SHRIVER CENTER ON POVERTY LAW

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

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YEARS ENDED DECEMBER 31, 2022 AND 2021

INDEPENDENT AUDITORS' REPORT

Board of Directors
Shriver Center on Poverty Law
Chicago, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Shriver Center on Poverty Law (the Shriver Center) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Shriver Center 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.

Change in Accounting Principles

As discussed in Note 1 to the financial statements, in 2022 the Shriver Center adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

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.

Board of Directors
Shriver Center on Poverty Law

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 Shriver Center's ability to continue as a going concern for one year after the date 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 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 Shriver Center'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 Shriver Center'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Oak Brook, Illinois
June 23, 2023

SHRIVER CENTER ON POVERTY LAW
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 3,370,568	$ 4,254,447
Investments:		
Without Donor Restrictions	453,750	446,814
With Donor Restrictions Endowment Fund, Accumulated Earnings	513,837	798,767
Grants Receivable, Net of Allowance for Uncollectible Promises to Give of $-0- at December 31, 2022 and 2021	1,125,000	1,140,500
Pledges Receivable, Net of Allowance for Uncollectible Promises to Give of $20,000 at December 31, 2022 and 2021	45,491	15,258
Other Receivables	105,352	81,254
Prepaid Expenses	218,932	196,753
Inventory	-	424
Funds Held on Behalf of Others	13,500	13,500
Total Current Assets	5,846,430	6,947,717
OTHER ASSETS		
Net Property and Equipment	138,487	200,830
Investments - With Donor Restrictions	868,267	868,267
Grants Receivable, Long-Term, With Donor Restrictions	282,919	503,730
Pledges Receivable, Long-Term, With Donor Restrictions	-	40,182
Intangible Assets, Net	25,274	39,744
Right-of-Use Lease Asset	3,970,765	-
Total Other Assets	5,285,712	1,652,753
Total Assets	$ 11,132,142	$ 8,600,470

See accompanying Notes to Financial Statements.

SHRIVER CENTER ON POVERTY LAW
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2022 AND 2021

	2022	2021
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 85,945	$ 86,649
Accrued Compensation	215,132	256,990
Deferred Revenue	128,675	202,710
Refundable Advances from Grants	169,919	-
Funds Held on Behalf of Others	13,500	13,500
Short-Term Lease Liability	365,345	-
Total Current Liabilities	978,516	559,849
OTHER LIABILITIES		
Long-Term Lease Liability	3,778,910	-
Deferred Rent	-	152,672
Total Liabilities	4,757,426	712,521
NET ASSETS		
Without Donor Restrictions	1,674,467	2,397,740
With Donor Restrictions	4,700,249	5,490,209
Total Net Assets	6,374,716	7,887,949
Total Liabilities and Net Assets	$ 11,132,142	$ 8,600,470

See accompanying Notes to Financial Statements.

SHRIVER CENTER ON POVERTY LAW
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Contributions - Foundation and Corporate	$ 45,000	$ 3,383,950	$ 3,428,950
Contributions - Individuals	421,988	80,559	502,547
Attorney Fees, Court Fees, and Honorariums	70,040	-	70,040
Fellowship Contributions	-	9,100	9,100
Special Events	530,019	5,000	535,019
Service Contracts	112,250	-	112,250
Earned Revenue	511,927	-	511,927
In-Kind Donations	3,500	-	3,500
Donated Services	2,500	-	2,500
Miscellaneous Income	17,536	-	17,536
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	2,914,702	(2,914,702)	-
Satisfaction of Time Restrictions	1,070,592	(1,070,592)	-
Total Public Support and Revenue	5,700,054	(506,685)	5,193,369
EXPENSES			
Program Services:			
Advocacy	3,392,077	-	3,392,077
Advocate Resources and Training	1,281,398	-	1,281,398
Total Program Services	4,673,475	-	4,673,475
Supporting Services:			
Management and General	663,138	-	663,138
Fundraising	1,064,738	-	1,064,738
Total Supporting Service	1,727,876	-	1,727,876
Total Expenses	6,401,351	-	6,401,351
DEFICIENCY OF PUBLIC SUPPORT AND REVENUE OVER EXPENSES	(701,297)	(506,685)	(1,207,982)
NONOPERATING GAINS (LOSSES)			
Loss on Disposal of Property and Equipment	(3,419)	-	(3,419)
John Bouman Action Fund Expenses	(35,159)	-	(35,159)
Investment Gain (Loss) - Net	16,602	(283,275)	(266,673)
Total Nonoperating Gains (Losses)	(21,976)	(283,275)	(305,251)
CHANGE IN NET ASSETS	(723,273)	(789,960)	(1,513,233)
Net Assets - Beginning of Year	2,397,740	5,490,209	7,887,949
NET ASSETS - END OF YEAR	$ 1,674,467	$ 4,700,249	$ 6,374,716

See accompanying Notes to Financial Statements.

SHRIVER CENTER ON POVERTY LAW
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Contributions - Foundation and Corporate	$ 51,960	$ 4,910,506	$ 4,962,466
Contributions - Individuals	695,525	22,028	717,553
Forgiveness of Paycheck Protection Program	1,821,290	-	1,821,290
Attorney Fees, Court Fees, and Honorariums	26,610	-	26,610
Fellowship Contributions	-	11,000	11,000
Special Events	506,382	2,000	508,382
Service Contracts	117,450	-	117,450
Earned Revenue	789,842	-	789,842
Donated Services	18,165	-	18,165
Miscellaneous Income	2,117	-	2,117
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	2,391,620	(2,391,620)	-
Satisfaction of Time Restrictions	1,386,788	(1,386,788)	-
Total Public Support and Revenue	7,807,749	1,167,126	8,974,875
EXPENSES			
Program Services:			
Advocacy	3,352,070	-	3,352,070
Advocate Resources and Training	1,277,939	-	1,277,939
Total Program Services	4,630,009	-	4,630,009
Supporting Services:			
Management and General	657,454	-	657,454
Fundraising	835,322	-	835,322
Total Supporting Service	1,492,776	-	1,492,776
Total Expenses	6,122,785	-	6,122,785
EXCESS OF PUBLIC SUPPORT AND REVENUE OVER EXPENSES	1,684,964	1,167,126	2,852,090
NONOPERATING GAINS			
John Bouman Action Fund Contributions	1,920	-	1,920
Investment Gain - Net	2,141	209,311	211,452
Total Nonoperating Gains	4,061	209,311	213,372
CHANGE IN NET ASSETS	1,689,025	1,376,437	3,065,462
Net Assets - Beginning of Year	708,715	4,113,772	4,822,487
NET ASSETS - END OF YEAR	$ 2,397,740	$ 5,490,209	$ 7,887,949

See accompanying Notes to Financial Statements.

SHRIVER CENTER ON POVERTY LAW
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services		Supporting Services		
	Advocacy	Advocate Resources and Training	Management and General	Fundraising	Total
Personnel Expenses:					
Salaries	$ 1,664,467	$ 661,613	$ 380,306	$ 508,933	$ 3,215,319
Fellowships	33,308	-	-	-	33,308
Health, Disability, and Life Insurance	263,726	99,613	56,936	79,398	499,673
Payroll Taxes	129,276	50,065	28,616	39,905	247,862
Retirement Plan Contributions	68,929	27,399	15,749	21,076	133,153
Total Personnel Expenses	2,159,706	838,690	481,607	649,312	4,129,315
Consultants	122,672	21,766	14,405	20,130	178,973
Program Consultants	135,944	212,768	-	-	348,712
Sub-Grantees	405,418	-	-	-	405,418
Auditing	-	-	29,762	-	29,762
Payroll and Benefits Administration	-	-	27,205	-	27,205
Technology	123,984	54,145	10,341	40,621	229,091
Occupancy	268,479	95,863	59,016	74,917	498,275
Liability Insurance	19,805	5,051	3,109	3,947	31,912
Telephone and Communications	13,609	5,006	2,713	4,022	25,350
Staff Travel	11,465	5,495	3,147	752	20,859
Equipment and Network Maintenance	8,659	3,092	1,903	2,416	16,070
Supplies	2,830	969	305	8,738	12,842
Postage	1,868	1,137	162	3,413	6,580
Printing and Copying	922	65	33	7,298	8,318
Conference and Fees	12,079	4,263	186	656	17,184
Meetings and Special Events	8,358	1,510	365	211,115	221,348
Coalition Expense	13,522	-	-	1,345	14,867
Litigation and Client Costs	75	-	-	-	75
Board Costs	-	-	4,003	-	4,003
Dues and Fees	19,926	3,610	209	2,467	26,212
Subscriptions and Fees	29,197	3,726	467	13,608	46,998
Bank Charges and Interest	1,882	7,535	414	6,924	16,755
Uncollectible Promises to Give	-	-	13,500	-	13,500
Convenings	20,044	-	-	-	20,044
Depreciation and Amortization	46,792	16,707	10,286	13,057	86,842
Total Expenses	3,427,236	1,281,398	663,138	1,064,738	6,436,510
Less Nonoperating Expense:					
John Bouman Action Fund Expense	(35,159)	-	-	-	(35,159)
Total Functional Expenses	$ 3,392,077	$ 1,281,398	$ 663,138	$ 1,064,738	$ 6,401,351

See accompanying Notes to Financial Statements.

SHRIVER CENTER ON POVERTY LAW
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services		Supporting Services		
	Advocacy	Advocate Resources and Training	Management and General	Fundraising	Total
Personnel Expenses:					
Salaries	$ 1,732,541	$ 674,358	$ 382,666	$ 425,554	$ 3,215,119
Fellowships	25,576	-	-	-	25,576
Health, Disability, and Life Insurance	263,791	101,460	58,086	65,775	489,112
Payroll Taxes	131,781	50,686	29,018	32,859	244,344
Retirement Plan Contributions	77,774	30,272	17,178	19,103	144,327
Total Personnel Expenses	2,231,463	856,776	486,948	543,291	4,118,478
Consultants	92,408	25,705	14,941	11,558	144,612
Program Consultants	82,094	196,883	-	-	278,977
Sub-Grantees	354,344	-	-	-	354,344
Auditing	-	-	27,033	-	27,033
Payroll and Benefits Administration	-	-	24,947	-	24,947
Technology	98,140	48,078	4,536	37,239	187,993
Occupancy	272,526	91,790	59,930	64,000	488,246
Liability Insurance	20,651	5,030	3,284	3,507	32,472
Telephone and Communications	20,325	6,948	4,263	5,034	36,570
Staff Travel	16,850	4,451	5,784	9,001	36,086
Equipment and Network Maintenance	8,844	3,019	1,971	2,105	15,939
Supplies	1,615	1,324	251	2,080	5,270
Postage	803	907	94	2,364	4,168
Printing and Copying	189	33	22	5,301	5,545
Conference and Fees	3,553	3,059	101	573	7,286
Meetings and Special Events	3,666	1,020	115	110,663	115,464
Coalition Expense	22,872	16	-	1,302	24,190
Litigation and Client Costs	3,147	-	-	-	3,147
Board Costs	-	-	7,176	-	7,176
Dues and Fees	18,978	2,033	230	1,874	23,115
Subscriptions and Fees	34,248	3,870	655	13,183	51,956
Bank Charges and Interest	2,205	6,807	491	8,170	17,673
Uncollectible Promises to Give	-	-	1,500	-	1,500
Convenings	4,000	-	-	-	4,000
Depreciation and Amortization	59,149	20,190	13,182	14,077	106,598
Total Functional Expenses	$ 3,352,070	$ 1,277,939	$ 657,454	$ 835,322	$ 6,122,785

See accompanying Notes to Financial Statements.

SHRIVER CENTER ON POVERTY LAW
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received - Contributions	$ 4,173,356	$ 4,703,431
Cash Received - Special Events	531,435	506,051
Cash Received - Service Contracts	125,300	111,000
Cash Received - Earned Revenue	636,903	913,107
Cash Received - Attorney Fees, Court Fees, and Honorariums	7,400	26,610
Cash Received - Interest and Dividend Income	46,778	32,523
Cash Received - Rental Income	16,286	-
Cash Received - Refundable Advance, SBA PPP	-	916,290
Payments for Wages and Other Operating Activities	(6,372,431)	(5,965,710)
Net Cash Provided (Used) by Operating Activities	(834,973)	1,243,302
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(35,458)	(30,335)
Purchase of Property and Equipment	(13,448)	(20,961)
Net Cash Used by Investing Activities	(48,906)	(51,296)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Received - John Bouman Action Fund	-	1,920
NET CHANGE IN CASH AND CASH EQUIVALENTS	(883,879)	1,193,926
Cash and Cash Equivalents - Beginning of Year	4,254,447	3,060,521
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 3,370,568	$ 4,254,447

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Shriver Center on Poverty Law (the Shriver Center) is an Illinois nonprofit corporation that fights for economic and racial justice. Over the past 50 years, the Shriver Center has secured hundreds of law and policy victories with and for people experiencing economic instability in Illinois and across the country.

Everything the Shriver Center does is powered by communities most affected by poverty. The Shriver Center litigates, shapes local policy, and trains and convenes multi-state networks of lawyers, community leaders, and activists to advance opportunity for all—not just the few. The Shriver Center is building a future where all people, families, and future generations have equal dignity, respect, and power under the law.

The Shriver Center's Advocacy Programs advance laws, policies, and systems changes that improve the lives and opportunities of people living in poverty. Shriver Center advocates focus on issues that have the greatest impact on people living in poverty: community justice, economic justice, health care justice, and housing justice. Understanding that poverty cannot be effectively addressed without addressing racial inequality, the Shriver Center uses a racial justice lens to set its advocacy agenda. Shriver Center advocates use a multifaceted approach, including litigation to combat mounting state and federal threats while also tackling structural racism and discrimination head on; policy to uncover systemic inequities and create new pathways for opportunity through legislation and system changes; and multistate advocacy to harness the power of the Shriver Center's growing networks. The Shriver Center has a track record of accomplishments in its home state of Illinois, and is working to broaden its advocacy wins, state by state and at the federal level.

The Shriver Center's Advocate Resources and Training Program (ART) offers the specialized training and leadership development equal justice advocates need to obtain bigger, better, and bolder gains for their clients. Rooted in social justice and racial equity values, the Shriver Center's training programs are designed to foster innovation and collaboration while building advocates' skills and capacities.

The Shriver Center, through its Advocacy and ART programs, builds teams and develops leaders through several networks of state advocates. Each of these networks connects advocates to one another and to the intelligence and information resource networks they need to be effective. Two of the Shriver Center's most active networks include:

- ***The Legal Impact Network***, a dynamic collaborative of 38 advocacy organizations from across the country working with communities to end poverty and achieve racial justice at the federal, state, and local levels. Through working groups and convenings, Legal Impact Network members share victories and expertise, and develop resources, strategies, model policies and legal tools to maximize impact across the country.

- ***The Racial Justice Institute,*** a groundbreaking national leadership program, grounded in a commitment to race-equity as an integral and essential part of anti-poverty advocacy. Following six months of intensive training, Fellows join a national network of RJI alumni who are advancing race equity all throughout the country. RJI has cultivated nearly 375 advocates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

The Shriver Center is recognized as exempt from federal income tax by the Internal Revenue Service (IRS) pursuant to the provisions of Internal Revenue Code Section 501(c)(3). The Shriver Center qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1). The tax-exempt purpose of the Shriver Center and the nature in which it operates is described above. The Shriver Center continues to operate in compliance with its tax-exempt purpose. The Shriver Center is subject to income taxes on its unrelated business income. Income tax expense was $-0- for the years ended December 31, 2022 and 2021.

The Shriver Center has determined that it does not have uncertain tax positions and, therefore, has not recorded a liability for any unrecognized tax benefits.

Basis of Accounting

The accounts and financial statements are maintained on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Shriver Center reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, as required by accounting principles generally accepted in the United States of America (U. S. GAAP) and defined as follows:

Net Assets Without Donor Restrictions – Those resources over which the board of directors (the board) has discretionary control.

Net Assets With Donor Restrictions – Those resources subject to donor-imposed restrictions which will be satisfied by actions of the Shriver Center or the passage of time.

Those resources subject to a donor-imposed restriction that they be maintained permanently by the Shriver Center. The donors of these resources permit the Shriver Center to use all or part of the income earned, including capital appreciation, or related investments for unrestricted or restricted purposes.

Use of Estimates

The preparation of financial statements in conformity 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 the revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits in federally insured accounts. At December 31, 2022 and 2021, the Shriver Center's bank deposits exceeded federally insured limits by approximately $754,000 and $1,134,000, respectively. The Shriver Center has not experienced any losses in such accounts and management believes the Shriver Center is not exposed to any significant credit risk related to cash and cash equivalents. During 2017, the Shriver Center changed its primary financial institution to one that further mitigates this potential risk.

Investments

Investments are carried at fair value at each fiscal year-end. Realized and unrealized gains and losses are reflected in the statements of activities. Fair value is based on quoted market prices. Donated stock is sold upon receipt and recorded at fair market value at the date of donation.

Funds Held for Others

The Shriver Center opened a new Interest on Lawyers Trust Account (IOLTA) during 2018 pursuant to the terms of settlement on a class-action lawsuit. The Shriver Center received $120,000 in the interest-bearing account to be remitted in proportionate share to claimants. The balance of unpaid claims reflected as funds held on behalf of others at December 31, 2022 and 2021 amounted to $13,500 and is also reflected as a liability in the accompanying statements of financial position.

Grants and Pledges Receivable

Grants and pledges receivable represent amounts promised by donors (unconditional promises to give), some of which are due in installments. Amounts due more than a year in the future are recorded net of a present value discount, which is based on a risk-free rate of return. Grants receivable is shown net of an allowance for uncollectible promises to give of $-0-, and pledges receivable is shown net of an allowance for uncollectible promises to give of $20,000 at December 31, 2022 and 2021, based on the Shriver Center's historical collection experience.

Other Receivables

In 2022 and 2021, the Shriver Center's other receivables related to outstanding payments for advocacy and related services provided. The Shriver Center does not accrue interest on past due accounts. Receivables are written off only after all collection attempts have failed and are based on individual credit evaluation and the specific circumstances. An allowance for doubtful accounts was not deemed necessary at December 31, 2022 and 2021, based on the Shriver Center's historical collection experience.

Inventory

Inventory at December 31, 2021 consisted of unused gift cards. These gift cards were used during the year ended December 31, 2022. There was no inventory at December 31, 2022.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Expenditures for property and equipment over $1,000 and items which substantially increase the useful lives of existing assets are capitalized at cost. The Shriver Center provides for depreciation on the straight-line method at rates designed to depreciate the costs of assets over estimated useful lives of 3 to 10 years.

Intangible Assets

Amortizable intangible assets consist of intellectual property related to software licensing, as well as the naming rights and rebranding of the Shriver Center. These assets are amortized on a straight-line basis over the assets' estimated useful lives. The Shriver Center reviews the intangible assets for impairment on or about December 31 of each year. Recoverability for these assets is measured by comparing their carrying amounts to their fair values. If the assets are considered impaired, the impairment to be recognized would equal the amount by which the carrying value of the assets exceed their fair values. The Shriver Center did not record any impairment charges during 2022 and 2021.

Accrued Compensation

The Shriver Center accrues for vacation time benefits that would be payable upon an employee's separation from employment with the Shriver Center. No employee shall accumulate more than 30 days (210 hours) vacation leave.

Deferred Revenue

Training registration fees collected in advance of training events are included in deferred revenue. Deferred revenue for training events is recognized upon completion of the training event. Deferred revenue includes cash received for sponsorship income received in advance of when the barrier has been satisfied.

Leases

The Shriver Center determines if an arrangement is a lease at inception. The Shriver Center's operating leases are included in right-of-use (ROU) lease asset and lease liability.

ROU assets represent the Shriver Center's right to use an underlying asset for the lease term and lease liabilities represent the Shriver Center's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Shriver Center will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Shriver Center has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Shriver Center has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

The Shriver Center has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Revenue Recognition

Support and Revenue

Revenue is recognized when earned. The Shriver Center recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give-that is, those with a measurable performance or other barrier and a right of return-are not recognized until the conditions on which they depend have been met. The Shriver Center has received cost-reimbursable grants of $337,661 that have not been recognized at December 31, 2022 because qualifying expenditures have not been incurred, with an advance payment of $169,919 recognized in the statement of financial position as refundable advances from grants at December 31, 2022.

The Shriver Center reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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.

In addition to receiving cash contributions, the Shriver Center receives in-kind contributions from various donors. It is the policy of the Shriver Center to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase donation revenue by a like amount. Fair value is assigned based on information provided by the donor. There were in-kind contributions of $3,500 for the year ended December 31, 2022. There were no in-kind contributions for the year ended December 31, 2021.

The Shriver Center reports gifts of land, buildings, and equipment as without donor restricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as with donor restricted support. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, the Shriver Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. No such donations were received during the years ended December 31, 2022 and 2021.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Donated Services

Contributions of services are required to be recognized if the services received (a) create or enhance nonfinancial 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. Donated services received and recorded by the Shriver Center totaled $2,500 and $18,165 for the years ended December 31, 2022 and 2021, respectively.

During 2022 and 2021, the Shriver Center received donated work from various volunteers and fellows which did not meet the above requirements to be recorded as donated services.

Special Events

Event revenue includes registrations, auction and raffle payments, and sponsorship and donation revenue for fundraising events held within the respective year. Income received in advance is deferred until the related event occurs.

Service Contracts

This includes revenue generated by the Shriver Center. Activities generating revenues include provision of guidance and monitoring of outcomes. Revenue is recognized ratably over the life of the contract. Amounts collected in advance of activities are recorded as unearned income and recognized as revenue in the period it relates to.

Earned Revenue

This includes revenue from training and workshop registrations as well as pre-training planning and development. Registration revenue is recognized at the time of the session. Work performed in advance of sessions, including any course or material development and planning meetings, is recognized over time as work is completed. Amounts collected in advance of activities are recorded as unearned income and recognized as revenue in the period it relates to.

Attorney Fees, Court Fees, and Honorariums

This includes revenue from settlements and honorariums paid in recognition of services performed by the Shriver Center related to casework and client litigation or presenting at conferences or other events. Revenue is recognized when settlement is reached, or the honorarium is awarded.

Certain Vulnerabilities and Concentrations

At December 31, 2022, 71% of grants receivable consisted of amounts due from two donors. During the year ended December 31, 2022, the Shriver Center received approximately 19% of its funding from one major donor.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Certain Vulnerabilities and Concentrations (Continued)

At December 31, 2021, 73% of grants receivable consisted of amounts due from two donors. During the year ended December 31, 2021, the Shriver Center received approximately 26% of its funding from one major donor.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy costs which are allocated based on the number of employees dedicated to each functional area, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

Measure of Operations

The Shriver Center's change in net assets before nonoperating gains (losses) on the statements of activities includes all operating revenues and expenses that are an integral part of its program and supporting activities, and net assets released from donor restrictions to support operating expenditures. The measure of operations excludes nonoperating gains (losses).

Sub-Grantee Expense

From time to time, the Shriver Center may provide funding to a third party to collaborate with the Shriver Center in carrying out a portion of the scope of work or objective of the Shriver Center's award agreement with a foundation donor or other awarding agency. These funding arrangements are listed as sub-grantee expense in the statements of functional expenses.

Liquidity

There is an established board-designated fund where the governing board has the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside of the typical life cycle of converting financial assets to cash or settling financial liabilities. The board has committed to grow the fund annually by $100,000 from any operating surplus or special fundraising activities. The fund or liquidity reserve is at $453,750 and $446,814 as of December 31, 2022 and 2021, respectively.

In the event of an unanticipated liquidity need, Shriver Center also could draw upon $500,000 of available line of credit. $79,102 of the $500,000 credit line is collateralized for a letter of credit on the Shriver Center's office lease.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Liquidity (Continued)

The following reflects Shriver Center's financial assets as of December 31:

	2022	2021
Current Financial Assets, as of December 31	$ 5,846,430	$ 6,947,717
Less:		
Inventory, Prepaid, Escrow, Restricted and Designated Investments	(1,200,019)	(1,456,258)
Net Contractual or Donor-Imposed Restrictions Making Financial Assets Unavailable for General Expenditures	(3,508,813)	(4,018,098)
Financial Assets Available Within One Year to Meet Cash Needs for General Expenditures Within One Year	$ 1,137,598	$ 1,473,361

Amounts not available include amounts set aside for long-term investing in the board-directed fund (quasi-endowment) that could be drawn upon if the governing board approves that action, donor restricted endowment fund plus its earnings and grants-fellowships receivables.

Adoption of New Accounting Standards

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842).* Topic 842 increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Shriver Center has adopted the requirements of the guidance effective January 1, 2022 and has elected to apply the provisions of this lease standard to the beginning of the period of adoption, while continuing to present the comparative period in accordance with the guidance under the lease standard in effect during that period. Lease disclosure for the year ended December 31, 2021 is made under prior lease guidance FASB ASC 840.

The Shriver Center has elected to adopt the package of practical expedients available in the year of adoption. The Shriver Center has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Shriver Center's ROU assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards (Continued)

Contributed Nonfinancial Assets

In September 2020, FASB issued amended guidance for contributed nonfinancial assets, ASU No. 2020-07, *Presentation and Disclosure by Not-For-Profit Entities for Contributed Nonfinancial Assets*. The guidance requires the presentation of contributed nonfinancial assets as a separate line item in the statement of activities, disclosure of the disaggregated amount by type and disclosure of qualitative information about whether the contributed nonfinancial assets were monetized or utilized during the reporting period as well as a description of the programs or other activities in which the assets were used. The guidance also requires disclosure of any donor-imposed restrictions and a description of valuation techniques. The adoption of the new guidance in 2022 did not have a significant effect on the presentation or disclosures within the Shriver Center's financial statements.

NOTE 2 INVESTMENTS

A summary of investments at fair value as of December 31 is as follows:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Domestic Large Cap Blend Fund - With Donor Restrictions	$ 1,297,840	$ 1,382,104	$ 1,267,699	$ 1,667,034
Money Market Fund - Board Designated	453,750	453,750	446,814	446,814
Total Investments	$ 1,751,590	$ 1,835,854	$ 1,714,513	$ 2,113,848

A summary of investments by net asset classification as of December 31 is as follows:

	2022	2021
Without Donor Restrictions	$ 453,750	$ 446,814
With Donor Restrictions	1,382,104	1,667,034
Total	$ 1,835,854	$ 2,113,848

Investment income (loss) recorded in the statements of activities is as follows for the years ended December 31:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and Dividends, Net of Fees	$ 16,602	$ 30,176	$ 46,778
Unrealized Loss	-	(313,451)	(313,451)
Total Investment Income (Loss)	$ 16,602	$ (283,275)	$ (266,673)

NOTE 2 INVESTMENTS (CONTINUED)

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and Dividends, Net of Fees	$ 2,141	$ 30,289	$ 32,430
Unrealized Gain	-	179,022	179,022
Total Investment Income	$ 2,141	$ 209,311	$ 211,452

NOTE 3 FAIR VALUE MEASUREMENTS

U.S. GAAP defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the most advantageous market in an orderly transaction between market participants on the measurement date.

U.S. GAAP establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The fair value of debt and equity investments that are readily marketable is determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) or by quoted market prices of similar securities with similar due dates or matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on securities' relationship to other benchmark quoted securities (Level 2 inputs).

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Assets and Liabilities Measured on a Recurring Basis

Assets and liabilities measured at fair value at December 31 are classified as Level 1 and are summarized as follows:

	2022	2021
Assets - Investments	$ 1,835,854	$ 2,113,848

NOTE 4 GRANTS AND PLEDGES RECEIVABLE

Grants and pledges receivable at December 31 are due as follows:

	2022	2021
Within One Year, Net of Allowance for Uncollectible Promises to Give of $20,000	$ 1,170,491	$ 1,155,758
One to Five Years, Net of Present Value Discount of $6,588 and $1,036, Respectively	282,919	543,912
Total	$ 1,453,410	$ 1,699,670

Grants and pledges receivable are designated by the donor for the following at December 31, 2022:

General Advocacy	$ 60,000
Health Care Advocacy	574,762
Legal Impact Network	500,000
Housing Advocacy	85,000
Community Justice	100,000
Pledges, Shriver Challenge	40,250
Events Donations	5,000
Individual Giving	241
Grants and Pledges, Restricted for Time	88,157
Total Contributions Receivable	$ 1,453,410

Grants and pledges receivable are designated by the donor for the following at December 31, 2021:

Health Care Advocacy	$ 192,952
Legal Impact Network	993,778
Housing Advocacy	75,000
Advocate Resources and Training	200,000
Pledges, Shriver Challenge	39,932
Grants and Pledges, Restricted for Time	198,008
Total Contributions Receivable	$ 1,699,670

NOTE 4 GRANTS AND PLEDGES RECEIVABLE (CONTINUED)

As of December 31, 2022 and 2021, grants and pledges receivable more than one year in the future were discounted based upon payment terms using a discount factor of 4.27% and 1.26% respectively, which reflects the mid-term applicable federal rate (AFR) as recorded on the IRS website.

NOTE 5 INTANGIBLE ASSETS

Intangible assets were as follows at December 31:

	Estimated Useful Life	Gross Carrying Amount	2021 Accumulated Amortization	2021 Net Intangible Value	2022 Accumulated Amortization	2022 Net Intangible Value
Training Programs	6 Years	$ 84,120	$ (84,120)	$ -	$ (84,120)	$ -
Trade Name	4 Years	7,757	(7,757)	-	(7,757)	-
Software License	7 Years	27,500	(11,131)	16,369	(15,060)	12,440
New Logo	3 Years	61,500	(52,958)	8,542	(61,500)	-
New Name - Rebranding	10 Years	20,000	(5,167)	14,833	(7,166)	12,834
Total		$ 200,877	$ (161,133)	$ 39,744	$ (175,603)	$ 25,274

For the years ended December 31, 2022 and 2021, amortization expense was $14,470 and $26,429, respectively, and is reflected within depreciation and amortization on the statements of functional expenses.

NOTE 6 PROPERTY AND EQUIPMENT

The Shriver Center's property and equipment at December 31 are as follows:

	2022	2021
Computer Equipment	$ 223,622	$ 329,994
Furniture	90,941	90,941
Office Equipment	103,177	103,177
Leasehold Improvements	69,354	69,354
Total Property and Equipment	487,094	593,466
Accumulated Depreciation	348,607	392,636
Property and Equipment, Net	$ 138,487	$ 200,830

For the years ended December 31, 2022 and 2021, depreciation expense was $72,372 and $80,169, respectively, and is reflected within depreciation and amortization on the statements of functional expense.

NOTE 7 LINES OF CREDIT

The Shriver Center has a line of credit with Wintrust Bank that was established on January 25, 2017 and provides for borrowings up to $500,000. The line is secured by all inventory, chattel paper, accounts, equipment, and general intangibles, with interest payable monthly. The line of credit has been renewed for successive terms and has a current maturity date of July 31, 2023. At December 31, 2022 and 2021, there was nothing borrowed against the existing agreement.

The Shriver Center is also obligated for credit cards issued in its name. At December 31, 2022 and 2021, the Shriver Center's maximum credit limit related to these credit cards is $50,000, of which $10,514 and $10,247, respectively, was outstanding and included in accounts payable.

NOTE 8 REFUNDABLE ADVANCE, SBA PPP

On April 17, 2020, the Shriver Center received proceeds in the amount of $905,000 to fund payroll, rent, and utilities through the Paycheck Protection Program (the first PPP Loan). The first PPP Loan was forgivable by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act. Therefore, the Shriver Center has classified this loan as a conditional contribution for accounting purposes. As of December 31, 2021, the Shriver Center had not satisfied the performance barriers attributable to the first PPP Loan proceeds, and this amount was classified as a refundable advance in the accompanying statements of financial position. The first PPP Loan bore interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, had a term of two years, and was unsecured and guaranteed by the SBA.

Payment of principal and interest was deferred until the date on which the amount of forgiveness was remitted to the lender or, if the Shriver Center failed to apply for forgiveness within 10 months after the covered period, then payment of principal and interest would have begun on that date. The covered period from April 27, 2020 to October 1, 2020 was the time that the Shriver Center had to spend its first PPP Loan funds. On April 17, 2021, the SBA processed the Shriver Center's first PPP Loan forgiveness application and notified Wintrust Bank the first PPP Loan qualified for full forgiveness. Loan proceeds were received by the bank from the SBA on this date. Revenue was recorded within the forgiveness of paycheck protection program line of the statement of activities.

NOTE 8 REFUNDABLE ADVANCE, SBA PPP (CONTINUED)

On January 28, 2021, the Shriver Center received additional proceeds in the amount of $916,290 to fund payroll, rent, and utilities through the Paycheck Protection Program (the second PPP Loan). The second PPP Loan was forgivable by the SBA subject to certain performance barriers, as outlined in the loan agreement and the CARES Act. Therefore, the Shriver Center had classified this loan as a conditional contribution for accounting purposes. The second PPP Loan bore interest at a fixed rate of 1.0% per annum, had a term of five years, and was unsecured and guaranteed by the SBA. Payment of principal and interest was deferred until the date on which the amount of forgiveness was remitted to the lender or, if the Shriver Center failed to apply for forgiveness within 10 months after the covered period, then payment of principal and interest would have begun on that date. The covered period from January 28, 2021 to July 15, 2021 was the time that the Shriver Center had to spend its second PPP Loan funds. On September 30, 2021, the SBA processed the Shriver Center's second PPP Loan forgiveness application and notified Wintrust Bank the second PPP Loan qualified for full forgiveness. Loan proceeds were received by the bank from the SBA on this date. Revenue was recorded within the forgiveness of paycheck protection program line of the statement of activities.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Shriver Center's financial position.

NOTE 9 NET REVENUES FROM SPECIAL EVENTS

Net revenues from special events consist of the following:

	2022	2021
Contributions, Including Sponsorship	$ 512,204	$ 501,932
Special Events Revenue, Ticket Portion	13,740	6,450
Special Events Revenue, Auction	9,075	-
Revenue from Special Events	$ 535,019	$ 508,382

Costs of direct benefits to donors include the cost of the food, drinks, entertainment, or other benefits received by the donor at the special event. The 2022 event had costs of direct benefits to donors of $23,830. The 2021 events was virtual and there were no costs of direct benefits to donors.

NOTE 10 EMPLOYEE BENEFIT PLAN

The Shriver Center maintains a retirement plan under section 401(k) of the Internal Revenue Code. The plan allows for all employees who reach the age of 21 to contribute a portion of their pre-tax earnings. Seasonal and temporary employees are not eligible for the plan. Employer matching contributions may be made to the plan based on the board of directors' discretion. Participants become fully vested in the employer contributions with two years of service at the Shriver Center. The Shriver Center board of directors has approved a 5% matching contribution for 2022 and 2021. For the years ended December 31, 2022 and 2021, the Shriver Center contributed and expensed $133,153 and $144,328, respectively, to the plan.

NOTE 11 LEASES

The Shriver Center leases equipment as well as certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2032. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. Certain equipment leases require the Shriver Center to guarantee minimum residual values. Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Additionally, the agreements generally require the Shriver Center to pay real estate taxes, insurance, and repairs.

The following tables provide quantitative information concerning the Shriver Center's leases for the year ended December 31, 2022:

Operating Lease Costs	$	443,397
Other Information:		
Operating Cash Flows	$	422,578
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	$	4,334,214
Weighted-Average Remaining Operating Lease Term		10 years
Weighted-Average Discount Rate - Operating Leases		1.63%

NOTE 11 LEASES (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2022, is as follows:

Year Ending December 31,	Amount
2023	$ 429,518
2024	429,886
2025	430,253
2026	437,193
2027	444,132
Thereafter	2,324,756
Undiscounted Cash Flows	4,495,738
Less: Imputed Interest	(351,483)
Total Present Value	$ 4,144,255
Short-Term Lease Liabilities	$ 365,345
Long-Term Lease Liabilities	3,778,910
Total	$ 4,144,255

The Shriver Center elected to apply the provisions of FASB ASC 842 to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosure for the year ended December 31, 2021 were made under prior lease guidance in FASB ASC 840.

NOTE 12 REVENUE AND UNEARNED INCOME

The following table shows the Shriver Center's revenue disaggregated according to the timing of the transfer of goods or services:

	2022	2021
Revenue Recognized Over Time:		
Event Registrations	$ 13,740	$ 6,450
Service Contracts	112,250	117,450
Earned Training Royalties	3,512	3,873
Earned Training Contracts	211,775	483,799
Earned Training Registrations	296,640	302,170
Attorney Fees and Honorariums	70,040	26,610
Total	$ 707,957	$ 940,352

At December 31, unearned income consisted of the following amounts:

	2022	2021
Earned Training Contracts	$ 56,000	$ 101,250
Earned Training Registrations	72,675	46,460
Sponsorships	-	55,000
Total	$ 128,675	$ 202,710

Unearned income was $146,487 at January 1, 2021.

NOTE 13 NET ASSETS WITHOUT DONOR RESTRICTIONS

Included in net assets without donor restrictions are $453,750 and $446,814 at December 31, 2022 and 2021, respectively, which the board has designated as an operating reserve. The operating reserve exists to provide sufficient liquidity to meet short-term and intermediate-term cash needs of the Shriver Center. Reserves are in place to sustain the Shriver Center through economic downturns as well as provide funding for cash flow shortages due to unanticipated delays in receipt of budgeted income or unexpected major expenditures.

During the year ended December 31, 2019, the board created the John Bouman Action Fund, a board-designated fund to honor the retiring president of the Shriver Center for the work he has performed and to continue to support the rapid response policy work and innovative programming that the Shriver Center performs. The John Bouman Action Fund has a balance of $134,469 and $169,628 at December 31, 2022 and 2021, respectively, and is included in net assets without donor restrictions.

NOTE 14 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are for the following purposes and time periods as of December 31:

	2022
Subject to Expenditure for Specific Purpose or Passage of Time:	
General Advocacy, $60,000 Included in Receivables	$ 101,668
Legal Impact Network, $500,000 Included in Receivables	798,781
Healthcare Advocacy, $574,762 Included in Receivables	1,110,558
Advocate Resources and Training	225,000
Community Justice Advocacy, $100,000 Included in Receivables	100,000
Economic Justice: Budget & Tax	13,542
Housing Advocacy, $85,000 Included in Receivables	215,190
Women's Law and Policy Project	25,000
Administrative	10,175
Donor Restricted Endowment Earnings for Legal Service Projects	513,837
Pledges, Shriver Challenge, $40,250 Included in Receivables, Net	40,250
Grants and Pledges, With Time Restriction Only, $88,157 Included in Receivables	677,981
Not Subject to Appropriation or Expenditure:	
Restricted to Investment in Perpetuity	868,267
Total	$ 4,700,249

NOTE 14 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	2021
Subject to Expenditure for Specific Purpose or Passage of Time:	
General Advocacy	$ 314,566
Legal Impact Network, $993,778 Included in Receivables	1,222,793
Healthcare Advocacy, $192,952 Included in Receivables	643,171
Advocate Resources and Training, $200,000 Included in Receivables	481,600
Community Justice Advocacy	68,333
Economic Justice: Budget & Tax	112,173
Housing Advocacy, $75,000 Included in Receivables	102,273
Women's Law and Policy Project	45,000
Administrative	50,160
Donor Restricted Endowment Earnings for Legal Service Projects	798,767
Pledges, Shriver Challenge, $39,932 Included in Receivables	59,932
Grants and Pledges, With Time Restriction Only, $198,008 Included in Receivables	723,174
Not Subject to Appropriation or Expenditure:	
Restricted to Investment in Perpetuity	868,267
Total	$ 5,490,209

NOTE 15 DONOR-RESTRICTED ENDOWMENT

At this time, the Shriver Center's endowment consists of one fund separate and apart from any other endowment fund that may be created. The income from it may be expended for legal service projects of the Shriver Center that embody the values and goals of Sargent Shriver. As required by accounting principles for nonprofits, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The gift instrument for the endowment fund specifically makes generally inapplicable to such endowment the accounting and expenditure rules of the Illinois Uniform Prudent Management of Institutional Funds and Uniform Principal and Income Acts and any successors thereto. Principal and unrealized appreciation may not be expended without prior written approval of the donor.

Realized appreciation may be credited to principal or expended or both in accordance with the Shriver Center's endowment spending policy.

Interpretation of Relevant Law

Except as described above with respect to the separate fund, in general, as a result of the board of directors' interpretation of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) the Shriver Center classifies as net assets with donor restrictions (a) the original value of gifts donated for endowment, (b) the original value of subsequent gifts for endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument.

NOTE 15 DONOR-RESTRICTED ENDOWMENT (CONTINUED)

Interpretation of Relevant Law (Continued)

Any portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions – not subject to appropriation or expenditure are classified as net assets with donor restrictions –subject to expenditure for a specific purpose until those amounts are appropriated for expenditure by the Shriver Center in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Shriver Center considers the following factors in making a determination to appropriate or accumulate income or gain on donor-restricted endowment funds, except as noted with regards to the donor-restricted endowment fund which is classified as a net assets with donor restrictions – not subject to appropriation or expenditure:

(1) The duration and preservation of the fund,
(2) The mission of the Shriver Center and the purpose of the donor-restricted endowment fund,
(3) General economic conditions,
(4) The possible effect of inflation and deflation,
(5) The expected total return from income and the appreciation of investments,
(6) Other resources of the Shriver Center, and
(7) The investment policies of the Shriver Center.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the Shriver Center is required to retain as a fund of perpetual duration. There were no deficiencies of this nature as of December 31, 2022 and 2021.

The changes in endowment net assets for the Shriver Center were as follows:

Endowment Net Assets - January 1, 2021	$ 1,457,817
Investment Return:	
Interest and Dividends, Net of Fees	30,270
Net Unrealized Gain	178,947
Total Investment Return	209,217
Endowment Net Assets - December 31, 2021	1,667,034
Investment Return (Loss):	
Interest and Dividends, Net of Fees	30,176
Net Unrealized Loss	(315,106)
Total Investment Return (Loss)	(284,930)
Endowment Net Assets - December 31, 2022	$ 1,382,104

NOTE 15 DONOR-RESTRICTED ENDOWMENT (CONTINUED)

Return Objectives and Risk Parameters

The Shriver Center has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by endowment while protecting purchasing power of the endowment assets over time. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that meet or exceed the return of a hypothetical portfolio composed of indices representing the board-approved asset allocation while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, in general, the Shriver Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Shriver Center targets a diversified asset allocation that places an emphasis on equity-based and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Subject to the terms of each endowment gift instrument, the Shriver Center has a general policy of appropriating for distribution each year a portion (limited to 5%) of its endowment fund's average market value over a trailing three-year period. This is consistent with the Shriver Center's objective to maintain the purchasing power of the endowment assets held in perpetuity.

NOTE 16 EMPLOYEE RETENTION CREDIT

Subsequent to year-end, the Shriver Center applied for the Employee Retention Credit (ERC) grant funding from the Internal Revenue Services. Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. The Shriver Center applied for $982,605 of refundable credits. The revenue and receivable was properly recorded subsequent to year-end. Eligibility and conditions for the ERC program may be audited by the IRS. The amount liability, if any, from potential noncompliance cannot be determined with certainty; management is of the opinion that any audit will not have a material adverse impact on the Shriver Center's financial statements.

NOTE 17 SUBSEQUENT EVENTS

For the fiscal year ended December 31, 2022, the Shriver Center's management has evaluated subsequent events through June 23, 2023, which is the date the financial statements were available to be issued.

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NETWORK MEMBER