



**FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**FAMILY EQUALITY**

Contents  
December 31, 2022 and 2021

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## Independent Auditor's Report

To the Board of Directors of  
Family Equality:

### **Opinion**

We have audited the financial statements of Family Equality (a New York nonprofit corporation) (the Organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, cash flows and functional expenses 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 Family Equality as of December 31, 2022, and the changes in its 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 the Organization 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.

### **Prior Period Financial Statements**

The financial statements of Family Equality as of and for the year ended December 31, 2021, were audited by other auditors whose report dated June 7, 2022, expressed an unmodified opinion the financial statements.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

*AAFCPA, Inc.*

Westborough, Massachusetts  
June 27, 2023

## FAMILY EQUALITY

Statements of Financial Position  
December 31, 2022 and 2021

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<b>Assets</b>	<b>2022</b>	<b>2021</b>
Current Assets:		
Cash and cash equivalents	\$ 919,381	\$ 1,061,338
Accounts receivable	219,936	226,866
Current portion of pledges receivable	15,938	231,492
Prepaid expenses and other	128,753	87,904
Total current assets	<u>1,284,008</u>	<u>1,607,600</u>
Pledges Receivable, net	<u>13,305</u>	<u>-</u>
Computers and Technology	176,308	150,942
Less - accumulated depreciation	<u>118,442</u>	<u>100,542</u>
Net computers and technology	<u>57,866</u>	<u>50,400</u>
Total assets	<u>\$ 1,355,179</u>	<u>\$ 1,658,000</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 164,292	\$ 226,206
Deferred revenue	<u>12,952</u>	<u>-</u>
Total current liabilities	<u>177,244</u>	<u>226,206</u>
Net Assets:		
Without donor restrictions	880,490	1,145,905
With donor restrictions	<u>297,445</u>	<u>285,889</u>
Total net assets	<u>1,177,935</u>	<u>1,431,794</u>
Total liabilities and net assets	<u>\$ 1,355,179</u>	<u>\$ 1,658,000</u>

## FAMILY EQUALITY

Statements of Activities and Changes in Net Assets  
For the Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenue and Support:</b>						
Grants and contributions	\$ 1,568,847	\$ 458,618	\$ 2,027,465	\$ 1,593,656	\$ 307,392	\$ 1,901,048
Fundraising events	1,559,273	-	1,559,273	919,374	-	919,374
In-kind contributions	239,578	-	239,578	187,359	-	187,359
Mechandise and other sales	36,947	-	36,947	34,360	-	34,360
Community events and other	34,115	-	34,115	41,225	-	41,225
Net assets released from restrictions	447,062	(447,062)	-	485,277	(485,277)	-
Total operating revenue and support	3,885,822	11,556	3,897,378	3,261,251	(177,885)	3,083,366
<b>Operating Expenses:</b>						
Program services	2,297,484	-	2,297,484	1,902,697	-	1,902,697
General and administrative	955,067	-	955,067	558,263	-	558,263
Fundraising	898,686	-	898,686	581,828	-	581,828
Total operating expenses	4,151,237	-	4,151,237	3,042,788	-	3,042,788
Changes in net assets	(265,415)	11,556	(253,859)	218,463	(177,885)	40,578
<b>Net Assets:</b>						
Beginning of year	1,145,905	285,889	1,431,794	927,442	463,774	1,391,216
End of year	\$ 880,490	\$ 297,445	\$ 1,177,935	\$ 1,145,905	\$ 285,889	\$ 1,431,794

The accompanying notes are an integral part of these statements.

## FAMILY EQUALITY

### Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities:</b>		
Changes in net assets	\$ (253,859)	\$ 40,578
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	17,900	25,545
Bad debt	11,058	2,063
Discount	1,695	-
Changes in operating assets and liabilities:		
Accounts receivable	(4,128)	(228,929)
Pledges receivable	200,554	(39,297)
Prepaid expenses and other	(40,849)	(187)
Accounts payable and accrued expenses	(71,922)	132,156
Deferred revenue	12,952	(132,250)
	<u>(126,599)</u>	<u>(200,321)</u>
Net cash used in operating activities	(126,599)	(200,321)
<b>Cash Flows from Investing Activities:</b>		
Purchase of computers and technology	(15,358)	-
	<u>(15,358)</u>	<u>-</u>
<b>Net Change in Cash and Cash Equivalents</b>	(141,957)	(200,321)
<b>Cash and Cash Equivalents:</b>		
Beginning of year	<u>1,061,338</u>	<u>1,261,659</u>
End of year	<u>\$ 919,381</u>	<u>\$ 1,061,338</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Computers and technology financed through accounts payable	<u>\$ 10,008</u>	<u>\$ -</u>

**FAMILY EQUALITY**

Statements of Functional Expenses  
For the Years Ended December 31, 2022 and 2021

	2022				2021			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
<b>Expenses:</b>								
Personnel and related:								
Salaries	\$ 995,500	\$ 308,660	\$ 393,173	\$ 1,697,333	\$ 1,064,633	\$ 189,666	\$ 369,745	\$ 1,624,044
Payroll taxes and fringe benefits	183,713	56,565	72,053	312,331	194,457	29,631	67,527	291,615
Total personnel and related	<u>1,179,213</u>	<u>365,225</u>	<u>465,226</u>	<u>2,009,664</u>	<u>1,259,090</u>	<u>219,297</u>	<u>437,272</u>	<u>1,915,659</u>
Other expenses:								
Event expense	556,707	578	168,209	725,494	36,310	333	30,198	66,841
Professional fees	224,444	186,872	48,043	459,359	261,750	128,064	8,391	398,205
Travel	71,433	84,563	110,740	266,736	42,926	22,219	18,916	84,061
In-kind	138,328	47,651	53,599	239,578	105,171	76,281	5,907	187,359
Repairs, maintenance and service contracts	40,663	46,346	7,968	94,977	47,500	37,183	11,252	95,935
Conferences and meetings	4,933	82,540	1,098	88,571	3,937	15,891	4,311	24,139
Miscellaneous	3,583	56,865	1,195	61,643	100,592	26,054	9,785	136,431
Contributions	43,801	-	5,400	49,201	10,250	3,737	6,373	20,360
Bank charges and fees	6	48,893	104	49,003	972	-	32,452	33,424
Postage, shipping and printing	3,413	1,805	26,059	31,277	4,180	947	3,584	8,711
Dues and subscription	4,193	15,359	302	19,854	6,106	1,880	4,279	12,265
Depreciation	-	17,900	-	17,900	-	25,545	-	25,545
Advertising	12,764	12	2,588	15,364	22,500	-	3,987	26,487
Bad debt	5,400	-	5,658	11,058	-	22	2,041	2,063
Lobbying activities	6,980	-	-	6,980	-	-	2,089	2,089
Office and other supplies	1,623	458	2,497	4,578	1,413	810	991	3,214
Total other expenses	<u>1,118,271</u>	<u>589,842</u>	<u>433,460</u>	<u>2,141,573</u>	<u>643,607</u>	<u>338,966</u>	<u>144,556</u>	<u>1,127,129</u>
Total expenses before allocation of general and administrative	<u>2,297,484</u>	<u>955,067</u>	<u>898,686</u>	<u>4,151,237</u>	<u>1,902,697</u>	<u>558,263</u>	<u>581,828</u>	<u>3,042,788</u>
Allocation of general and administrative	<u>528,578</u>	<u>(955,067)</u>	<u>426,489</u>	<u>-</u>	<u>349,089</u>	<u>(558,263)</u>	<u>209,174</u>	<u>-</u>
Total expenses	<u>\$ 2,826,062</u>	<u>\$ -</u>	<u>\$ 1,325,175</u>	<u>\$ 4,151,237</u>	<u>\$ 2,251,786</u>	<u>\$ -</u>	<u>\$ 791,002</u>	<u>\$ 3,042,788</u>

The accompanying notes are an integral part of these statements.



## FAMILY EQUALITY

Notes to Financial Statements  
December 31, 2022 and 2021

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### 1. NATURE OF THE ORGANIZATION

Creating a world where everyone can experience family. Founded in 1979 at the National March on Washington for Lesbian and Gay Rights, Family Equality has spent more than 40 years ensuring that everyone has the freedom to find, form, and sustain their families by advancing equality for the LGBTQ+ community.

Family Equality (the Organization) was incorporated in June 1982 under the Nonprofit Corporation Act of the District of Columbia. Family Equality Action (FEA) was incorporated as a 501(c)(4) organization in 2019 with a Board of Directors primarily composed of Board members of the Organization. FEA since its creation has had no activity and, as such, is included in the financial statements.

Family Equality exists to create a world where everyone can experience the unconditional love, safety, and belonging of family. We will be outspoken changemakers, creating an equitable LGBTQ+ family narrative, through advocacy, community, and education.

#### Nonprofit Status

The Organization is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization is also exempt from state income taxes. Donors may deduct contributions made to the Organization within IRC requirements.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The Organization prepares its financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

#### Adoption of New Accounting Standards

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, Not-for-Profit Entities (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 is intended to increase the transparency of contributed nonfinancial assets (in-kind goods and services) for not-for-profit entities through enhancements to presentation and disclosure. In 2022, the Organization adopted ASU 2020-07. The amendments in this ASU did not change the recognition and measurement requirements of in-kind goods and services. The adoption of this ASU did not impact the Organization's net asset classes, results of operations, or cash flows for the year ended December 31, 2022. This ASU has been applied retrospectively to all periods presented.

#### Estimates

The preparation of financial statements in accordance with U.S. GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Cash and Cash Equivalents

For the purpose of the statements of cash flows, management considers all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents. There were no cash equivalents as of December 31, 2022 and 2021.

## FAMILY EQUALITY

Notes to Financial Statements  
December 31, 2022 and 2021

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Pledges and Accounts Receivable

Pledges receivable (see Note 3) consist of amounts committed to the Organization for future periods as of December 31, 2022 and 2021. Pledges are recorded at their net present value using a discount rate of 3.64% as deemed appropriate by management. Accounts receivable consist of amounts committed but not yet received. An allowance for doubtful accounts is recorded based on management's analysis of specific commitments and their estimate of amounts that may become uncollectible. No allowance was deemed necessary at December 31, 2022 or 2021. Pledges and accounts receivable are written off when they are determined to be uncollectible.

#### Computers and Technology and Depreciation

Computers and technology having a value of \$1,000 or more and a useful life of at least one year are capitalized. Repairs and maintenance costs are expensed as incurred. Depreciation of computers and technology is calculated using the straight-line method and half-year convention over three to five years.

Purchased computers and technology are recorded at cost. Donated property and equipment are recorded at fair value at the date of receipt by the Organization.

#### Net Assets

##### *Without Donor Restrictions*

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the Organization.

##### *With Donor Restrictions*

Net assets with donor restrictions represent amounts received or committed with donor restrictions which have not yet been expended for their designated purposes (purpose restricted) and amounts for unrestricted use in future periods (time restricted).

Net assets released from restrictions consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Satisfaction of time restricted	\$ 233,187	\$ 192,195
Satisfaction of purpose restricted	<u>213,875</u>	<u>293,082</u>
Total	<u>\$ 447,062</u>	<u>\$ 485,277</u>

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

	<u>2022</u>	<u>2021</u>
Purpose restricted	\$ 270,059	\$ 54,397
Time restricted	<u>27,386</u>	<u>231,492</u>
Total	<u>\$ 297,445</u>	<u>\$ 285,889</u>

## FAMILY EQUALITY

Notes to Financial Statements  
December 31, 2022 and 2021

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue Recognition

##### *Grants and Contributions and Fundraising and Community Events*

In accordance with ASC Subtopic 958-605, *Revenue Recognition*, the Organization must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related barriers or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional. Assets received before the barrier is overcome are accounted for as refundable advances. The Organization has one conditional grant in the amount of \$29,538 which is expected to be earned in 2023.

Revenue from grants and contributions and fundraising and community events without donor restrictions is recorded as revenue and net assets without donor restrictions when received or unconditionally committed by the donor. Revenue from grants and contributions with donor restrictions is recorded as revenue and net assets with donor restrictions when received or unconditionally committed by the donor. Net assets released from restrictions are transfers made to revenue and net assets without donor restrictions as costs are incurred, time restrictions lapse, or program restrictions have been satisfied.

Fundraising events revenue is from the Organization's ability to host fundraising events, in which revenues are recognized at the time of the event. Special event income consists of both contributions and sales. The contribution portion of the special event income is recognized as revenue when unconditionally committed or received. The sales portion of the special event income is derived from various components, including registration fees, sponsorships and program ads, in which the transaction price is determined annually. Registration fees for these events are set by the Organization and have not been allocated as the events are each considered to be separate performance obligations. Fees collected in advance of the special events are initially recorded as deferred revenue and are only recognized in the accompanying statements of activities and changes in net assets after the special event has occurred and the performance obligation has been met. There was approximately \$11,000 in deferred revenue as of December 31, 2022, consisting of fees collected in advance of special events held.

##### *Merchandise and Other Sales*

The Organization generates revenue from the sale of various merchandise as part of its operations. Revenue is recognized when control of the product is transferred to the customer according to the terms of sale. The amount of revenue recognized reflects the consideration that the Organization expects to be entitled to in change for the product.

##### *Other Revenue*

All other revenue is recognized when earned.

## FAMILY EQUALITY

Notes to Financial Statements  
December 31, 2022 and 2021

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Expense Allocation

Expenses related directly to a function are distributed to that function, while other expenses are allocated based upon management's estimate of the percentage attributable to each function.

The financial statements contain certain categories of expenses that are attributable to program and supporting functions and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and fringe benefits, and office and other supplies, which are allocated based on staff time and effort and event expense, which are allocated based on program schedules on the day of the event.

#### Income Taxes

The Organization accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at December 31, 2022 or 2021. The Organization's information returns are subject to examination by the Federal and state jurisdictions.

#### Fair Value Measurements

The Organization follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Organization would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Organization uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Organization. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2: Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3: Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities are valued using Level 1 inputs.

## FAMILY EQUALITY

Notes to Financial Statements  
December 31, 2022 and 2021

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Lobbying

The Organization engages in lobbying activities to the extent permitted by the Internal Revenue Code (IRC). The Organization has elected to be covered by the rules of the IRC Section 501(h) with regard to the limitation of the amount of the Organization's allowable lobbying expenditures, generally equal to 20% of the Organization's exempt purpose expenditures.

The Organization's lobbying expenditures for the years ended December 31, 2022 and 2021, were \$6,980 and \$2,089, respectively, and are reflected as lobbying activities in the accompanying statements of functional expenses.

#### Subsequent Events

Subsequent events have been evaluated through June 27, 2023, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

### 3. PLEDGES RECEIVABLE

Pledges receivable are due as follows as of December 31:

	<u>2022</u>	<u>2021</u>
Amounts due in:		
Less than one year	\$ 15,938	\$ 231,492
One to five years	<u>15,000</u>	<u>-</u>
	30,938	231,492
Less - current portion	15,938	231,492
Less - discount	<u>1,695</u>	<u>-</u>
	<u>\$ 13,305</u>	<u>\$ -</u>

### 4. PAYCHECK PROTECTION PROGRAM LOANS

During 2021, the Organization applied for, and was awarded, a loan totaling \$361,700 from the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act) through a bank. The funds were used to pay certain payroll costs, including benefits, as well as utilities during the covered period as defined in the CARES Act. The Organization accounted for the loan as a conditional grant under Topic 958 as it was determined that this grant was conditional upon certain performance requirements and the incurrence of eligible expenses. The Organization recorded revenue of \$361,700 which is included in grants and contributions in the accompanying 2021 statement of activities and changes in net assets. During 2022, the Organization received full forgiveness for this loan from the Small Business Administration (SBA).

### 5. EMPLOYEE RETENTION TAX CREDITS

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

## FAMILY EQUALITY

Notes to Financial Statements  
December 31, 2022 and 2021

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### 5. EMPLOYEE RETENTION TAX CREDITS (Continued)

Additionally, 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 per year between March 13, 2020 and December 31, 2020 (2020 ERTC). To be eligible, the Organization must meet certain conditions as described in applicable laws and regulations.

The Organization has determined that it qualifies for the 2021 and 2020 ERTC, and therefore, accounted for the credits as conditional grants under Topic 958. These grants are conditional upon certain performance requirements and the incurrence of eligible expenses. In the opinion of management, these conditions were met during the year ended December 31, 2021, therefore, the entire ERTC amount of \$300,000 is included in grants and contributions in the accompanying statement of activities and changes in net assets. Amounts outstanding were \$180,882 and \$226,866 as of December 31, 2022 and 2021, respectively, and are included in accounts receivable in the accompanying financial statements. Eligibility for the credit and the credit calculation is subject to review and approval by the Federal government. In the opinion of management, the results of such reviews and audit will not have a material effect on the financial position of the Organization as of December 31, 2022 and 2021, and on the changes in its net assets for the years then ended.

### 6. LINE OF CREDIT

The Organization has a revolving line of credit agreement with a bank for which the Organization has available borrowings up to \$250,000 at December 31, 2022 and 2021. Borrowings under the agreement are due on demand, and interest is at a variable rate of .25% below the U.S. Prime Rate, as published by the *Wall Street Journal*, but not less than 3.00% (7.25% and 3.00% at December 31, 2022 and 2021, respectively). The line of credit is secured by all assets of the Organization. As of December 31, 2022 and 2021, the Organization did not have any amounts outstanding on the line of credit. The line of credit expired on May 1, 2023 and an extension is currently in process.

### 7. CONCENTRATIONS

The Organization maintains its cash balance in two financial institutions, which are insured within the limits of the Federal Deposit Insurance Corporation (FDIC). At certain times during the year, the cash balances exceeded the insured amount. The Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant credit risk on its operating cash and cash equivalents.

As of December 31, 2022 and 2021, two and one funding source(s) represented 82% and 100% of accounts receivable, respectively.

### 8. IN-KIND CONTRIBUTIONS

The Organization records various types of in-kind contributions as unrestricted support and revenue unless explicit donor stipulations specify how the donated asset must be used. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying statements of activities and changes in net assets as in-kind contributions are offset by like amounts included in expenses or additions to computers and technology.

## FAMILY EQUALITY

Notes to Financial Statements  
December 31, 2022 and 2021

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### 8. IN-KIND CONTRIBUTIONS (Continued)

The Organization received the following contributed goods and services in support of various programs during the years ended December 31:

	<u>2022</u>	<u>2021</u>
Website development and design	\$ 116,335	\$ 13,890
Event support	66,166	5,907
Legal services	52,078	152,562
Rent	<u>5,000</u>	<u>15,000</u>
Total in-kind contributions	<u>\$ 239,579</u>	<u>\$ 187,359</u>

### 9. LIQUIDITY

Financial assets available for use by the Organization within one year from the statements of financial position date are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 919,381	\$ 1,061,338
Accounts receivable	219,936	226,866
Current portion of pledges receivable	<u>15,938</u>	<u>231,492</u>
	1,155,255	1,519,696
Less - purpose restricted	<u>(270,059)</u>	<u>(54,397)</u>
	<u>\$ 885,196</u>	<u>\$ 1,465,299</u>

The Organization has a policy to structure its financial assets to be available as its obligations become due. As of December 31, 2022 and 2021, the Organization has financial assets equal to approximately three and six months of operating expenses, respectively. The Organization also has a \$250,000 line of credit available (see Note 6).

### 10. RETIREMENT PLAN

The Organization has established a 401(k) retirement plan (the Plan). Employees are eligible to participate in the Plan if they are an active employee who has signed an election agreement. The Plan allows participants to make voluntary contributions or otherwise contribute at a minimum 1% of their eligible pay. Additionally, the Organization matches 100% of employee contributions up to 6% of the employee's salary. The Plan allows for an additional discretionary match contribution to be made on behalf of the Organization. There was no discretionary match contributed during fiscal year 2022. The Organization's match contribution is vested immediately. The Organization's contributions totaled \$14,623 and \$13,801 during the years ended December 31, 2022 and 2021, respectively, and are included in payroll taxes and fringe benefits in the accompanying statements of functional expenses.

### 11. RECLASSIFICATION

Certain amounts in the December 31, 2021 financial statements have been reclassified to conform with the December 31, 2022 presentation.