

PEAK Grantmaking, Inc.

Financial Statements

December 31, 2023 and 2022

Independent Auditors' Report

Board of Directors
PEAK Grantmaking, Inc.

Opinion

We have audited the accompanying financial statements of PEAK Grantmaking, Inc., which comprise the statements of financial position as of December 31, 2023 and 2022, 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 PEAK Grantmaking, Inc. as of December 31, 2023 and 2022, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PEAK Grantmaking, Inc. 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 PEAK Grantmaking, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 PEAK Grantmaking, Inc.'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 PEAK Grantmaking, Inc.'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.

PKF O'Connor Davies, LLP

April 25, 2024

PEAK Grantmaking, Inc.

Statements of Financial Position

	December 31	
	2023	2022
ASSETS		
Cash and cash equivalents	\$ 1,934,443	\$ 4,244,718
Grants and contributions receivable	81,250	253,000
Accounts receivable	100,818	91,000
Prepaid expenses and deposits	148,206	134,564
Investments	1,361,266	1,167,883
Property and equipment, net	19,333	36,117
	<u>\$ 3,645,316</u>	<u>\$ 5,927,282</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 349,417	\$ 117,743
Refundable advances	37,500	37,500
Deferred revenue	779,180	322,100
Total Liabilities	<u>1,166,097</u>	<u>477,343</u>
Net Assets		
Without Donor Restrictions:		
Undesignated	532,785	3,400,055
Board designated operating reserve	1,361,266	1,167,883
Total Without Donor Restrictions	<u>1,894,051</u>	<u>4,567,938</u>
With donor restrictions	<u>585,168</u>	<u>882,001</u>
Total Net Assets	<u>2,479,219</u>	<u>5,449,939</u>
	<u>\$ 3,645,316</u>	<u>\$ 5,927,282</u>

See notes to financial statements

PEAK Grantmaking, Inc.

Statements of Activities

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Grants and contributions	\$ 1,455,198	\$ 105,000	\$ 1,560,198	\$ 1,167,830	\$ 1,025,000	\$ 2,192,830
Annual conference	105,000	330,000	435,000	1,022,000	126,700	1,148,700
Other registration fees	975,805	-	975,805	270,040	-	270,040
Membership dues	397,620	-	397,620	387,833	-	387,833
Workshops	67,550	-	67,550	-	-	-
Conference exhibitors	98,001	-	98,001	48,000	-	48,000
Contract income	-	-	-	41,500	-	41,500
Investment return	194,296	-	194,296	(228,335)	-	(228,335)
Product sales	45	-	45	45	-	45
In-kind contributions	18,849	-	18,849	4,300	-	4,300
Other income	114,920	-	114,920	177,293	-	177,293
Net assets released from restrictions	731,833	(731,833)	-	541,005	(541,005)	-
Total Support and Revenue	<u>4,159,117</u>	<u>(296,833)</u>	<u>3,862,284</u>	<u>3,431,511</u>	<u>610,695</u>	<u>4,042,206</u>
EXPENSES						
Program Services						
Programs	4,252,541	-	4,252,541	1,548,140	-	1,548,140
Member engagement	1,251,082	-	1,251,082	856,453	-	856,453
Total Program Services	<u>5,503,623</u>	<u>-</u>	<u>5,503,623</u>	<u>2,404,593</u>	<u>-</u>	<u>2,404,593</u>
Supporting Services						
Management and general	1,133,331	-	1,133,331	834,382	-	834,382
Fundraising	196,050	-	196,050	226,321	-	226,321
Total Supporting Services	<u>1,329,381</u>	<u>-</u>	<u>1,329,381</u>	<u>1,060,703</u>	<u>-</u>	<u>1,060,703</u>
Total Expenses	<u>6,833,004</u>	<u>-</u>	<u>6,833,004</u>	<u>3,465,296</u>	<u>-</u>	<u>3,465,296</u>
Change in Net Assets	(2,673,887)	(296,833)	(2,970,720)	(33,785)	610,695	576,910
NET ASSETS						
Beginning of year	<u>4,567,938</u>	<u>882,001</u>	<u>5,449,939</u>	<u>4,601,723</u>	<u>271,306</u>	<u>4,873,029</u>
End of year	<u>\$ 1,894,051</u>	<u>\$ 585,168</u>	<u>\$ 2,479,219</u>	<u>\$ 4,567,938</u>	<u>\$ 882,001</u>	<u>\$ 5,449,939</u>

See notes to financial statements

PEAK Grantmaking, Inc.

Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program Services			Supporting Services			Total Expenses
	Programs	Member Engagement	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 1,211,142	\$ 842,230	\$ 2,053,372	\$ 723,269	\$ 146,172	\$ 869,441	\$ 2,922,813
Professional services	622,433	25,900	648,333	450,837	-	450,837	1,099,170
Catering	612,259	5,114	617,373	31,990	-	31,990	649,363
Travel	57,055	15,121	72,176	161,452	-	161,452	233,628
Rent	-	-	-	12,839	-	12,839	12,839
Technology	397,332	-	397,332	539,097	360	539,457	936,789
Office expenses	3,312	-	3,312	57,808	-	57,808	61,120
Promotional items	11,729	20,656	32,385	-	-	-	32,385
Printing and mailing	20,876	1,061	21,937	9,146	-	9,146	31,083
Insurance	15,447	-	15,447	44,962	15	44,977	60,424
Legal and accounting (includes contributed legal services of \$18,849)	-	-	-	203,462	-	203,462	203,462
Grant expense	125,000	-	125,000	-	-	-	125,000
Speaker fees	87,128	26,886	114,014	-	-	-	114,014
Postconference event	44,902	-	44,902	-	-	-	44,902
Membership dues	846	1,875	2,721	29,931	-	29,931	32,652
Professional development	2,606	2,689	5,295	214,593	-	214,593	219,888
Subscription/reference	365	-	365	11,452	1,695	13,147	13,512
Recruitment	-	4,466	4,466	1,173	-	1,173	5,639
Miscellaneous	3,100	-	3,100	10,279	-	10,279	13,379
Depreciation and amortization	-	-	-	20,942	-	20,942	20,942
Allocation of administrative expenses	1,037,009	305,084	1,342,093	(1,389,901)	47,808	(1,342,093)	-
	<u>\$ 4,252,541</u>	<u>\$ 1,251,082</u>	<u>\$ 5,503,623</u>	<u>\$ 1,133,331</u>	<u>\$ 196,050</u>	<u>\$ 1,329,381</u>	<u>\$ 6,833,004</u>

See notes to financial statements

PEAK Grantmaking, Inc.

**Statement of Functional Expenses
For the Year Ended December 31, 2022**

	Program Services			Supporting Services			Total Expenses
	Programs	Member Engagement	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 835,086	\$ 564,197	\$ 1,399,283	\$ 519,269	\$ 109,997	\$ 629,266	\$ 2,028,549
Professional services	124,047	9,700	133,747	324,149	53,017	377,166	510,913
Catering	-	4,561	4,561	24,371	-	24,371	28,932
Travel	9,073	627	9,700	168,596	-	168,596	178,296
Rent	-	-	-	4,990	-	4,990	4,990
Technology	93,885	9,964	103,849	89,897	360	90,257	194,106
Office expenses	206	120	326	24,531	-	24,531	24,857
Promotional items	1,470	6,332	7,802	-	-	-	7,802
Printing and mailing	12,113	22	12,135	30,463	-	30,463	42,598
Insurance	8,722	-	8,722	24,823	-	24,823	33,545
Legal and accounting (includes contributed legal services of \$4,300)	-	-	-	179,364	-	179,364	179,364
Speaker fees	26,400	13,000	39,400	-	-	-	39,400
Membership dues	-	3,965	3,965	18,917	-	18,917	22,882
Professional development	1,670	6,186	7,856	117,216	-	117,216	125,072
Subscription/reference	-	-	-	5,003	-	5,003	5,003
Recruitment	-	-	-	777	-	777	777
Miscellaneous	8,348	-	8,348	10,673	-	10,673	19,021
Depreciation and amortization	-	222	222	18,967	-	18,967	19,189
Allocation of administrative expenses	427,120	237,557	664,677	(727,624)	62,947	(664,677)	-
	<u>\$ 1,548,140</u>	<u>\$ 856,453</u>	<u>\$ 2,404,593</u>	<u>\$ 834,382</u>	<u>\$ 226,321</u>	<u>\$ 1,060,703</u>	<u>\$ 3,465,296</u>

See notes to financial statements

PEAK Grantmaking, Inc.

Statements of Cash Flows

	December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (2,970,720)	\$ 576,910
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	20,942	19,189
Realized (gains) on sale of investments	(112,618)	-
Unrealized (gain) loss on investments	(43,900)	256,071
Changes in operating assets and liabilities		
Grants and contributions receivable	171,750	(76,000)
Accounts receivable	(9,818)	9,000
Prepaid expenses and deposits	(13,642)	(12,059)
Accounts payable and accrued expenses	231,674	50,538
Refundable advances	-	37,500
Deferred revenue	457,080	103,161
Net Cash from Operating Activities	(2,269,252)	964,310
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,314,537)	-
Sale of investments	1,306,438	-
Reinvested interest and dividends	(28,766)	(26,983)
Purchases of property and equipment	(4,158)	(31,154)
Net Cash from Investing Activities	(41,023)	(58,137)
Net Change in Cash and Cash Equivalents	(2,310,275)	906,173
CASH AND CASH EQUIVALENTS		
Beginning of year	4,244,718	3,338,545
End of year	\$ 1,934,443	\$ 4,244,718

See notes to financial statements

PEAK Grantmaking, Inc.

Notes to Financial Statements
December 31, 2023 and 2022

1. Organization and Tax Status

PEAK Grantmaking, Inc. ("PEAK Grantmaking") advances equitable grantmaking practices 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 8,016 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 Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which 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 the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Adoption of New Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board issued an accounting pronouncement related to the measurement of credit losses on financial instruments. This pronouncement and subsequently issued Accounting Standards Updates, clarified certain provisions of the new guidance, changed the impairment model for most financial assets and required the use of an "expected loss" model for instruments measured at amortized cost. Under this model, entities are required to estimate the lifetime expected credit losses on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset. The adoption of this guidance on January 1, 2023 expanded PEAK Grantmaking's required disclosures for its expected credit losses for accounts receivable but did not have a material effect on its financial statements.

PEAK Grantmaking, Inc.

Notes to Financial Statements
December 31, 2023 and 2022

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

Cash and 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.

Accounts Receivable and Allowance for Credit Losses

Prior to January 1, 2023, accounts receivable were recorded at the amount invoiced less an allowance for doubtful accounts. The net amount of accounts receivable and corresponding allowance for doubtful accounts were presented on the statement of financial position. Receivable balances were assessed at every reporting date for impairment and an allowance was recorded if the receivable was considered impaired. Subsequent to January 1, 2023, accounts receivable are recorded at amortized cost less an allowance for credit losses that are not expected to be recovered. The amount of accounts receivable and corresponding allowance for credit losses are presented on the statement of financial position. PEAK Grantmaking maintains allowances for credit losses resulting from the expected failure or inability of its customers to make required payments. PEAK Grantmaking recognizes the allowance for credit losses at inception and reassesses at every reporting date based on the asset's expected collectability. The allowance is based on multiple factors including historical experience with bad debts, the credit quality of the customer base, the aging of such receivables and current macroeconomic conditions, as well as expectations of conditions in the future, if applicable. PEAK Grantmaking's allowance for credit losses is based on the assessment of the collectability of assets pooled together with similar risk characteristics.

PEAK Grantmaking records a provision for expected credit losses using a historical loss-rate method based on the ratio of its historical write-offs to its average trade accounts receivable. At each reporting period, PEAK Grantmaking assesses whether financial assets in a pool continue to display similar risk characteristics. If particular receivables no longer display risk characteristics that are similar to those of the receivables in the pool, PEAK Grantmaking may determine that it needs to move those receivables to a different pool or perform an individual assessment of expected credit losses for those specific receivables. Management has determined no allowance was necessary at December 31, 2023 and 2022.

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.

PEAK Grantmaking, Inc.

Notes to Financial Statements
December 31, 2023 and 2022

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

Fair Value of Financial Instruments

PEAK Grantmaking follows U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investments Valuation and Income Recognition

Investments are carried at their fair value. Interest and dividend income is recorded when earned. Realized and unrealized gains and losses are included in the change in net assets.

Property and Equipment

Property and equipment with a cost in excess of \$3,000 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. Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is identified. If the carrying amount of the asset is not recoverable, the asset is written down to the fair value. There were no asset impairments for the years ended December 31, 2023 and 2022.

Net Asset Presentation

Net assets are categorized as without donor restrictions and with donor restrictions.

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.

Net Assets With Donor Restrictions - Funds that PEAK Grantmaking may use in accordance with donor's restrictions for specific purposes or upon the passage of time or require PEAK Grantmaking to maintain them in perpetuity.

Board Designated Net Assets

The Board of Directors, at its discretion, designates funds from net assets without donor restrictions for specific purposes. At December 31, 2023 and 2022 amounts that were designated for future projects were \$1,361,266 and \$1,167,883.

PEAK Grantmaking, Inc.

Notes to Financial Statements
December 31, 2023 and 2022

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

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.

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.

Revenue Accounted for as Contracts with Customers (continued)

Annual conference revenues include 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 that are received in advance that are applicable to the following year are recorded as deferred revenue in the accompanying statements of financial position.

PEAK Grantmaking, Inc.

Notes to Financial Statements
December 31, 2023 and 2022

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

Contract Income

Contract income is derived from an organization where a member of PEAK Grantmaking participated in a Racial Healing Certification Program. The contracts are conditioned upon certain performance requirements or deliverables and/or the incurrence of qualifying expenses. Revenue is recognized when the member of PEAK Grantmaking has either completed required deliverables or incurred expenditures in compliance with specific contract provisions. Amounts received prior to contract performance or related expenditures are reported as refundable advances in the statements of financial position. This source of income is an unusual occurrence and is not expected to recur.

Allowance for Doubtful Accounts

An allowance for doubtful accounts is established for amounts where there exists doubt as to whether an amount will be fully collected. The determination of this allowance is an estimate based on PEAK Grantmaking's historical experience, review of account balances and expectations relative to collections. Management has determined no allowance was necessary at December 31, 2023 and 2022.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Advertising Costs

PEAK Grantmaking expenses advertising costs as incurred. Advertising expenses totaled \$32,385 and \$7,802 during the years ended December 31, 2023 and 2022.

In-kind Contributions

	<u>2023</u>	<u>2022</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Services	<u>\$ 18,849</u>	<u>\$ 4,300</u>	Program and Administration	No associated donor restrictions	Contributed services are valued at the estimated fair value based on current rates for similar services.

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 presents 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, 2023 and 2022

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

Functional Allocation of Expenses (continued)

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.

Accounting for Uncertainty in Income Taxes

PEAK Grantmaking recognizes the effect of income tax positions only when they are more likely than not to be sustained. Management has determined that PEAK Grantmaking had no uncertain tax positions that would require financial statement recognition or disclosure. PEAK Grantmaking is no longer subject to examinations by the applicable taxing jurisdictions for the periods prior to 2020.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 25, 2024.

3. Concentrations of Credit Risk

Financial instruments that potentially subject PEAK Grantmaking to concentrations of credit and market risk consist principally of cash and cash equivalents and investments held at financial institutions. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to \$250,000. Investment holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to \$500,000 (\$250,000 for cash holdings). At times balances may exceed the FDIC and the SIPC limit.

As of December 31, 2023 and 2022 PEAK Grantmaking's uninsured cash, cash equivalents totaled \$1,184,443 and \$3,744,718. As of December 31, 2023 and 2022, PEAK Grantmaking's uninsured investment holdings totaled \$861,266 and \$667,883. The investment portfolio is diversified by type of investments and industry concentrations so that no individual investment represents a significant concentration of credit risk.

At December 31, 2023, two funding source accounted for 62% and 31% of grants and contributions receivable.

At December 31, 2022, two funding source accounted for 34% and 21% of grants and contributions receivable. In addition, during the year ended December 31, 2022, one funding source accounted for approximately 21% of grants and contributions.

PEAK Grantmaking, Inc.

Notes to Financial Statements
December 31, 2023 and 2022

4. Grants and Contributions Receivable

Grants and contribution receivables from various foundations are due within one to two years. Grants and contributions receivable as of December 31, are summarized as follows:

	<u>2023</u>	<u>2022</u>
2023	\$ -	\$ 228,000
2024	56,250	25,000
2025	<u>25,000</u>	<u>-</u>
	<u>\$ 81,250</u>	<u>\$ 253,000</u>

5. Fair Value Measurements

The following are major categories of investments at fair value on a recurring basis at December 31, 2023:

U.S. Treasury Bonds	\$ 155,287
Mutual Funds	536,809
Equity Funds	<u>659,660</u>
Total Investments at Fair Value	1,351,756
Temporary cash investments, at cost	<u>9,510</u>
Total Investments	<u>\$ 1,361,266</u>

The following are major categories of investments at fair value on a recurring basis at December 31, 2022:

Bond Funds:	
Intermediate term bond	\$ 421,255
High yield bond	24,229
Equity Funds:	
Mid-cap blend	51,719
Large blend	518,089
Diversified emerging markets	22,620
Small blend	29,978
Foreign large blend	<u>99,877</u>
Total Investments at Fair Value	1,167,767
Temporary cash investments, at cost	<u>116</u>
Total Investments	<u>\$ 1,167,883</u>

All of PEAK Grantmaking's investments measured at fair value are Level 1 investments.

PEAK Grantmaking, Inc.

Notes to Financial Statements
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6. Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Software	\$ 132,147	\$ 132,147
Equipment	<u>94,560</u>	<u>90,402</u>
	226,707	222,549
Less: accumulated depreciation and amortization	<u>207,374</u>	<u>186,432</u>
Property and equipment, net	<u>\$ 19,333</u>	<u>\$ 36,117</u>

7. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following at December 31:

	<u>2023</u>	<u>2022</u>
Purpose restricted:		
Conference sponsorships	\$ 58,500	\$ 1,000
Time restricted	<u>526,668</u>	<u>881,001</u>
Total Net Assets With Donor Restrictions	<u>\$ 585,168</u>	<u>\$ 882,001</u>

Net assets with donor restrictions were released by incurring expenses satisfying the restricted purpose specified by the donor or as a result of the expiration of donor-imposed time restrictions as follows for the years ended December 31 were as follows:

	<u>2023</u>	<u>2022</u>
Purpose restricted:		
Conference sponsorships	\$ 272,500	\$ 185,700
Time restricted	<u>459,333</u>	<u>355,305</u>
Total Net Assets Released	<u>\$ 731,833</u>	<u>\$ 541,005</u>

8. Board Designated Operating Reserve

PEAK Grantmaking currently maintains a board designated reserve fund whose purpose is to provide long term support for the programs of PEAK Grantmaking. These funds are to be used at the Board's discretion and are included with investments on the accompanying statements of financial position as of December 31, 2023 and 2022.

PEAK Grantmaking, Inc.

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8. Board Designated Operating Reserve (continued)

Changes in board designated net assets for the years ended December 31 are as follows:

	2023	2022
Board designated reserve fund, beginning of year	\$ 1,167,883	\$ 1,396,971
Interest and dividends	36,865	26,983
Realized gain	112,618	-
Unrealized gain (loss)	43,900	(256,071)
Board designated reserve fund, end of year	\$ 1,361,266	\$ 1,167,883

9. Investment Return

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

	2023	2022
Interest and dividends	\$ 37,778	\$ 27,736
Realized gain	112,618	-
Unrealized gain (loss)	43,900	(256,071)
	\$ 194,296	\$ (228,335)

There were no investment management fees for the years ended December 31, 2023 and 2022.

10. Liquidity and Availability of Financial Assets

PEAK Grantmaking's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the statement of financial position was as follows as of December 31:

	2023	2022
Financial Assets		
Cash	\$ 1,934,443	\$ 4,244,718
Grants and contributions receivable	81,250	253,000
Accounts receivable	100,818	91,000
Investments	1,361,266	1,167,883
Total financial assets	3,477,777	5,756,601
Less: Contractual or donor imposed restriction amounts		
Board-designated operating reserve	(1,361,266)	(1,167,883)
Time or purpose restrictions	(585,168)	(882,001)
Total Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 1,531,343	\$ 3,706,717

PEAK Grantmaking, Inc.

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10. Liquidity and Availability of Financial Assets *(continued)*

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.

11. 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:

	<u>Deferred Membership Dues</u>	<u>Deferred Conference Revenue</u>	<u>Deferred Other Revenue</u>	<u>Total</u>
Balance at December 31, 2021	\$ 196,144	\$ 22,795	\$ -	\$ 218,939
Revenue recognized Payments received for future obligations	<u>(196,144)</u>	<u>(22,795)</u>	-	<u>(218,939)</u>
	<u>206,000</u>	<u>109,100</u>	<u>7,000</u>	<u>322,100</u>
Balance at December 31, 2022	206,000	109,100	7,000	322,100
Revenue recognized Payments received for future obligations	<u>(206,000)</u>	<u>(109,100)</u>	<u>(7,000)</u>	<u>(322,100)</u>
	<u>203,542</u>	<u>553,950</u>	<u>21,688</u>	<u>779,180</u>
Balance at December 31, 2023	<u>\$ 203,542</u>	<u>\$ 553,950</u>	<u>\$ 21,688</u>	<u>\$ 779,180</u>

PEAK Grantmaking, Inc.

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12. Employee Retention Tax Credit

The Employee Retention Tax Credit ("ERTC") was first established by the CARES Act and was extended and expanded by the Consolidated Appropriations Act and the American Rescue Plan. ERTC provides a refundable tax credit against certain employment taxes equal to 50% of the first \$10,000 in qualified wages paid to each employee between March 12, 2020 and December 31, 2020 ("2020 ERTC"), and 70% of the first \$10,000, per quarter, in qualified wages paid to each employee between January 1, 2021 and September 30, 2022 ("2022 ERTC").

PEAK Grantmaking determined that it qualified for the 2020 ERTC, and therefore, accounted for it as conditional grants under FASB ASC Subtopic 958-605. These grants are conditional upon certain performance requirements and the incurrence of eligible expenses. In the opinion of management, these conditions were met as of December 31, 2022, and therefore, the entire amount of \$91,000 that PEAK Grantmaking expects to receive was included in accounts receivable in the accompanying 2022 statement of financial position and in other income on the 2022 statement of activities.

Eligibility for the credit and the credit calculations are subject to review and approval by the Federal government. In the opinion of management, the results of such reviews will not have a material effect on the financial position of PEAK Grantmaking.

13. Commitments and Contingencies

Operating Lease

PEAK Grantmaking leased office space under an operating lease, which commenced on April 1, 2017, and expired on August 31, 2021. The lease required monthly rent payments with an annual 4% rent increase, the lease was not renewed. Since September 1, 2021, PEAK Grantmaking is on a month-to-month lease for storage space. PEAK Grantmaking currently does not lease office space. Rent expense for the years ended December 31, 2023 and 2022 totaled \$12,839 and \$4,990. PEAK Grantmaking uses the practical expedient under ASC 842 to account for short term leases.

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 2022, PEAK Grantmaking began contracting with Justworks Inc. ("Justworks") as their professional employer organization. Justworks 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 Justworks assumes the administrative functions of human resources and absorbs many employer-related liabilities.

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14. Retirement Plan

PEAK Grantmaking maintains a 401(k)-retirement plan with Slavic 401k that is administered by Justworks as part of its co-employment agreement. The plan was previously administered by Insperity through December 31, 2021. 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 next 2% of the employees' compensation. Additionally, PEAK Grantmaking may make discretionary contributions to the plan. Contribution expense totaled \$60,973 and \$36,148 for the years ended December 31, 2023 and 2022.

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