



## Audited Financial Statements

December 31, 2022



## Independent Auditor's Report

To the Board of Directors of  
CFLeads

### ***Opinion***

We have audited the accompanying financial statements of CFLeads, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CFLeads and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CFLeads' 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 CFLeads' ability to continue as a going concern for a reasonable period of time.

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

***Report on Summarized Comparative Information***

The financial statements of CFLeads as of and for the year ended December 31, 2021, were audited by other auditors whose report dated April 20, 2022 expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects with the audited financial statements from which it was derived.

A handwritten signature in blue ink that reads "Sax CPAs LLP". The signature is written in a cursive, flowing style.

New York, NY  
May 17, 2023

**CFLEADS**  
**STATEMENT OF FINANCIAL POSITION**  
**AT DECEMBER 31, 2022**  
(With comparative totals at December 31, 2021)

|                                       | <u>12/31/22</u>           | <u>12/31/21</u>            |
|---------------------------------------|---------------------------|----------------------------|
| <b>Assets</b>                         |                           |                            |
| Cash and cash equivalents             | \$2,795,992               | \$10,060,213               |
| Investments (Note 3)                  | 6,081,231                 | 0                          |
| Pledges receivable, net (Note 4)      | 434,000                   | 921,868                    |
| Fees receivable                       | 35,526                    | 35,526                     |
| Prepaid expenses and other assets     | <u>3,624</u>              | <u>4,496</u>               |
| Total assets                          | <u><u>\$9,350,373</u></u> | <u><u>\$11,022,103</u></u> |
|                                       |                           |                            |
| <b>Liabilities and Net Assets</b>     |                           |                            |
| Liabilities:                          |                           |                            |
| Accounts payable and accrued expenses | \$534,323                 | \$116,881                  |
| Deferred revenue                      | <u>25,882</u>             | <u>49,075</u>              |
| Total liabilities                     | <u><u>560,205</u></u>     | <u><u>165,956</u></u>      |
| Net assets:                           |                           |                            |
| Without donor restrictions            | 6,922,489                 | 7,110,169                  |
| With donor restrictions (Note 5)      | <u>1,867,679</u>          | <u>3,745,978</u>           |
| Total net assets                      | <u><u>8,790,168</u></u>   | <u><u>10,856,147</u></u>   |
| Total liabilities and net assets      | <u><u>\$9,350,373</u></u> | <u><u>\$11,022,103</u></u> |

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

**CFLEADS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(With comparative totals for the year ended December 31, 2021)

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total<br>12/31/22         | Total<br>12/31/21          |
|---|-------------------------------|----------------------------|---------------------------|----------------------------|
| Public support and revenue:                   |                               |                            |                           |                            |
| Contributions                                 | \$512,993                     | \$151,000                  | \$663,993                 | \$9,118,089                |
| Loan forgiveness -                            |                               |                            |                           |                            |
| Paycheck Protection Program (Note 6)          |                               |                            | 0                         | 95,265                     |
| Fees  | 120,930                       |                            | 120,930                   | 117,091                    |
| Less: scholarships                            | (49,000)                      |                            | (49,000)                  | 0                          |
| Other income                                  | 56,632                        |                            | 56,632                    | 87,816                     |
| Investment return (Note 3)                    | (34,097)                      |                            | (34,097)                  | 0                          |
| Net assets released from restriction (Note 5) | 2,029,299                     | (2,029,299)                | 0                         | 0                          |
| Total public support and revenue              | <u>2,636,757</u>              | <u>(1,878,299)</u>         | <u>758,458</u>            | <u>9,418,261</u>           |
| Expenses:                                     |                               |                            |                           |                            |
| Program services                              | <u>2,193,654</u>              |                            | <u>2,193,654</u>          | <u>3,072,433</u>           |
| Supporting services:                          |                               |                            |                           |                            |
| Management and general                        | 601,833                       |                            | 601,833                   | 338,821                    |
| Fundraising                                   | <u>28,950</u>                 |                            | <u>28,950</u>             | <u>24,329</u>              |
| Total supporting services                     | <u>630,783</u>                | <u>0</u>                   | <u>630,783</u>            | <u>363,150</u>             |
| Total expenses                                | <u>2,824,437</u>              | <u>0</u>                   | <u>2,824,437</u>          | <u>3,435,583</u>           |
| Change in net assets                          | (187,680)                     | (1,878,299)                | (2,065,979)               | 5,982,678                  |
| Net assets - beginning of year                | <u>7,110,169</u>              | <u>3,745,978</u>           | <u>10,856,147</u>         | <u>4,873,469</u>           |
| Net assets - end of year                      | <u><u>\$6,922,489</u></u>     | <u><u>\$1,867,679</u></u>  | <u><u>\$8,790,168</u></u> | <u><u>\$10,856,147</u></u> |

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

**CFLEADS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(With comparative totals for the year ended December 31, 2021)

|                                  | Program Services |                                  |                       |                            |                        | Supporting Services    |             |                           |                         |                         |
|----------------------------------|------------------|----------------------------------|-----------------------|----------------------------|------------------------|------------------------|-------------|---------------------------|-------------------------|-------------------------|
|                                  | Share Knowledge  | Building Organizational Capacity | Organizing for Impact | Galvanize Action on Issues | Total Program Services | Management and General | Fundraising | Total Supporting Services | Total Expenses 12/31/22 | Total Expenses 12/31/21 |
| Salaries                         | \$126,005        | \$284,148                        | \$70,438              | \$392,135                  | \$872,726              | \$138,523              | \$21,377    | \$159,900                 | \$1,032,626             | \$879,263               |
| Payroll taxes and benefits       | 27,267           | 57,985                           | 14,690                | 82,361                     | 182,303                | 28,534                 | 4,455       | 32,989                    | 215,292                 | 193,140                 |
| Professional fees                | 33,905           | 187,674                          |                       | 321,516                    | 543,095                | 375,086                |             | 375,086                   | 918,181                 | 832,310                 |
| Occupancy                        | 4,747            | 10,704                           | 2,653                 | 14,772                     | 32,876                 | 5,218                  | 806         | 6,024                     | 38,900                  | 32,400                  |
| Meetings, travel and conferences | 5,363            | 88,618                           | 2,268                 | 140,193                    | 236,442                | 34,120                 | 687         | 34,807                    | 271,249                 | 50,327                  |
| Grants                           |                  | 10,000                           |                       | 250,000                    | 260,000                |                        |             | 0                         | 260,000                 | 1,389,001               |
| Information technology           | 5,825            | 13,135                           | 3,256                 | 18,127                     | 40,343                 | 6,403                  | 989         | 7,392                     | 47,735                  | 35,583                  |
| Insurance                        | 1,392            | 3,139                            | 778                   | 4,333                      | 9,642                  | 1,530                  | 237         | 1,767                     | 11,409                  | 10,258                  |
| Office expenses                  | 1,037            | 2,339                            | 580                   | 3,228                      | 7,184                  | 10,984                 | 177         | 11,161                    | 18,345                  | 5,393                   |
| Dues and subscriptions           | 1,306            | 2,944                            | 730                   | 4,063                      | 9,043                  | 1,435                  | 222         | 1,657                     | 10,700                  | 7,908                   |
| Total expenses                   | \$206,847        | \$660,686                        | \$95,393              | \$1,230,728                | \$2,193,654            | \$601,833              | \$28,950    | \$630,783                 | \$2,824,437             | \$3,435,583             |

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

**CFLEADS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(With comparative totals for the year ended December 31, 2021)

|   | <u>12/31/22</u>           | <u>12/31/21</u>            |
|---|---------------------------|----------------------------|
| Cash flows from operating activities:   |                           |                            |
| Change in net assets  | (\$2,065,979)             | \$5,982,678                |
| Adjustments to reconcile change in net assets<br>to net cash (used for)/provided by operating activities: |                           |                            |
| Net realized and unrealized loss on investments   | 89,130                    | 0                          |
| Forgiveness of Paycheck Protection Program loan   | 0                         | (95,265)                   |
| Changes in assets and liabilities:  |                           |                            |
| Pledges receivable  | 487,868                   | 1,015,747                  |
| Fees receivable   | 0                         | 8,737                      |
| Prepaid expenses and other assets   | 872                       | (690)                      |
| Accounts payable and accrued expenses   | 417,442                   | 40,798                     |
| Deferred revenue  | (23,193)                  | 9,212                      |
| Total adjustments   | <u>972,119</u>            | <u>978,539</u>             |
| Net cash (used for)/provided by operating activities  | <u>(1,093,860)</u>        | <u>6,961,217</u>           |
| Cash flows from investing activities:   |                           |                            |
| Purchase of investments (including reinvested dividends)  | (6,256,157)               | 0                          |
| Proceeds from sales of investments  | <u>85,796</u>             | <u>0</u>                   |
| Net cash used for investing activities  | <u>(6,170,361)</u>        | <u>0</u>                   |
| Net (decrease)/increase in cash and cash equivalents  | (7,264,221)               | 6,961,217                  |
| Cash and cash equivalents - beginning of year   | <u>10,060,213</u>         | <u>3,098,996</u>           |
| Cash and cash equivalents - end of year   | <u><u>\$2,795,992</u></u> | <u><u>\$10,060,213</u></u> |
| Supplemental disclosure:  |                           |                            |
| Taxes and interest paid   | <u><u>\$0</u></u>         | <u><u>\$0</u></u>          |

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

**CFLEADS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**Note 1 - Organization**

CFLeads helps community foundations build strong communities by advancing effective practices, sharing knowledge, and galvanizing action on critical issues of our time.

CFLeads is a national not-for-profit network of community foundations offering conferences, forums, webinars, resources, structured intensive learning opportunities for foundation leaders, and consulting services to the community foundation field. CFLeads' primary source of revenue is contributions.

The following are significant programs offered by CFLeads:

- **Share Knowledge:** Increase field understanding of the value of community leadership as a core organizing strategy for community impact; increase community foundation effectiveness by encouraging field-wide sharing of data and innovations; increase knowledge of issues, solutions, and opportunities for field-wide collaboration.
- **Building Organizational Capacity:** Build understanding of community leadership among community foundation board, senior staff, and partners; create strong peer connections among community foundations; influence the adoption of community leadership practices.
- **Organizing for Impact:** Develop partnerships, initiatives and programs to strengthen field-wide impact; support collective action among community foundations on key issues of common concern; build infrastructure to expand community leadership capacity at community foundations of all sizes across the U.S. and the Americas.
- **Galvanize Community Foundation Action on Critical Community Issues:** Build understanding among community foundations of critical issues facing communities; facilitate the adoption of internal practices at community foundations that increase external effectiveness on issues; spur collective action on issues of common concern.

CFLeads has been notified by the Internal Revenue Service that it is a not-for-profit organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation as defined in Section 509(a).



## Note 2 - Significant Accounting Policies

### a. Basis of Accounting

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

### b. Basis of Presentation

Net assets are classified based upon the existence or absence of donor-imposed restrictions as follows:

- *Net Assets Without Donor Restrictions* – represents those resources for which there are no restrictions by donors as to their use. The Board of Directors has established an operating reserve. The purpose of the operating reserve fund is to ensure the stability of CFLeads in carrying out the mission, programs, employment, and ongoing operations of CFLeads. It is 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. See Note 7 for details.
- *Net Assets With Donor Restrictions* – represents those resources, the uses of which have been restricted by donors to specific purposes, the passage of time or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

### c. Revenue Recognition

CFLeads follows the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 606 for recognizing revenue from contracts with customers. CFLeads analyzes each source of revenue to determine that it has a contract with the customer that identifies both the performance obligation and the transaction price. Revenue is recognized when the performance obligation is completed.

Fees income fall under FASB ASC 606. The performance obligation is considered to be met when the services are performed. Fees received in advance of performing services are recorded as deferred income and will be recognized as income in the period earned.

CFLeads follows FASB ASC 958-605 for recording contributions, which are recognized at the time a contribution becomes unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. Contributions that do contain donor restrictions are recorded in the class of net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified in the class of net assets without donor restrictions.

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

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

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

d. Cash and Cash Equivalents

Management considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents for the accompanying statement of cash flows, excluding those held in investment accounts.

e. Investments and Fair Value Measurement

Investments with readily available market prices are reflected at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Unrealized and realized gains and losses are included on the statement of activities. See Note 3 for additional information.

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

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

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

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

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

f. Concentration of Credit Risk

Financial instruments that potentially subject CFLeads to a concentration of credit risk consist of cash which is placed with financial institutions that management deems to be creditworthy. At year end and at various times throughout the year, balances were in excess of insured amounts; however, no losses were incurred due to bank failure.

g. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The following expenses were allocated using time and effort as the basis:

- Salaries, payroll taxes and benefits
- Meetings, travel, conferences
- Information technology
- Insurance
- Office expenses

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

h. Advertising Costs

Advertising costs are expensed as incurred.

i. Management Estimates

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

j. Donated Services

Donated services are recognized in circumstances where the service creates or enhances a non-financial asset or where those services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind. Board members and other individuals volunteer their time and perform a variety of services that assist CFLeads. These services do not meet the criteria outlined above and have not been recorded in the financial statements.

k. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2021, from which the summarized information was derived.

l. Accounting for Uncertainty of Income Taxes

Management does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending December 31, 2019 and later are subject to examination by applicable taxing authorities.

m. New Accounting Pronouncement

Effective January 1, 2022, CFLeads adopted the requirements of the FASB ASU 2020-07, Not-for-Profit Entities (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional qualitative and quantitative disclosures. Adoption of the standard did not have a material impact on CFLeads' financial statements.

**Note 3 - Investments**

All investments were measured using Level 1 inputs, which are the quoted prices in active markets for identical assets. The following summarizes the composition of investments at December 31, 2022:

|                   |                    |
|-------------------|--------------------|
| Cash              | \$2,043,318        |
| Money funds       | 63,156             |
| Fixed income      | 2,795,506          |
| Equity securities | <u>1,179,251</u>   |
| Total             | <u>\$6,081,231</u> |

Investment return for the year ended December 31, 2022 consists of the following:

|   |                   |
|---|-------------------|
| Interest income                             | \$67,404          |
| Realized and unrealized loss on investments | (89,130)          |
| Investment fees                             | <u>(12,371)</u>   |
| Total                                       | <u>(\$34,097)</u> |

**Note 4 - Pledges Receivable**

As of December 31, 2022, all pledges receivable were due within one year. Pledges receivable, as of December 31, 2021 were due as follows:

|   |                   |                  |
|---|-------------------|------------------|
| Year ending:                            | December 31, 2022 | \$498,779        |
|   | December 31, 2023 | <u>430,600</u>   |
|   |                   | 929,379          |
| Less: discount to present value at 1.5% |                   | <u>(7,511)</u>   |
| Total                                   |                   | <u>\$921,868</u> |

**Note 5 - Net Assets With Donor Restrictions**

The following summarizes the changes in net assets with donor restrictions:

|                            | <u>December 31, 2022</u> |                             |  |                            |
|----------------------------|--------------------------|-----------------------------|--|----------------------------|
|                            | Balance<br><u>1/1/22</u> | Restricted<br>Contributions | Released from<br>Restrictions/<br>Return of<br>Grant Funds | Balance<br><u>12/31/22</u> |
| Program restrictions:      |                          |                             |  |                            |
| Building Org. Capacity     | \$1,772,942              | \$30,000                    | (\$568,243)  | \$1,234,699                |
| Share Knowledge            | 0                        | 75,000                      | (0)  | 75,000                     |
| Galvanize Action on Issues | <u>1,505,547</u>         | <u>0</u>                    | <u>(1,293,567)</u>   | <u>211,980</u>             |
| Total program restrictions | 3,278,489                | 105,000                     | (1,861,810)  | 1,521,679                  |
| Time restricted for 2023   | <u>467,489</u>           | <u>46,000</u>               | <u>(167,489)</u>   | <u>346,000</u>             |
| Total                      | <u>\$3,745,978</u>       | <u>\$151,000</u>            | <u>(\$2,029,299)</u>                                       | <u>\$1,867,679</u>         |

|                            | December 31, 2021  |                      |   |                    |
|----------------------------|--------------------|----------------------|---|--------------------|
|                            | Balance            | Restricted           | Released from<br>Restrictions/<br>Return of | Balance            |
|                            | <u>1/1/21</u>      | <u>Contributions</u> | <u>Grant Funds</u>                          | <u>12/31/21</u>    |
| Program restrictions:      |                    |                      |   |                    |
| Building Org. Capacity     | \$706,367          | \$1,591,600          | (\$525,025)                                 | \$1,772,942        |
| Share Knowledge            | 0                  | 50,000               | (50,000)                                    | 0                  |
| Galvanize Action on Issues | <u>2,988,241</u>   | <u>655,000</u>       | <u>(2,137,694)</u>                          | <u>1,505,547</u>   |
| Total program restrictions | 3,694,608          | 2,296,600            | (2,712,719)                                 | 3,278,489          |
| Time restrictions          | <u>100,000</u>     | <u>467,489</u>       | <u>(100,000)</u>                            | <u>467,489</u>     |
| Total                      | <u>\$3,794,608</u> | <u>\$2,764,089</u>   | <u>(\$2,812,719)</u>                        | <u>\$3,745,978</u> |

**Note 6 - Paycheck Protection Program Loan**

On May 1, 2020, CFLeads obtained a loan from the Small Business Administration ("SBA") in the amount of \$95,265 through the Paycheck Protection Program ("PPP"). Terms of the loan indicated that if certain conditions were met, which included maintaining average work forces during periods subsequent to receipt of the loan funds that were greater than pre-determined historical periods, that the loan, or a portion thereof, would be forgiven.

CFLeads treated the PPP proceeds as a loan payable in accordance with FASB ASC 470. Under this treatment, the proceeds from the loan remained as a liability until the loan was forgiven by the SBA. On March 15, 2021, CFLeads received forgiveness from the SBA for the full amount of the loan. Accordingly, the loan forgiveness was recognized as revenue during the year ended December 31, 2021.

**Note 7 - Net Assets Without Donor Restrictions - Board Designated Net Assets**

The Board of Directors has established an operating reserve as follows:

|                              | <u>12/31/22</u>  | <u>12/31/21</u>  |
|------------------------------|------------------|------------------|
| Balance at beginning of year | \$835,000        | \$428,139        |
| Designations during year     | <u>10,357</u>    | <u>406,861</u>   |
| Balance at end of year       | <u>\$845,357</u> | <u>\$835,000</u> |

**Note 8 - Retirement Plans**

CFLeads offers all employees the option of participating in a 401(k) retirement plan; whereby, the employee can contribute pre-tax dollars up to statutory limits. All full-time employees over 21 years old are eligible after 6 months of service. CFLeads provides matching contributions at its discretion on an annual basis. Contributions to the plan by CFLeads totaled \$73,984 and \$70,537 during the years ended December 31, 2022 and 2021, respectively.

**Note 9 - Liquidity and Availability of Financial Resources**

As part of its liquidity management plan, CFLeads operates its programs within a balanced budget and relies on restricted grants and contributions to fund its operations and program activities.

The following reflects financial assets at year end, reduced by amounts that are not available for general use because of donor-imposed restrictions and Board designations within one year of the statement of financial position date:

|   |               |                    |
|---|---------------|--------------------|
| Cash and cash equivalents   | \$2,795,992   |                    |
| Investments   | 6,081,231     |                    |
| Pledges receivable, net   | 434,000       |                    |
| Fees receivable   | <u>35,526</u> |                    |
| Total financial assets  |               | \$9,346,749        |
| Less amounts not available to be used within one year:                                    |               |                    |
| Board designated operating reserve  |               | (845,357)          |
| Donor restricted contributions – purpose  |               | <u>(1,521,679)</u> |
| Financial assets available to meet cash needs<br>for general expenditures within one year |               | <u>\$6,979,713</u> |

**Note 10 - Subsequent Events**

Subsequent events have been evaluated through May 17, 2023, the date the financial statements were available to be issued. There were no material events that have occurred that required adjustment to or disclosure to the financial statements.