasing guidance in *Topic 840.* The Organization also adopted the following ASUs, which amend and clarify *Leases (Topic 842)*: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; ASU 2019-01, *Leases (Topic 842): Codification Improvements*; ASU 2021-05, *Leases (Topic 842): Lessors - Certain Leases with Variable Lease Payments*; and ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities.* The most significant change in the new lease guidance is the requirement to recognize right-of-use assets and lease liabilities for operating leases on the statements of financial position.

The Organization adopted the leasing standards effective January 1, 2022, using the modified retrospective approach with January 1, 2022, as the initial date of application. Management has elected to apply all practical expedients available under the new guidance, which allows the Organization to: (1) not reassess whether any expired or existing contracts previously assessed as not containing leases are, or contain, leases; (2) not reassess the lease classification for any expired or existing leases; and (3) not reassess initial direct costs for any existing leases. The Organization also elected to apply the practical expedient to use hindsight in determining the lease term.

The most significant impact was the recognition of right-of-use assets and lease liabilities for all leases with terms greater than twelve months. Accordingly, an operating right-of-use asset and lease liability totaling approximately $729,000 and $838,000, respectively, was recognized as of January 1, 2022. Existing deferred rent and lease incentive of approximately $109,000 as of January 1, 2022, is included as a reduction to the initial measurement of the right-of-use asset for the operating lease. In addition, a finance right-of-use asset and lease liability totaling approximately $12,500 and $14,500, respectively, was recognized as of January 1, 2022.

2. ADOPTION OF ACCOUNTING STANDARDS UPDATES (CONTINUED)

Accounting Standard Update 2020-07

During the year ended December 31, 2022, the Organization adopted the Financial Accounting Standards Board's (FASB) Accounting Standard Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958).* This guidance is intended to increase transparency of contributed nonfinancial assets for nonprofits through enhancements to presentation and disclosure. Specifically, the ASU addresses the lack of transparency surrounding the measurement of contributed nonfinancial assets, as well as the amount of those contributions used in programs and other activities. Management believes that the adoption of this ASU enhances the transparency of financial information among nonprofit entities. The change in accounting principle was applied on a retrospective basis. The impact of adoption was not material to the financial statements, however, the presentation and disclosure of contributed nonfinancial assets has been enhanced.

3. RELATED PARTY TRANSACTIONS

Members of the Board of Directors made contributions to the Organization totaling $245,750 and $257,500 for the years ended December 31, 2022 and 2021, respectively. Grants and contributions receivable include $35,000 of amounts due from members of the Board of Directors as of December 31, 2022.

The Organization also received grants and sponsorships from companies or individuals who employ or are otherwise affiliated with the Board of Directors in the amount of $754,800 and $1,261,500 for the years ended December 31, 2022 and 2021, respectively. The outstanding amounts related to these grants and sponsorships are included in grants and contributions receivable and totaled $30,000 and $30,000 at December 31, 2022 and 2021, respectively.

4. CONCENTRATIONS

The Organization maintains cash balances with a financial institution which at times during the year exceeded the Federal Deposit Insurance Corporation insurance limit. Management believes the risk in these situations to be minimal.

As of December 31, 2022, two donors comprised approximately 69% of grants and contributions receivable. As of December 31, 2021, one donor comprised approximately 50% of grants and contributions receivable. For the year ended December 31, 2021, one donor accounted for approximately 18% of grants and contributions revenue.

5. DONATED SERVICES

For the years ended December 31, 2022 and 2021, the fair value of donated services is included in donated services in the statements of activities. The value of donated services are based on current market rates for similar services. All donated services received by the Organization for the year ended December 31, 2022, were considered without donor restrictions and able to be used by the Organization as determined by the Board of Directors and management.

5. DONATED SERVICES (CONTINUED)

The expenses for the year ended December 31, 2022, are as follows:

	Program	Management and General	Total
Advertising and Marketing	**$ 2,579,434**	**$ -**	**$ 2,579,434**
Professional Fees	**212,632**	**-**	**212,632**
Total Donated Services	**$ 2,792,066**	**$ -**	**$ 2,792,066**

The expenses for the year ended December 31, 2021, are as follows:

	Program	Management and General	Total
Meetings/Events	$ -	$ 550	$ 550
Advertising and Marketing	2,317,055	-	2,317,055
Professional Fees	163,659	-	163,659
Total Donated Services	$ 2,480,714	$ 550	$ 2,481,264

6. FAIR VALUE MEASUREMENTS

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets (examples include equity securities or mutual funds);

Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active (examples include corporate or municipal bonds);

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs to the determination of fair value require significant management judgment (examples include certain private equity securities and split-interest agreements).

The following presents the Organization’s assets and liabilities measured at fair value as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Money Market Funds	**$ 142,912**	**$ -**	**$ -**	**$ 142,912**
Mutual Funds - Stock Funds	**1,248,462**	**-**	**-**	**1,248,462**
Mutual Funds - Bond Funds	**875,509**	**-**	**-**	**875,509**
Exchange Traded Products	**308,841**	**-**	**-**	**308,841**
Bonds	**-**	**574,897**	**-**	**574,897**
Equities	**363,063**	**-**	**-**	**363,063**
Total Investments	**2,938,787**	**574,897**	**-**	**3,513,684**
Investment for Deferred Compensation	**40,000**	**-**	**-**	**40,000**
Total Assets at Fair Value	**$ 2,978,787**	**$ 574,897**	**$ -**	**$ 3,553,684**
Deferred Compensation Payable	**$ 40,000**	**$ -**	**$ -**	**$ 40,000**
Total Liabilities at Fair Value	**$ 40,000**	**$ -**	**$ -**	**$ 40,000**

6. FAIR VALUE MEASUREMENTS (CONTINUED)

The following presents the Organization's assets and liabilities measured at fair value as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Money Market Funds	$ 127,631	$ -	$ -	$ 127,631
Mutual Funds - Stock Funds	1,586,257	-	-	1,586,257
Mutual Funds - Bond Funds	1,064,107	-	-	1,064,107
Exchange Traded Products	45,769	-	-	45,769
Bonds	-	380,781	-	380,781
Equities	324,886	-	-	324,886
Total Investments	3,148,650	380,781	-	3,529,431
Investment for Deferred Compensation	20,000	-	-	20,000
Total Assets at Fair Value	$ 3,168,650	$ 380,781	$ -	$ 3,549,431
Deferred Compensation Payable	$ 20,000	$ -	$ -	$ 20,000
Total Liabilities at Fair Value	$ 20,000	$ -	$ -	$ 20,000

The Organization's Level 2 investments are based on readily available pricing sources for comparable investments.

7. SMALL BUSINESS ADMINISTRATION PPP LOAN PROCEEDS

During 2020, the Organization received a Small Business Administration (SBA) loan under the Paycheck Protection Program (PPP) in the amount of $211,742. During the year ended December 31, 2021, the loan was forgiven. The loan proceeds are included in grants and contributions without donor restrictions on the statements of activities for the year ended December 31, 2021.

8. NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, net assets with donor restrictions are available for the following purposes:

Purpose Restriction	**2022**	2021
Health Education	**$ 1,022,377**	$ 1,212,295
Public Policy	**667,315**	295,497
Total Purpose Restrictions	**$ 1,689,692**	$ 1,507,792

9. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or other events specified by donors as follows for the years ended December 31, 2022 and 2021:

Purpose Restriction	**2022**	2021
Health Education	**$ 1,250,327**	$ 1,121,874
Public Policy	**1,819,953**	1,670,810
Total Releases	**$ 3,070,280**	$ 2,792,684

10. LEASES

Operating Lease under Topic 842

The Organization is obligated under a lease for office space through April 15, 2026. Under the terms of the lease, the base lease payment increases annually based on scheduled increases provided for in the lease. In addition, the lessor provided lease incentives totaling approximately $66,000. The lease does not contain an option to extend the lease term or terminate early.

Under accounting principles generally accepted in the United States of America (GAAP), operating lease expense is recognized on a straight-line basis over the remaining lease term. The Organization had no variable or short-term lease expense in 2022.

Maturity of the operating lease liability as of December 31, 2022, is as follows:

For the Years Ending December 31,	Amount
2023	$ 196,964
2024	201,888
2025	206,935
2026	61,801
Total Undiscounted Minimum Lease Payments	667,588
Less Discount to Present Value	(12,959)
Total Operating Lease Liability	$ 654,629

The supplementary qualitative operating lease information is as follows:

Supplementary Qualitative Operating Lease Information	Amount
Weighted-Average Remaining Lease Term (Years)	3.33
Weighted-Average Discount Rate	1.21%

Operating Lease under Topic 840

Under accounting principles generally accepted in the United States of America (GAAP), all rental payments, including fixed rent increases, are recognized on a straight-line basis over the term of the lease. Lease incentives are amortized over the life of the lease on a straight-line basis as an offset to rent expense. The difference between the GAAP rent expense and the required lease payments, as well as any unamortized lease incentives, are reflected as deferred rent and lease incentive in the accompanying statements of financial position as of December 31, 2021.

As previously disclosed in our 2021 audited financial statements and under the previous lease accounting, future minimum lease payments as of December 31, 2021, were as follows:

For the Years Ending December 31,	Amount
2022	$ 192,160
2023	196,964
2024	201,888
2025	206,935
2026	61,801
Total	$ 859,748

10. LEASES (CONTINUED)

Finance Lease under Topic 842

The Organization is obligated under a non-cancelable finance lease for certain office equipment through 2026. Amortization on the finance right-of-use asset totaled $2,540 and is included in depreciation and amortization expense on the statement of functional expenses for the year ended December 31, 2022. The accumulated amortization on the finance right-of-use asset was approximately $2,540 as of December 31, 2022. Interest expense on the finance lease liability totaled $176 for the year ended December 31, 2022.

Maturity of the finance lease liability as of December 31, 2022, is as follows:

For the Years Ending December 31,	Amount
2023	$ 3,036
2024	3,036
2025	3,036
2026	2,783
Total Undiscounted Minimum Lease Payments	11,891
Less Discount to Present Value	(307)
Total Finance Lease Liability	$ 11,584

The supplementary qualitative finance lease information is as follows:

Supplementary Qualitative Finance Lease Information	Amount
Interest Paid for Amounts Included in the Measurement of Finance Lease Liabilities - Operating Cash Flows	$ 176
Weighted-Average Remaining Lease Term (Years)	3.92
Weighted-Average Discount Rate	1.37%

Capital Lease under Topic 840

The asset and liability under the capital lease is recorded at the present value of the minimum lease payments. The asset is amortized over the lesser of the estimated useful life or the lease term. Amortization of the asset under the capital lease is included in depreciation and amortization expense. The accumulated amortization under the capital lease was approximately $3,000 as of December 31, 2021.

11. LIQUIDITY AND AVAILABLE RESOURCES

The Organization's cash flows have seasonal variations due to the timing of grants and contributions, and vendor payments. The Organization manages its liquidity to meet general expenditures, liabilities, and other obligations as they become due. Excess cash flows not needed for day-to-day operations are invested.

11. LIQUIDITY AND AVAILABLE RESOURCES (CONTINUED)

As of December 31, 2022 and 2021, the following financial assets and liquidity sources are available for general operating expenditures for the years ending December 31, 2023 and 2022:

Financial Assets at Year End	**2022**	2021
Cash and Cash Equivalents	**$ 798,786**	$ 917,731
Grants and Contributions Receivable	**650,000**	668,500
Investments	**3,513,684**	3,529,431
Less Amounts for Donor Purpose Restrictions	**(1,689,692)**	(1,507,792)
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	**$ 3,272,778**	$ 3,607,870

12. RETIREMENT PLANS

The Organization sponsors a 401(k) retirement plan (the Plan) which covers all eligible employees. Employees may make elective deferrals to the Plan up to the maximum amount allowed by the Internal Revenue Code. The Organization is required to match participant contributions at a rate not to exceed 4% of the participant's compensation. During the years ended December 31, 2022 and 2021, the Organization made contributions of approximately $40,700 and $56,000, respectively, to the Plan.

In 2021, the Organization adopted a Section 457(b) Plan (the 457 Plan), a non-qualified deferred compensation plan for the purpose of providing benefits to certain selected employees. Eligible employees include persons whose employer-provided benefits under the Organization's 457 Plan are limited by compensation cap provisions in the Internal Revenue Code. The Organization may make discretionary contributions to the 457 Plan. The Organization is not liable for any specific investment success nor is it required to restore any loss of principal that may occur due to market conditions. Under current law, such funds remain the assets of the Organization and, as such, are subject to the creditors of the Organization. The Organization contributed $20,000 to the 457 Plan for the years ended December 31, 2022 and 2021.

13. EMPLOYMENT AGREEMENT

The Organization entered into an employment agreement (the Agreement) with its President and Chief Executive Officer (CEO) that provides for annual salary and fringe benefits. The Agreement is effective beginning January 1, 2020 and renews annually for additional one-year periods unless cancelled. If the agreement is terminated early by the Organization, the CEO will receive a minimum of three and a maximum of twelve months of full compensation based upon the years of tenure.

14. COMMITMENTS AND CONTINGENCIES

During 2022, the Organization entered into a contract for 2023 event space. In the event of cancellation, the Organization would be responsible for certain fees based on the date of cancellation. The minimum penalty is approximately $22,500 and the maximum would be approximately $90,000.

14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

The spread of COVID-19 (coronavirus disease) has had a disruptive impact on the daily life and operations of individuals, businesses, and nonprofits around the world. There is uncertainty about financial and economic impacts in all sectors of the economy. The financial markets have experienced significant volatility, and this may continue for an extended period of time. In light of these circumstances, management continues to assess how best to adapt to changed circumstances.

15. CONDITIONAL GRANT

The Organization received a conditional grant in the amount of $250,000. $62,500 has not been recorded as grants and contributions revenue, as the required criteria under generally accepted accounting principles have not been met as of December 31, 2022. The barriers which must be met for revenue recognition require the Organization to host certain training events.

16. FINANCIAL RISK

The Organization invests in professionally managed portfolios that contain mutual funds, stocks, and bonds. Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amount reported in the financial statements.

17. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 3, 2023, the date on which the financial statements were available to be issued.