

**SHRIVER CENTER ON POVERTY LAW**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**



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**SHRIVER CENTER ON POVERTY LAW  
TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENTS OF ACTIVITIES</b>	<b>5</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>7</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>9</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>10</b>



## 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, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Shriver Center as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

#### ***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 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**

Oak Brook, Illinois  
September 11, 2024

**SHRIVER CENTER ON POVERTY LAW  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 2,016,450	\$ 3,370,568
Investments:		
Without Donor Restrictions	476,847	453,750
With Donor Restrictions Endowment Fund, Accumulated Earnings	770,195	513,837
Grants Receivable	1,919,572	1,125,000
Pledges Receivable, Net of Allowance for Uncollectible Promises to Give of \$-0- and \$20,000 at December 31, 2023 and 2022, Respectively	19,190	45,491
Other Receivables	19,374	105,352
Prepaid Expenses	334,508	218,932
Funds Held on Behalf of Others	13,500	13,500
Total Current Assets	<u>5,569,636</u>	<u>5,846,430</u>
<b>OTHER ASSETS</b>		
Net Property and Equipment	104,020	138,487
Investments - With Donor Restrictions	868,267	868,267
Grants Receivable, Long-Term, With Donor Restrictions	-	282,919
Intangible Assets, Net	19,345	25,274
Right-of-Use Lease Asset	3,591,541	3,970,765
Total Other Assets	<u>4,583,173</u>	<u>5,285,712</u>
 Total Assets	 <u><u>\$ 10,152,809</u></u>	 <u><u>\$ 11,132,142</u></u>

See accompanying Notes to Financial Statements.

**SHRIVER CENTER ON POVERTY LAW**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 64,065	\$ 85,945
Accrued Compensation	220,877	215,132
Deferred Revenue	37,938	128,675
Refundable Advances from Grants	139,358	169,919
Funds Held on Behalf of Others	13,500	13,500
Short-Term Lease Liability	<u>371,677</u>	<u>365,345</u>
Total Current Liabilities	847,415	978,516
<b>OTHER LIABILITIES</b>		
Long-Term Lease Liability	3,407,233	3,778,910
Total Liabilities	4,254,648	4,757,426
<b>NET ASSETS</b>		
Without Donor Restrictions	1,359,765	1,674,467
With Donor Restrictions	<u>4,538,396</u>	<u>4,700,249</u>
Total Net Assets	<u>5,898,161</u>	<u>6,374,716</u>
Total Liabilities and Net Assets	<u><u>\$ 10,152,809</u></u>	<u><u>\$ 11,132,142</u></u>

See accompanying Notes to Financial Statements.

**SHRIVER CENTER ON POVERTY LAW  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE</b>			
Contributions - Foundation and Corporate	\$ 151,800	\$ 3,298,662	\$ 3,450,462
Contributions - Individuals	495,841	120,940	616,781
Government Grants	999,572	-	999,572
Attorney Fees, Court Fees, and Honorariums	21,250	-	21,250
Fellowship Contributions	-	9,450	9,450
Service Contracts	116,096	-	116,096
Earned Revenue	519,029	-	519,029
Donated Services	5,954	-	5,954
Miscellaneous Income	49,719	-	49,719
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	2,942,659	(2,942,659)	-
Satisfaction of Time Restrictions	915,658	(915,658)	-
Total Public Support and Revenue	<u>6,217,578</u>	<u>(429,265)</u>	<u>5,788,313</u>
<b>EXPENSES</b>			
Program Services:			
Advocacy	3,721,860	-	3,721,860
Advocate Resources and Training	1,386,576	-	1,386,576
Total Program Services	<u>5,108,436</u>	<u>-</u>	<u>5,108,436</u>
Supporting Services:			
Management and General	717,901	-	717,901
Fundraising	703,404	-	703,404
Total Supporting Service	<u>1,421,305</u>	<u>-</u>	<u>1,421,305</u>
Total Expenses	<u>6,529,741</u>	<u>-</u>	<u>6,529,741</u>
<b>DEFICIENCY OF PUBLIC SUPPORT AND REVENUE OVER EXPENSES</b>	(312,163)	(429,265)	(741,428)
<b>NONOPERATING GAINS (LOSSES)</b>			
John Bouman Action Fund Expenses	(65,000)	-	(65,000)
Investment Gain - Net	62,461	267,412	329,873
Total Nonoperating Gains (Losses)	<u>(2,539)</u>	<u>267,412</u>	<u>264,873</u>
<b>CHANGE IN NET ASSETS</b>	(314,702)	(161,853)	(476,555)
Net Assets - Beginning of Year	<u>1,674,467</u>	<u>4,700,249</u>	<u>6,374,716</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,359,765</u>	<u>\$ 4,538,396</u>	<u>\$ 5,898,161</u>

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
<b>PUBLIC SUPPORT AND REVENUE</b>			
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	17,536.00	-	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	<u>5,700,054</u>	<u>(506,685)</u>	<u>5,193,369</u>
<b>EXPENSES</b>			
Program Services:			
Advocacy	3,392,077	-	3,392,077
Advocate Resources and Training	1,281,398	-	1,281,398
Total Program Services	<u>4,673,475</u>	<u>-</u>	<u>4,673,475</u>
Supporting Services:			
Management and General	663,138	-	663,138
Fundraising	1,064,738	-	1,064,738
Total Supporting Service	<u>1,727,876</u>	<u>-</u>	<u>1,727,876</u>
Total Expenses	<u>6,401,351</u>	<u>-</u>	<u>6,401,351</u>
<b>DEFICIENCY OF PUBLIC SUPPORT AND REVENUE OVER EXPENSES</b>	(701,297)	(506,685)	(1,207,982)
<b>NONOPERATING GAINS (LOSSES)</b>			
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)	<u>(21,976)</u>	<u>(283,275)</u>	<u>(305,251)</u>
<b>CHANGE IN NET ASSETS</b>	(723,273)	(789,960)	(1,513,233)
Net Assets - Beginning of Year	<u>2,397,740</u>	<u>5,490,209</u>	<u>7,887,949</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 1,674,467</u></u>	<u><u>\$ 4,700,249</u></u>	<u><u>\$ 6,374,716</u></u>

See accompanying Notes to Financial Statements.



**SHRIVER CENTER ON POVERTY LAW  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2023**

	Program Services		Supporting Services		
	Advocacy	Advocate Resources and Training	Management and General	Fundraising	Total
Personnel Expenses:					
Salaries	\$ 1,942,409	\$ 774,170	\$ 414,251	\$ 357,131	\$ 3,487,961
Fellowships	49,032	-	-	-	49,032
Health, Disability, and Life Insurance	285,081	107,723	57,397	53,084	503,285
Payroll Taxes	150,663	58,364	31,097	28,761	268,885
Retirement Plan Contributions	66,110	26,349	14,099	12,155	118,713
Total Personnel Expenses	2,493,295	966,606	516,844	451,131	4,427,876
Consultants	38,792	3,112	14,289	96,044	152,237
Program Consultants	54,693	74,896	-	-	129,589
Sub-Grantees	434,193	-	-	-	434,193
Auditing	-	-	31,654	-	31,654
Payroll and Benefits Administration	-	-	33,953	-	33,953
Technology	109,162	47,089	8,946	39,862	205,059
Occupancy	278,814	107,909	56,579	63,552	506,854
Liability Insurance	20,633	5,765	3,023	3,389	32,810
Telephone and Communications	11,871	4,803	2,185	3,220	22,079
Staff Travel	33,286	7,421	4,099	3,296	48,102
Equipment and Network Maintenance	8,769	3,394	1,780	1,995	15,938
Supplies	1,961	544	234	336	3,075
Postage	1,196	332	95	2,963	4,586
Printing and Copying	2,315	722	94	4,388	7,519
Conference and Fees	23,666	2,827	53	675	27,221
Meetings and Special Events	9,773	16,807	330	4,020	30,930
Coalition Expense	6,922	-	-	715	7,637
Litigation and Client Costs	31	-	-	-	31
Board Costs	-	-	426	-	426
Dues and Fees	16,771	1,668	300	2,801	21,540
Subscriptions and Fees	31,487	3,320	220	15,137	50,164
Bank Charges and Interest	1,869	5,911	379	3,246	11,405
Uncollectible Promises to Give	-	-	36,500	-	36,500
Convenings	178,200	122,164	-	-	300,364
Depreciation and Amortization	29,161	11,286	5,918	6,634	52,999
Total Expenses	3,786,860	1,386,576	717,901	703,404	6,594,741
Less Nonoperating Expense:					
John Bouman Action Fund Expense	(65,000)	-	-	-	(65,000)
Total Functional Expenses	<u>\$ 3,721,860</u>	<u>\$ 1,386,576</u>	<u>\$ 717,901</u>	<u>\$ 703,404</u>	<u>\$ 6,529,741</u>

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	<u>\$ 3,392,077</u>	<u>\$ 1,281,398</u>	<u>\$ 663,138</u>	<u>\$ 1,064,738</u>	<u>\$ 6,401,351</u>

See accompanying Notes to Financial Statements.

**SHRIVER CENTER ON POVERTY LAW  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received - Contributions	\$ 4,527,451	\$ 4,173,356
Cash Received - Special Events	12,415	531,435
Cash Received - Service Contracts	106,912	125,300
Cash Received - Earned Revenue	413,639	636,903
Cash Received - Attorney Fees, Court Fees, and Honorariums	83,540	7,400
Cash Received - Interest and Dividend Income	113,244	46,778
Cash received - Sale of Donated Stock	24,666	-
Cash Received - Rental Income	47,073	16,286
Payments for Wages and Other Operating Activities	<u>(6,544,926)</u>	<u>(6,372,431)</u>
Net Cash Used by Operating Activities	(1,215,986)	(834,973)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(60,529)	(35,458)
Purchase of Property and Equipment	<u>(12,603)</u>	<u>(13,448)</u>
Net Cash Used by Investing Activities	(73,132)	(48,906)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash Spent - John Bouman Action Fund	<u>(65,000.00)</u>	<u>-</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(1,354,118)	(883,879)
Cash and Cash Equivalents - Beginning of Year	<u>3,370,568</u>	<u>4,254,447</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 2,016,450</u></u>	<u><u>\$ 3,370,568</u></u>

See accompanying Notes to Financial Statements.

**SHRIVER CENTER ON POVERTY LAW  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**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 60 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 state based legal 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.

**SHRIVER CENTER ON POVERTY LAW  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Organization (Continued)**

- ***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 400 advocates.

**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, 2023 and 2022.

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.

**SHRIVER CENTER ON POVERTY LAW  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of bank deposits in federally insured accounts. At December 31, 2023 and 2022, the Shriver Center's bank deposits exceeded federally insured limits by approximately \$1,012,000 and \$754,000, 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, 2023 and 2022 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. Management has determined that no allowance for grants receivable is necessary for the years ended December 31, 2023 and 2022. Pledges receivable is shown net of an allowance for uncollectible promises to give of \$0 and \$20,000 at December 31, 2023 and 2022, respectively, based on the Shriver Center's historical collection experience.

**SHRIVER CENTER ON POVERTY LAW  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Other Receivables and Allowance for Expected Credit Losses**

In 2023 and 2022, 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. The Shriver Center separates accounts receivable into risk pools based on an analysis of historical bad debt experience, current receivables aging, and an assessment of specific identifiable customer accounts considered at risk or uncollectible. In determining the amount of the allowance as of the statement of financial position date, the Shriver Center develops a loss rate for each risk pool. Management also considers expectations about current and future economic conditions in determining the loss rate. Receivables are written off when deemed uncollectible. As of December 31, 2023 and 2022, management has determined that no allowance for expected credit losses is deemed necessary.

**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 2023 and 2022.

**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.

**SHRIVER CENTER ON POVERTY LAW  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

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.

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 \$158,525 and \$337,661 that have not been recognized at December 31, 2023 and 2022, respectively, because qualifying expenditures have not been incurred, with an advance payment of \$139,358 and \$169,919 recognized in the statement of financial position as refundable advances from grants at December 31, 2023 and 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.



**SHRIVER CENTER ON POVERTY LAW  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

Support and Revenue (Continued)

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 no in-kind contributions for the year ended December 31, 2023. There were in-kind contributions of \$3,500 for the year ended December 31, 2022.

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, 2023 and 2022.

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 \$5,954 and \$2,500 for the years ended December 31, 2023 and 2022, respectively.

During 2023 and 2022, 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. The 2023 Gala was not held and moved to April 2024.

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.

**SHRIVER CENTER ON POVERTY LAW  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

**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, 2023, 87% of grants receivable consisted of amounts due from four donors. During the year ended December 31, 2023, the Shriver Center received approximately 12% of its funding from one major donor.

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.

**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).

**SHRIVER CENTER ON POVERTY LAW  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 \$476,847 and \$453,750 as of December 31, 2023 and 2022, 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.

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

	<u>2023</u>	<u>2022</u>
Current Financial Assets, as of December 31	\$ 5,569,636	\$ 5,846,430
Less:		
Prepays, Restricted and		
Designated Investments	(1,595,050)	(1,200,019)
Net Contractual or Donor-Imposed Restrictions		
Making Financial Assets Unavailable for		
General Expenditures	<u>(2,961,272)</u>	<u>(3,508,813)</u>
Financial Assets Available Within One Year to		
Meet Cash Needs for General Expenditures		
Within One Year	<u>\$ 1,013,314</u>	<u>\$ 1,137,598</u>

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.

**Reclassifications**

Certain amounts have been reclassified for the year ended December 31, 2022 to conform to the presentation for the year ended December 31, 2023. The reclassifications had no impact on previously reported net assets.

**SHRIVER CENTER ON POVERTY LAW**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 2 INVESTMENTS**

**Adoption of New Accounting Standards**

At the beginning of 2023, the Organization adopted FASB ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Shriver Center adopted this new guidance utilizing the modified retrospective transition method. The Shriver Center adopted the requirements of the guidance effective January 1, 2023. Adoption of this standard had no material impact on the Shriver Center's financial statements.

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

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Domestic Large Cap Blend Fund - With Donor Restrictions	\$ 1,345,932	\$ 1,638,462	\$ 1,297,840	\$ 1,382,104
Money Market Fund - Board Designated	476,847	476,847	453,750	453,750
Total Investments	<u>\$ 1,822,779</u>	<u>\$ 2,115,309</u>	<u>\$ 1,751,590</u>	<u>\$ 1,835,854</u>

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

	2023	2022
Without Donor Restrictions	\$ 476,847	\$ 453,750
With Donor Restrictions	1,638,462	1,382,104
Total	<u>\$ 2,115,309</u>	<u>\$ 1,835,854</u>

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

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and Dividends, Net of Fees	\$ 64,757	\$ 48,487	\$ 113,244
Realized Gain	(2,296)	-	(2,296)
Unrealized Gain	-	218,925	218,925
Total Investment Income	<u>\$ 62,461</u>	<u>\$ 267,412</u>	<u>\$ 329,873</u>

  

	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)	<u>\$ 16,602</u>	<u>\$ (283,275)</u>	<u>\$ (266,673)</u>

**SHRIVER CENTER ON POVERTY LAW  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 2 INVESTMENTS (CONTINUED)**

**Adoption of New Accounting Standards**

For the year ended December 31, 2023, total investment income with donor restrictions was comprised of \$256,358 related to the endowment and \$11,054 related to the Legal Impact Network. For the year ended December 31, 2022, all investment income with donor restrictions related to the endowment.

**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).

**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:

	2023	2022
Assets - Investments	<u>\$ 2,115,309</u>	<u>\$ 1,835,854</u>

**SHRIVER CENTER ON POVERTY LAW  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 4 GRANTS AND PLEDGES RECEIVABLE**

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

	<u>2023</u>	<u>2022</u>
Within One Year, Net of Allowance for Uncollectible Promises to Give of \$-0- and \$20,000, Respectively	\$ 1,938,762	\$ 1,170,491
One to Five Years, Net of Present Value Discount of \$-0- and 6,588, Respectively	-	282,919
Total	<u>\$ 1,938,762</u>	<u>\$ 1,453,410</u>

Grants and pledges receivable are designated by the donor for the following at December 31, 2023:

Health Care Advocacy	\$ 305,000
Housing Advocacy	270,000
Pledges, Shriver Challenge	750
ART	200,000
Economic Justice	100,000
Grants and Pledges, Restricted for Time	63,440
Undesignated	999,572
Total Contributions Receivable	<u>\$ 1,938,762</u>

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	<u>\$ 1,453,410</u>

As of December 31, 2022, grants and pledges receivable more than one year in the future were discounted based upon payment terms using a discount factor of 4.27% which reflects the mid-term applicable federal rate (AFR) as recorded on the IRS website. As of December 31, 2023, grants and pledges receivable were all due in less than one year.

**SHRIVER CENTER ON POVERTY LAW**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 5 INTANGIBLE ASSETS**

Intangible assets were as follows at December 31:

	Estimated Useful Life	Gross Carrying Amount	2022 Accumulated Amortization	2022 Net Intangible Value	2023 Accumulated Amortization	2023 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	(15,060)	12,440	(18,988)	8,512
New Logo	3 Years	61,500	(61,500)	-	(61,500)	-
New Name - Rebranding	10 Years	20,000	(7,166)	12,834	(9,167)	10,833
Total		<u>\$ 200,877</u>	<u>\$ (175,603)</u>	<u>\$ 25,274</u>	<u>\$ (181,532)</u>	<u>\$ 19,345</u>

For the years ended December 31, 2023 and 2022, amortization expense was \$5,929 and \$14,470, 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:

	2023	2022
Computer Equipment	\$ 231,877	\$ 223,622
Furniture	90,941	90,941
Office Equipment	107,525	103,177
Leasehold Improvements	69,354	69,354
Total Property and Equipment	<u>499,697</u>	<u>487,094</u>
Accumulated Depreciation	<u>395,677</u>	<u>348,607</u>
Property and Equipment, Net	<u>\$ 104,020</u>	<u>\$ 138,487</u>

For the years ended December 31, 2023 and 2022, depreciation expense was \$47,070 and \$72,372, 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. On September 23, 2022, the line of credit was extended with a maturity date of July 31, 2023. The line of credit was extended on July 31, 2023 with a maturity date of May 15, 2024. Subsequent to year end, on May 29, 2024, the Shriver Center extended the line of credit with maturity upon written agreement by both parties and once all of the Shriver Center's loans have been paid in full (includes principal, interest fees, and expenses). At December 31, 2023 and 2022, there was \$-0- borrowed against the existing agreement.

**SHRIVER CENTER ON POVERTY LAW  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 7 LINES OF CREDIT (CONTINUED)**

The Shriver Center is also obligated for credit cards issued in its name. At December 31, 2023 and 2022, the Shriver Center's maximum credit limit related to these credit cards is \$50,000, of which \$-0- and \$10,514, respectively, was outstanding and included in accounts payable.

**NOTE 8 NET REVENUES FROM SPECIAL EVENTS**

Net revenues from special events consist of the following:

	2023	2022
Contributions, Including Sponsorship	\$ -	\$ 512,204
Special Events Revenue, Ticket Portion	-	13,740
Special Events Revenue, Auction	-	9,075
Revenue from Special Events	<u>\$ -</u>	<u>\$ 535,019</u>

The 2022 event had costs of direct benefits to donors of \$23,830.

No event was held in 2023. The 2023 event was moved to April 2024.

**NOTE 9 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 2023 and 2022. For the years ended December 31, 2023 and 2022, the Shriver Center contributed and expensed \$118,713 and \$133,153, respectively, to the plan.

**NOTE 10 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.



**SHRIVER CENTER ON POVERTY LAW  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 10 LEASES (CONTINUED)**

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

	<u>2023</u>	<u>2022</u>
Operating Lease Costs	\$ 443,397	\$ 443,397
Other Information:		
Operating Cash Flows	\$ 429,519	\$ 422,578
Right-of-Use Assets Obtained in Exchange for New		
Operating Lease Liabilities	\$ -	\$ 4,334,214
Weighted-Average Remaining Operating Lease Term	9 years	10 years
Weighted-Average Discount Rate - Operating Leases	1.63%	1.63%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2023, is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 429,886
2025	430,253
2026	437,193
2027	444,132
2028	451,072
Thereafter	1,873,685
Undiscounted Cash Flows	4,066,221
Less: Imputed Interest	(287,311)
Total Present Value	<u>\$ 3,778,910</u>
Short-Term Lease Liabilities	\$ 371,677
Long-Term Lease Liabilities	3,407,233
Total	<u>\$ 3,778,910</u>

**NOTE 11 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:

	<u>2023</u>	<u>2022</u>
Revenue Recognized Over Time:		
Event Registrations	\$ -	\$ 13,740
Service Contracts	116,096	112,250
Earned Training Royalties	3,695	3,512
Earned Training Contracts	225,214	211,775
Earned Training Registrations	290,120	296,640
Attorney Fees and Honorariums	21,250	70,040
Total	<u>\$ 656,375</u>	<u>\$ 707,957</u>

**SHRIVER CENTER ON POVERTY LAW  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 11 REVENUE AND UNEARNED INCOME (CONTINUED)**

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

	2023	2022
Earned Training Contracts	\$ 11,111	\$ 56,000
Earned Training Registrations	4,495	72,675
Sponsorships	21,000	-
Total	<u>\$ 36,606</u>	<u>\$ 128,675</u>

Unearned income was \$202,710 at January 1, 2022.

**NOTE 12 NET ASSETS WITHOUT DONOR RESTRICTIONS**

Included in net assets without donor restrictions are \$476,847 and \$453,750 at December 31, 2023 and 2022, 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 \$69,469 and \$134,469 at December 31, 2023 and 2022, respectively, and is included in net assets without donor restrictions.

**SHRIVER CENTER ON POVERTY LAW  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 13 NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2023</u>
Subject to Expenditure for Specific Purpose or Passage of Time:	
General Advocacy	\$ 41,667
Legal Impact Network	166,667
Healthcare Advocacy, \$305,000 Included in Receivables	754,307
Advocate Resources and Training, \$200,000 Included in Receivables	300,000
Economic Justice: Budget & Tax, \$100,000 Included in Receivables	285,714
Housing Advocacy, \$270,000 Included in Receivables	612,500
Women's Law and Policy Project	20,000
Administrative	10,222
Donor Restricted Endowment Earnings for Legal Service Projects	770,195
Pledges, Shriver Challenge, \$750 Included in Receivables, Net	750
Grants and Pledges, With Time Restriction Only, \$63,440 Included in Receivables	708,107
Not Subject to Appropriation or Expenditure:	
Restricted to Investment in Perpetuity	868,267
Total	<u>\$ 4,538,396</u>
	<u>2022</u>
Subject to Expenditure for Specific Purpose or Passage of Time:	
General Advocacy	\$ 101,668
Legal Impact Network, \$993,778 Included in Receivables	798,781
Healthcare Advocacy, \$192,952 Included in Receivables	1,110,558
Advocate Resources and Training, \$200,000 Included in Receivables	225,000
Community Justice Advocacy	100,000
Economic Justice: Budget & Tax	13,542
Housing Advocacy, \$75,000 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, \$39,932 Included in Receivables	40,250
Grants and Pledges, With Time Restriction Only, \$198,008 Included in Receivables	677,981
Not Subject to Appropriation or Expenditure:	
Restricted to Investment in Perpetuity	868,267
Total	<u>\$ 4,700,249</u>

**SHRIVER CENTER ON POVERTY LAW  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 14 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.

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, 2023 and 2022.

**SHRIVER CENTER ON POVERTY LAW  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 14 DONOR-RESTRICTED ENDOWMENT (CONTINUED)**

**Interpretation of Relevant Law (Continued)**

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

Endowment Net Assets - January 1, 2022	\$ 1,667,034
Investment Return (Loss):	
Interest and Dividends, Net of Fees	30,176
Net Unrealized Loss	(315,106)
Total Investment Return (Loss)	<u>(284,930)</u>
Endowment Net Assets - December 31, 2022	1,382,104
Investment Return:	
Interest and Dividends, Net of Fees	37,433
Net Unrealized Gain	218,925
Total Investment Return	<u>256,358</u>
Endowment Net Assets - December 31, 2023	<u><u>\$ 1,638,462</u></u>

**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.

**SHRIVER CENTER ON POVERTY LAW  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 15 EMPLOYEE RETENTION CREDIT**

On April 4, 2023, the Shriver Center applied for the Employee Retention Credit (ERC) grant funding from the Internal Revenue Service. 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 \$964,605 of refundable credits and accrued interest income of \$34,967, which are included in the accompanying statement of activities as government grants. 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 16 SUBSEQUENT EVENTS**

For the fiscal year ended December 31, 2023, the Shriver Center's management has evaluated subsequent events through September 11, 2024, which is the date the financial statements were available to be issued.



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