

**PEAK Grantmaking, Inc.**

Financial Statements  
and Independent Auditors' Report

December 31, 2020 and 2019

**PEAK Grantmaking, Inc.**

Financial Statements  
December 31, 2020 and 2019

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
PEAK Grantmaking, Inc.

We have audited the accompanying financial statements of PEAK Grantmaking, Inc. (“PEAK Grantmaking”), which are comprised of the statements of financial position as of December 31, 2020 and 2019; the related statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the financial statements.

### *Management’s Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditor’s Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

*Auditor's Responsibility (continued)*

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PEAK Grantmaking as of December 31, 2020 and 2019, 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.

Handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia  
April 27, 2021

**PEAK Grantmaking, Inc.**

Statements of Financial Position  
December 31, 2020 and 2019

	2020	2019
<b>Assets</b>		
Cash and cash equivalents	\$ 1,197,159	\$ 503,985
Grants and contributions receivable	25,000	211,000
Prepaid expenses and deposit	102,567	57,220
Investments	1,047,863	1,052,104
Property and equipment, net	2,519	7,582
Total assets	<u>\$ 2,375,108</u>	<u>\$ 1,831,891</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 52,791	\$ 81,056
Deferred revenue	391,442	630,087
Loan payable – Paycheck Protection Program	189,873	-
Total liabilities	<u>634,106</u>	<u>711,143</u>
<b>Net Assets (Deficit)</b>		
Without donor restrictions:		
Undesignated	491,750	(498,244)
Board-designated operating reserve	1,047,863	1,052,104
Total without donor restrictions	1,539,613	553,860
With donor restrictions	201,389	566,888
Total net assets	<u>1,741,002</u>	<u>1,120,748</u>
Total liabilities and net assets	<u>\$ 2,375,108</u>	<u>\$ 1,831,891</u>

See accompanying notes.

**PEAK Grantmaking, Inc.**

Statement of Activities  
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Grants and contributions	\$ 1,579,074	\$ 18,350	\$ 1,597,424
Annual conference	50,720	140,605	191,325
Other registration fees	14,029	-	14,029
Membership dues	719,089	-	719,089
Investment return	151,664	-	151,664
Product sales	1,890	-	1,890
Other income	30,385	-	30,385
Released from restrictions	524,454	(524,454)	-
Total revenue and support	<u>3,071,305</u>	<u>(365,499)</u>	<u>2,705,806</u>
<b>Expenses</b>			
Program services:			
Programs	931,373	-	931,373
Member engagement	516,838	-	516,838
Total program services	<u>1,448,211</u>	<u>-</u>	<u>1,448,211</u>
Supporting services:			
Management and general	585,322	-	585,322
Fundraising	52,019	-	52,019
Total supporting services	<u>637,341</u>	<u>-</u>	<u>637,341</u>
Total expenses	<u>2,085,552</u>	<u>-</u>	<u>2,085,552</u>
<b>Change in Net Assets</b>	985,753	(365,499)	620,254
<b>Net Assets, beginning of year</b>	<u>553,860</u>	<u>566,888</u>	<u>1,120,748</u>
<b>Net Assets, end of year</b>	<u><u>\$ 1,539,613</u></u>	<u><u>\$ 201,389</u></u>	<u><u>\$ 1,741,002</u></u>

See accompanying notes.

**PEAK Grantmaking, Inc.**

Statement of Activities  
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Grants and contributions	\$ 636,599	\$ 521,650	\$ 1,158,249
Annual conference	860,774	67,625	928,399
Other registration fees	4,770	-	4,770
Membership dues	545,704	-	545,704
Investment return	163,196	-	163,196
Product sales	12,523	-	12,523
Other income	10,323	-	10,323
Released from restrictions	430,252	(430,252)	-
<b>Total revenue and support</b>	<u>2,664,141</u>	<u>159,023</u>	<u>2,823,164</u>
<b>Expenses</b>			
Program services:			
Programs	1,870,315	-	1,870,315
Member engagement	581,491	-	581,491
<b>Total program services</b>	<u>2,451,806</u>	<u>-</u>	<u>2,451,806</u>
Supporting services:			
Management and general	393,672	-	393,672
Fundraising	100,621	-	100,621
<b>Total supporting services</b>	<u>494,293</u>	<u>-</u>	<u>494,293</u>
<b>Total expenses</b>	<u>2,946,099</u>	<u>-</u>	<u>2,946,099</u>
<b>Change in Net Assets</b>	(281,958)	159,023	(122,935)
<b>Net Assets, beginning of year</b>	<u>835,818</u>	<u>407,865</u>	<u>1,243,683</u>
<b>Net Assets, end of year</b>	<u><u>\$ 553,860</u></u>	<u><u>\$ 566,888</u></u>	<u><u>\$ 1,120,748</u></u>

See accompanying notes.

**PEAK Grantmaking, Inc.**

Statement of Functional Expenses  
For the Year Ended December 31, 2020

	Program Services			Supporting Services			Total Expenses
	Programs	Member Engagement	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 473,652	\$ 383,322	\$ 856,974	\$ 333,791	\$ 43,374	\$ 377,165	\$ 1,234,139
Professional services	201,679	-	201,679	78,612	-	78,612	280,291
Food and beverage	-	670	670	244	-	244	914
Travel	5,489	-	5,489	6,830	-	6,830	12,319
Rent	-	-	-	73,296	-	73,296	73,296
Technology	35,651	38,830	74,481	39,380	-	39,380	113,861
Miscellaneous	11,927	-	11,927	1,090	-	1,090	13,017
Office expenses	-	-	-	16,842	-	16,842	16,842
Promotional items	7,936	2,454	10,390	391	-	391	10,781
Printing and mailing	26,474	3,149	29,623	11,206	-	11,206	40,829
Fees and insurance	6,121	-	6,121	120,215	-	120,215	126,336
Legal and accounting	-	-	-	131,316	-	131,316	131,316
Speaker fees	4,707	1,272	5,979	-	-	-	5,979
Depreciation and amortization	-	1,449	1,449	3,614	-	3,614	5,063
Membership dues	2,612	-	2,612	4,202	-	4,202	6,814
Professional development	-	-	-	3,031	-	3,031	3,031
Subscription/reference	145	-	145	134	-	134	279
Recruitment	-	-	-	10,346	-	10,346	10,346
Training	-	-	-	99	-	99	99
Allocation of administrative expenses	154,980	85,692	240,672	(249,317)	8,645	(240,672)	-
<b>Total Expenses</b>	<b>\$ 931,373</b>	<b>\$ 516,838</b>	<b>\$ 1,448,211</b>	<b>\$ 585,322</b>	<b>\$ 52,019</b>	<b>\$ 637,341</b>	<b>\$ 2,085,552</b>

See accompanying notes.



**PEAK Grantmaking, Inc.**

Statement of Functional Expenses  
For the Year Ended December 31, 2019

	Program Services			Supporting Services			Total Expenses
	Programs	Member Engagement	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 678,218	\$ 319,447	\$ 997,665	\$ 288,520	\$ 76,147	\$ 364,667	\$ 1,362,332
Professional services	205,301	17,224	222,525	270,989	-	270,989	493,514
Food and beverage	327,267	21,977	349,244	21,359	-	21,359	370,603
Travel	51,240	35,265	86,505	41,307	507	41,814	128,319
Rent	-	-	-	87,731	-	87,731	87,731
Technology	124,545	42,068	166,613	55,549	1,440	56,989	223,602
Miscellaneous	10,652	8	10,660	2,921	-	2,921	13,581
Office expenses	377	424	801	19,618	-	19,618	20,419
Promotional items	21,958	1,288	23,246	-	-	-	23,246
Printing and mailing	10,783	10,485	21,268	2,113	-	2,113	23,381
Fees and insurance	19,968	-	19,968	21,856	-	21,856	41,824
Legal and accounting	-	-	-	83,295	-	83,295	83,295
Speaker fees	12,500	6,554	19,054	-	-	-	19,054
Depreciation and amortization	1,079	8,254	9,333	4,324	400	4,724	14,057
Membership dues	24,195	-	24,195	4,568	-	4,568	28,763
Professional development	794	-	794	6,357	-	6,357	7,151
Subscription/reference	340	-	340	1,484	1,624	3,108	3,448
Recruitment	-	14	14	1,765	-	1,765	1,779
Allocation of administrative expenses	381,098	118,483	499,581	(520,084)	20,503	(499,581)	-
<b>Total Expenses</b>	<b>\$ 1,870,315</b>	<b>\$ 581,491</b>	<b>\$ 2,451,806</b>	<b>\$ 393,672</b>	<b>\$ 100,621</b>	<b>\$ 494,293</b>	<b>\$ 2,946,099</b>

See accompanying notes.

**PEAK Grantmaking, Inc.**

Statements of Cash Flows  
For the Years Ended December 31, 2020 and 2019

	2020	2019
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 620,254	\$ (122,935)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	5,063	14,057
Unrealized gain on investments	(126,217)	(137,043)
Change in operating assets and liabilities:		
Decrease (increase) in:		
Grants and contributions receivable	186,000	17,407
Prepaid expenses and deposit	(45,347)	(24,548)
(Decrease) increase in:		
Accounts payable and accrued expenses	(28,265)	52,184
Deferred revenue	(238,645)	99,768
Net cash provided by (used in) operating activities	372,843	(101,110)
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(25,000)	(75,000)
Proceeds from sale of investments	180,600	-
Reinvested interest and dividends	(25,142)	(25,462)
Purchases of property and equipment	-	(3,429)
Net cash provided by (used in) investing activities	130,458	(103,891)
<b>Cash Flows from Financing Activity</b>		
Proceeds from issuance of loan – Paycheck Protection Program	189,873	-
Net cash provided by financing activity	189,873	-
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	693,174	(205,001)
<b>Cash and Cash Equivalents, beginning of year</b>	503,985	708,986
<b>Cash and Cash Equivalents, end of year</b>	\$ 1,197,159	\$ 503,985

See accompanying notes.

## PEAK Grantmaking, Inc.

Notes to Financial Statements  
December 31, 2020 and 2019

### 1. Nature of Operations

PEAK Grantmaking, Inc. (“PEAK Grantmaking”) advances grantmaking so that grantmakers and grantseekers can best achieve their missions. PEAK Grantmaking connects, convenes, and trains grantmakers to create momentum for change, making best practices standard practices, improving the ways grantmakers deliver resources directly to mission-driven activities, leading to better outcomes for grantmakers and grantseekers alike. As the nation’s only nonprofit membership organization devoted to grantmaking operations, PEAK Grantmaking connects its 5,562 members to effective practices, innovative learning experiences, and each other, building the collective knowledge of the field.

PEAK Grantmaking was incorporated as an independent organization on September 2, 2005. PEAK Grantmaking became a registered 501(c)(3) tax-exempt organization in December 2006. PEAK Grantmaking is governed by a Board of Directors, all of whom are elected by the membership for three-year terms. To accomplish its mission, PEAK Grantmaking delivers professional development that helps grant managers achieve more in their jobs through an annual conference, local meetings through its 14 regional chapters, webinars, workshops, and an active online member community. It identifies, develops, and promotes effective grantmaking practices through programs, tools, research, and publications.

All regional chapter program operations are conducted under the management of PEAK Grantmaking staff and all expenses are approved and paid for by PEAK Grantmaking. Accordingly, the accounts and operations of the regional chapters are included in the accompanying financial statements.

### 2. Summary of Significant Accounting Policies

#### Basis of Accounting and Presentation

The financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions, as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing Board has designated, from net assets without donor restrictions, net assets for an operating reserve.

## PEAK Grantmaking, Inc.

Notes to Financial Statements  
December 31, 2020 and 2019

### 2. Summary of Significant Accounting Policies (continued)

#### Basis of Accounting and Presentation (continued)

- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### Cash Equivalents

PEAK Grantmaking considers all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase, to be cash equivalents.

#### Grants and Contributions Receivable

Grants and contributions receivable represent unconditional amounts committed to PEAK Grantmaking. All grants and contributions receivable are deemed to be fully collectible and are reflected at either net realizable value or at net present value based on projected cash flows. No discount was recorded on multi-year receivables during the years ended December 31, 2020 and 2019, due to immateriality. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience. Based on these reviews, management did not deem the use of an allowance for uncollectible receivables to be necessary at December 31, 2020 and 2019.

#### Investments

Investments are stated at fair value. Interest and dividend income is accounted for on an accrual basis. Unrealized gains and losses are included in investment return in the accompanying statements of activities.

## PEAK Grantmaking, Inc.

Notes to Financial Statements  
December 31, 2020 and 2019

### 2. Summary of Significant Accounting Policies (continued)

#### Property and Equipment

Property and equipment with a cost in excess of \$1,000 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation and amortization on property and equipment is computed using the straight-line method over the estimated useful lives of the related assets, which is 3 years for software and equipment. Repairs and maintenance costs are expensed as incurred. Upon the retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the respective accounts, and any resulting gain or loss is included in revenues or expenses.

#### Revenue Recognition

##### *Revenue Accounted for in Accordance with Contribution Accounting*

*Grants and contributions* that are nonreciprocal are recognized as revenue when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. PEAK Grantmaking reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of PEAK Grantmaking's programs or to a future year. When a donor 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 as net assets released from restrictions.

PEAK Grantmaking receives certain promises to give, collected over multiple accounting periods, and classifies the portion receivable in future accounting periods as restricted revenue. PEAK Grantmaking discounts the promises to give using an appropriate discount rate over the contribution period.

##### *Revenue Accounted for as Contracts with Customers*

Revenue is recognized when PEAK Grantmaking satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration PEAK Grantmaking expects to receive in exchange for satisfying distinct performance obligations.

## PEAK Grantmaking, Inc.

Notes to Financial Statements  
December 31, 2020 and 2019

### 2. Summary of Significant Accounting Policies (continued)

#### Revenue Recognition (continued)

##### *Revenue Accounted for as Contracts with Customers (continued)*

If a performance obligation does not meet the criteria to be considered distinct, PEAK Grantmaking combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the statements of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

*Annual conference* revenues are registration fees, exhibitor fees, and exchange sponsorship transactions for the annual meeting and other events and services. Revenue is recognized when the conference and other events are held and services are provided. Amounts received in advance are deferred and recognized when the performance obligations are met.

*Membership dues* are recognized ratably over the applicable membership period. Dues received that are received in advance that are applicable to the following year are recorded as deferred revenue in the accompanying statements of activities.

#### Advertising Costs

PEAK Grantmaking expenses advertising costs as incurred. Advertising expenses totaled \$10,781 and \$23,246 during the years ended December 31, 2020 and 2019, respectively.

#### Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

## PEAK Grantmaking, Inc.

Notes to Financial Statements  
December 31, 2020 and 2019

### 2. Summary of Significant Accounting Policies (continued)

#### 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### Recently Issued Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in 2022.

#### Subsequent Events

In preparing these financial statements, PEAK Grantmaking has evaluated events and transactions for potential recognition or disclosure through April 27, 2021, the date the financial statements were available to be issued.

Subsequent to year end on January 11, 2021, PEAK Grantmaking's loan payable was fully forgiven, as described in Note 8.

### 3. Liquidity and Availability

PEAK Grantmaking strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Management periodically reviews PEAK Grantmaking's liquid asset needs and adjusts the cash and cash equivalents balances as necessary. Amounts in excess of operation liquidity needs are invested in various short-term and highly liquid securities.

Additionally, PEAK Grantmaking considers net assets with donor restrictions for use in current programs that are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The governing Board's designated operating reserves are also available for general expenditures.

## PEAK Grantmaking, Inc.

Notes to Financial Statements  
December 31, 2020 and 2019

### 3. Liquidity and Availability (continued)

Financial assets that are available for general expenditures within one year of the statements of financial position date comprise the following at December 31:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,197,159	\$ 503,985
Grants and contributions receivable, current portion	25,000	186,000
Investments appropriated for current use	<u>1,047,863</u>	<u>1,052,104</u>
Total available for general expenditures	<u>\$ 2,270,022</u>	<u>\$ 1,742,089</u>

### 4. Concentration of Credit Risk

Financial instruments that potentially subject PEAK Grantmaking to significant concentrations of credit risk consist of cash and cash equivalents, and investments. PEAK Grantmaking maintains various cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurance limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). PEAK Grantmaking has not experienced any credit losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

### 5. Grants and Contributions Receivable

Grants and contributions receivable consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Receivable due in less than one year	\$ 25,000	\$ 186,000
Receivable due in one to three years	<u>-</u>	<u>25,000</u>
Total grants and contributions receivable	<u>\$ 25,000</u>	<u>\$ 211,000</u>



## PEAK Grantmaking, Inc.

Notes to Financial Statements  
December 31, 2020 and 2019

### 6. Investments and Fair Value Measurements

Investment return consists of the following for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 25,447	\$ 26,153
Unrealized gain	<u>126,217</u>	<u>137,043</u>
Total investment return	<u>\$ 151,664</u>	<u>\$ 163,196</u>

There were no investment management fees for the years ended December 31, 2020 and 2019.

PEAK Grantmaking follows FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. PEAK Grantmaking recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

PEAK Grantmaking uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

**PEAK Grantmaking, Inc.**

Notes to Financial Statements  
December 31, 2020 and 2019

**6. Investments and Fair Value Measurements (continued)**

The following table presents PEAK Grantmaking's fair value hierarchy for those investments measured at December 31:

	Total fair value	Level 1	Level 2	Level 3
<u>2020:</u>				
Money market funds	\$ 115	\$ 115	\$ -	\$ -
Bond funds:				
Intermediate term bond	394,814	394,814	-	-
High yield bond	21,821	21,821	-	-
Equity funds:				
Mid-cap blend	55,379	55,379	-	-
Large blend	433,281	433,281	-	-
Diversified emerging markets	24,014	24,014	-	-
Small blend	27,377	27,377	-	-
Foreign large blend	91,062	91,062	-	-
<b>Total investments</b>	<b>\$ 1,047,863</b>	<b>\$ 1,047,863</b>	<b>\$ -</b>	<b>\$ -</b>
<u>2019:</u>				
Money market funds	\$ 114	\$ 114	\$ -	\$ -
Bond funds:				
Intermediate term bond	477,947	477,947	-	-
High yield bond	20,228	20,228	-	-
Equity funds:				
Mid-cap blend	40,889	40,889	-	-
Large blend	389,615	389,615	-	-
Diversified emerging markets	20,237	20,237	-	-
Small blend	22,485	22,485	-	-
Foreign large blend	80,589	80,589	-	-
<b>Total investments</b>	<b>\$ 1,052,104</b>	<b>\$ 1,052,104</b>	<b>\$ -</b>	<b>\$ -</b>

## PEAK Grantmaking, Inc.

Notes to Financial Statements  
December 31, 2020 and 2019

### 7. Property and Equipment

Property and equipment consists of the following at December 31:

	2020	2019
Software	\$ 131,467	\$ 131,467
Equipment	31,721	31,721
Total property and equipment	163,188	163,188
Less: accumulated depreciation and amortization	(160,669)	(155,606)
Property and equipment, net	<u>\$ 2,519</u>	<u>\$ 7,582</u>

### 8. Loan Payable – Paycheck Protection Program

On May 12, 2020, PEAK Grantmaking was granted a loan from a financial institution, in the amount of \$189,873, pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The PPP is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll through the COVID-19 pandemic, for which PEAK Grantmaking qualified. After the loans are granted, the Small Business Administration (SBA) will forgive loans if all employee retention criteria are met, and the funds are used for eligible expenses (which primarily consist of payroll costs, costs used to continue group healthcare benefits, rent, and utilities).

The loan was granted to PEAK Grantmaking on May 12, 2020 in the amount of \$189,873, with terms including a 1.00% fixed interest rate. The loan was scheduled to mature on May 12, 2022. Subsequent to year end on January 11, 2021, the SBA approved full forgiveness of the loan, and remitted the forgiveness amount to the financial institution, including applicable interest accruals.

**PEAK Grantmaking, Inc.**

Notes to Financial Statements  
December 31, 2020 and 2019

**9. Revenue from Contracts with Customers**

PEAK Grantmaking’s membership dues include monthly journal and other membership benefits, such as access to the members-only section of the website, webinars, and discounts on certain services and events. The promises to deliver all of the performance obligations included in the membership dues, other than the journal subscription, are distinct; however, PEAK Grantmaking has determined that each individual benefit is not material in the context of the membership agreement and should be accounted for as a single performance obligation. All membership benefits are received simultaneously and the membership performance obligation is satisfied over time. Accordingly, membership benefits are recognized ratably over the membership period.

All other types of deferred revenue payments are recognized as the performance obligations are met.

The following table provides information about changes in deferred revenue for the years ended December 31:

	Deferred Membership Dues	Deferred Conference Revenue	Deferred Other Revenue	Total
Balance at December 31, 2018	\$ 303,355	\$ 226,964	\$ -	\$ 530,319
Revenue recognized	(303,355)	(226,964)	-	(530,319)
Payments received for future obligations	<u>305,607</u>	<u>324,480</u>	<u>-</u>	<u>630,087</u>
Balance at December 31, 2019	305,607	324,480	-	630,087
Revenue recognized	(305,607)	(324,480)	-	(630,087)
Payments received for future obligations	<u>381,320</u>	<u>6,122</u>	<u>4,000</u>	<u>391,442</u>
Balance at December 31, 2020	<u><u>\$ 381,320</u></u>	<u><u>\$ 6,122</u></u>	<u><u>\$ 4,000</u></u>	<u><u>\$ 391,442</u></u>

## PEAK Grantmaking, Inc.

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### 10. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Purpose restricted:		
Racial equity program activities	\$ -	\$ 248,916
Conference sponsorships	10,000	27,000
Time restricted	<u>191,389</u>	<u>290,972</u>
Total net assets with donor restrictions	<u>\$ 201,389</u>	<u>\$ 566,888</u>

### 11. Commitments and Contingencies

#### Operating Lease

PEAK Grantmaking leased office space under an operating lease, which commenced on April 1, 2017 and expired on May 31, 2018. Upon expiration of the lease, PEAK Grantmaking renewed the lease for an additional year through May 31, 2019. On August 1, 2019, PEAK Grantmaking renewed the lease through August 31, 2021. The renewed lease requires monthly rent payments with an annual 4% rent increase. The difference between actual rent payments and the computed rent amounts is not recorded in the accompanying statements of financial position due to immateriality.

Rent expense for the years ended December 31, 2020 and 2019 totaled \$73,296 and \$87,731, respectively.

Future minimum lease payments for the operating lease are \$50,819 for the year ending December 31, 2021.

#### Hotel Commitments

PEAK Grantmaking holds its annual conference at various hotels throughout the United States. These events are contracted with hotels for its future meetings. In the event that PEAK Grantmaking cancels its agreement with the hotels, it can be held liable for liquidated damages up to the amount of lost profit less the hotel's mitigation, depending upon the date of cancellation. As a result of the COVID-19 pandemic, the annual conference scheduled to be held in March 2020 was cancelled. No penalty fees were paid as a result of cancellation.

## PEAK Grantmaking, Inc.

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### 11. Commitments and Contingencies (continued)

#### Grants Contingency

Certain grants received by PEAK Grantmaking are governed by various guidelines and contractual agreements, and are subject to audit or review by the applicable funding source that could result in requests for reimbursements for expenditures that are not allowed. Therefore, a contingency to refund amounts received in excess of allowable costs exists. Management is of the opinion that no material liability currently exists.

#### Service Organization

During 2015, PEAK Grantmaking began contracting with Insperty PEO Services, L.P. (“Insperty”) as their professional employer organization. Insperty is the employer of record for tax, benefits, and insurance purposes for PEAK Grantmaking’s employees. This co-employment relationship allows PEAK Grantmaking to maintain direct control of the day-to-day activities of employees, while Insperty assumes the administrative functions of human resources and absorbs many employer-related liabilities.

### 12. Retirement Plan

PEAK Grantmaking maintains a 401(k) retirement plan that is administered by Insperty as part of its co-employment agreement. All employees are eligible to participate in the plan after they meet certain eligibility requirements. PEAK Grantmaking matches employees’ contributions by contributing 100% of the first 3% of the employees’ compensation and 50% up to the first 5% of the employees’ compensation. Additionally, PEAK Grantmaking may make discretionary contributions to the plan. Contribution expense totaled \$26,525 and \$31,217 for the years ended December 31, 2020 and 2019, respectively.

### 13. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Where feasible, PEAK Grantmaking allocates its expenses directly to specific programs or functions. Additionally, PEAK Grantmaking utilizes an indirect cost allocation methodology to allocate its expenses. The expenses that are allocated include salaries, benefits, and payroll taxes, which are allocated on the basis of monthly percentages of the total administrative allowable costs against the total program expenses. These monthly percentages are based on estimates of time and effort. Additionally, other expenses are allocated across specific programs or functions based on an estimated percentage of time and effort spent by staff on the natural type of expense.

## **PEAK Grantmaking, Inc.**

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### **14. Income Taxes**

PEAK Grantmaking is exempt from the payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code (IRC), and is not a private foundation pursuant to IRC Section 509(a)(1). For the years ended December 31, 2020 and 2019, there was no unrelated business income and, accordingly, no federal or state income taxes have been recorded.

Management has evaluated PEAK Grantmaking's tax positions and has concluded that PEAK Grantmaking has taken no uncertain tax positions that qualify for either recognition or disclosure in the financial statements for the years ended December 31, 2020 and 2019.

### **15. Results of Operations**

Through the year ended December 31, 2019, PEAK Grantmaking experienced three consecutive years of net deficits, resulting in an undesignated net deficit of \$498,244 at December 31, 2019. During the year ended December 31, 2020, PEAK Grantmaking experienced an operating surplus in the amount of \$620,254, resulting in positive balances in all net asset categories. Management is aware that potential losses could potentially have a significant effect on PEAK Grantmaking's programs and operations. Management is implementing strategies to stabilize reserves, reduce expenditures, expand funding streams, and seek broader contribution sources. PEAK Grantmaking expects to build its reserves in future years. The financial statements do not include any adjustments that may be necessary if PEAK Grantmaking is unable to continue as a going concern.

### **16. COVID-19 Pandemic**

The COVID-19 outbreak in the United States and around the world has caused business disruption due to mandatory lockdowns implemented in most states in order to slow down the spread of the virus. PEAK Grantmaking's management has been monitoring the situation and implementing certain changes in its operations and upcoming events in order to mitigate the impact of this pandemic. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration, and the full financial impact cannot be reasonably estimated at this time.