THE FAITH AND POLITICS INSTITUTE

FINANCIAL STATEMENTS

DECEMBER 31, 2022

THE FAITH AND POLITICS INSTITUTE

TABLE OF CONTENTS
DECEMBER 31, 2022

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7910 WOODMONT AVENUE
SUITE 500
BETHESDA, MD 20814
(T) 301.986.0600

Independent Auditor's Report

Board of Directors
The Faith and Politics Institute
Washington, D.C.

Opinion

We have audited the accompanying financial statements of The Faith and Politics Institute (the Institute), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 Institute as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Institute and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Institute's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute'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 Institute'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.

Emphasis of Matter

As discussed in Note 2 of the financial statements, the Institute adopted Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842).* Our opinion is not modified with respect to this matter.

In addition, as discussed in Note 2 of the financial statements, the Institute adopted Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958).* Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Institute's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 6, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Councilor, Buchanan + Mitchell, P.C.

Certified Public Accountants

Bethesda, Maryland
April 28, 2023

THE FAITH AND POLITICS INSTITUTE

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2021)

	2022	2021
Assets		
Assets		
Cash and Cash Equivalents	**$ 1,647,657**	$ 1,279,634
Grants and Contributions Receivable, Net	**708,136**	1,086,561
Investments	**476,101**	495,565
Prepaid Expenses and Other Assets	**21,530**	29,794
Finance Right-of-Use Asset, Net	**14,027**	-
Operating Right-of-Use Asset	**111,620**	-
Property and Equipment, Net	**3,182**	15,062
Total Assets	**$ 2,982,253**	$ 2,906,616
Liabilities and Net Assets		
Liabilities		
Accounts Payable and Accrued Expenses	**$ 31,743**	$ 34,807
Deferred Rent	**-**	21,209
Capital Lease Obligation	**-**	4,548
Refundable Deposits	**15,880**	3,135
Deferred Revenue	**50,350**	-
Finance Lease Liability	**14,585**	-
Operating Lease Liability	**126,558**	-
Total Liabilities	**239,116**	63,699
Net Assets		
Without Donor Restrictions	**1,712,473**	1,396,356
With Donor Restrictions	**1,030,664**	1,446,561
Total Net Assets	**2,743,137**	2,842,917
Total Liabilities and Net Assets	**$ 2,982,253**	$ 2,906,616

See accompanying Notes to Financial Statements.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	**2022 Total**	2021 Total
Revenues				
Grants and Contributions	$ 796,052	$ 744,300	**$ 1,540,352**	$ 1,785,309
Donated Services and Facilities	187,300	-	**187,300**	14,000
Pilgrimage Fees	245,203	-	**245,203**	29,231
John Robert Lewis Program Fees	21,750	-	**21,750**	-
Other Income	7,729	-	**7,729**	1,094
Net Assets Released from Restrictions	1,160,197	(1,160,197)	**-**	-
Total Revenues	2,418,231	(415,897)	**2,002,334**	1,829,634
Expenses				
Programs	1,665,913	-	**1,665,913**	1,035,518
Management and General	411,404	-	**411,404**	325,807
Fundraising and Development	24,797	-	**24,797**	99,241
Total Expenses	2,102,114	-	**2,102,114**	1,460,566
Change in Net Assets	316,117	(415,897)	**(99,780)**	369,068
Net Assets, Beginning of Year	1,396,356	1,446,561	**2,842,917**	2,473,849
Net Assets, End of Year	$ 1,712,473	$ 1,030,664	**$ 2,743,137**	$ 2,842,917

See accompanying Notes to Financial Statements.

THE FAITH AND POLITICS INSTITUTE

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	Forums	Pilgrimages	Communications	JRL Fellows Scholars and Rising Leaders	Total Programs	Management and General	Fundraising and Development	**2022 Total**	2021 Total
Salaries, Benefits, and Payroll Taxes	$ 52,714	$ 201,269	$ 4,882	$ 263,241	$ 522,106	$ 115,296	$ 4,125	**$ 641,527**	$ 633,400
Professional Fees	6,411	83,646	13,727	119,182	222,966	254,077	14,001	**491,044**	345,932
Advertising	-	1,926	-	16	1,942	-	-	**1,942**	3,616
Office Expenses	440	1,658	26	1,777	3,901	1,718	-	**5,619**	7,103
Postage and Shipping	96	4,203	4	1,105	5,408	93	-	**5,501**	3,825
Printing and Copying	2,078	6,182	6	3,665	11,931	-	-	**11,931**	4,759
Supplies	205	9,531	-	2,116	11,852	2,717	-	**14,569**	11,241
Telecommunications	526	798	19	1,613	2,956	865	-	**3,821**	4,053
Bank and Credit Card Fees	777	4,370	77	3,105	8,329	1,226	976	**10,531**	5,325
Dues, Subscriptions, and Publications	460	4,558	8,560	7,206	20,784	2,663	-	**23,447**	17,528
IT Services	3,074	5,315	461	10,072	18,922	5,669	66	**24,657**	26,409
Operating Lease Expense	11,405	19,151	477	35,268	66,301	18,342	4	**84,647**	-
Other Rental Costs	191	320	8	589	1,108	306	-	**1,414**	91,978
Travel	-	11,671	-	2,222	13,893	-	-	**13,893**	8,000
Conferences and Meetings	15	473,783	-	268,065	741,863	5,290	5,625	**752,778**	279,507
Interest	-	-	-	-	-	227	-	**227**	377
Depreciation and Amortization	1,489	2,790	78	4,450	8,807	2,115	-	**10,922**	13,970
Insurance	495	805	20	1,524	2,844	800	-	**3,644**	3,543
Total Expenses	$ 80,376	$ 831,976	$ 28,345	$ 725,216	$ 1,665,913	$ 411,404	$ 24,797	**$ 2,102,114**	$ 1,460,566

See accompanying Notes to Financial Statements.

THE FAITH AND POLITICS INSTITUTE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	2022	2021
Cash Flows from Operating Activities		
Change in Net Assets	**$ (99,780)**	$ 369,068
Adjustments to Reconcile Change in Net Assets		
to Net Cash Provided by Operating Activities		
Depreciation and Amortization	**10,922**	13,970
Loss on Disposal of Property and Equipment	**3,339**	-
Discount on Grants and Contributions Receivable	**836**	2,506
Investment Loss	**21,344**	1,834
Operating Lease Expense	**79,647**	-
(Increase) Decrease in Assets		
Grants and Contributions Receivable	**378,425**	212,428
Prepaid Expenses and Other Assets	**8,264**	(12,597)
Increase (Decrease) in Liabilities		
Accounts Payable and Accrued Expenses	**(3,064)**	14,451
Deferred Rent	**-**	9,320
Refundable Deposits	**12,745**	3,135
Deferred Revenue	**50,350**	-
Operating Lease Liability	**(90,918)**	-
PPP Refundable Advance	**-**	(116,925)
Net Cash Provided by Operating Activities	**372,110**	497,190
Cash Flows from Investing Activities		
Purchases of Investments	**(309,686)**	(586,330)
Sales of Investments	**307,806**	88,931
Purchases of Property and Equipment	**-**	(5,062)
Net Cash Used in Investing Activities	**(1,880)**	(502,461)
Cash Flows from Financing Activities		
Principal Payments on Finance Lease Liability	**(1,823)**	-
Principal Payments on Capital Lease Obligation	**(384)**	(3,181)
Net Cash Used in Financing Activities	**(2,207)**	(3,181)
Net Increase (Decrease) in Cash and Cash Equivalents	**368,023**	(8,452)
Cash and Cash Equivalents, Beginning of Year	**1,279,634**	1,288,086
Cash and Cash Equivalents, End of Year	**$ 1,647,657**	$ 1,279,634
Noncash Transactions from Investing and Financing Activities		
Establishment of Finance Right-of-Use Asset	**$ 16,408**	$ -
Establishment of Operating Right-of-Use Asset	**193,672**	-
Establishment of Finance Lease Liability	**16,408**	-
Establishment of Operating Lease Liability	**214,881**	-

See accompanying Notes to Financial Statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Faith and Politics Institute (the Institute) was organized in 1991 for the purpose of facilitating spiritual growth and moral and ethical reflection among persons actively engaged in the political life of the United States at the local, state, and federal level. The mission is accomplished by creating opportunities for members of Congress and their staffs that facilitate dialogue on moral and ethical issues such as race, economic life, and conflict resolution. The Institute is a District of Columbia not-for-profit organization.

The activities of the Institute are funded primarily through grants and contributions.

The following programs are included in the accompanying financial statements:

Forums - Lecture and discussion series designed for moral reflection and dialogue around divisive or unifying issues in the nation, and the way forward.

Pilgrimages - Nonpartisan delegations of Congressional members, Congressional staff leaders, and guests travel together to study leadership lessons during particular periods of the nation's history and their implications today, particularly around civil rights.

Communications - Activities related to promotion of exempt purpose. Activities include media outreach, digital media, production and mailing of newsletters, annual reports, and website development.

JRL Fellows, Scholars, and Rising Leaders - Programming to honor the legacy of Congressman John Robert Lewis through promoting nonviolent social impact as a way of achieving lasting positive change.

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when incurred.

Tax Status

The Institute is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code except on net income derived from unrelated business activities and is not considered a "private foundation" by the Internal Revenue Service.

The Institute requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. the Institute does not believe its financial statements include, or reflect, any uncertain tax positions.

The Institute's Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the taxing authorities generally for three years after filing.

Cash and Cash Equivalents

The Institute considers highly liquid investments with an original maturity of three months or less, when purchased, to be cash and cash equivalents.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Contributions Receivable

Grants and contributions receivable consist primarily of unconditional pledges from corporations, foundations, and individuals that were not received by the Institute prior to year end and are reflected at either net realizable value or at net present value based on projected cash flows. Grants and contributions receivable due in over one year were discounted at an average annual rate of 0.42% using a rate that considers market and credit risk. The management of the Institute reviews the collectability of the grants and contributions receivable on a regular basis. No reserve for doubtful accounts has been established since management expects to collect all contributions receivable in full.

Investments

Investments consist of government and agency securities, corporate bonds, and mutual funds that are recorded at fair value based on quoted market prices obtained from national securities exchanges; where securities are not listed on an exchange, quotations are obtained from other published sources.

Right-of-Use Assets and Lease Liabilities

The determination of whether an arrangement is a lease is made at the lease's inception. Under the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Lease liabilities are initially measured at the present value of minimum lease payments using a risk-free rate that approximates the remaining term of the lease. The right-of-use asset is the lease liability adjusted for other lease-related accounts. Management considers the likelihood of exercising renewal or termination clauses (if any) in measuring the Institute's right-of-use assets and lease liabilities. Operating lease expense and finance lease amortization expense is allocated over the remaining lease term on a straight-line basis. Finance lease interest expense is calculated using a risk-free rate that approximates the remaining term of the lease multiplied by the outstanding finance lease liability.

The Institute considers leases with initial terms of twelve months or less, and no option to purchase the underlying asset, to be short-term leases. Accordingly, short-term lease costs are expensed over the remaining lease term, with no corresponding right-of-use asset or lease liability. In addition, the Institute does not separate non-lease components from lease components (if any) when determining the payments for leases of office equipment.

Property and Equipment

The Institute capitalizes all property and equipment acquisitions of $1,000 and above. Property and equipment are recorded at cost, if purchased, or at fair market value at date of donation, if contributed. Depreciation and amortization is provided using the straight-line method over the estimated useful life of the asset.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

The Institute has presented its financial statements in accordance with U.S. Generally Accepted Accounting Principles. Under those principles, the Institute is required to report information regarding its financial position and activities according to two classes of net assets:

- *Net Assets Without Donor Restrictions* - resources that are available for general operations and resources designated by the Institute's board of directors for approved expenditures.
- *Net Assets With Donor Restrictions* - resources that are subject to donor-imposed restrictions; some donor restrictions are temporary in nature which will be met by actions of the Institute or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Institute.

Grants and Contributions

Unconditional grants and contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. The Institute reports unconditional gifts of cash and other assets as net assets with donor restrictions 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 statement of activities as net assets released from restrictions. Grants and contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Pilgrimage Fees

Pilgrimage fees, which are considered contract revenues, consist of amounts received from guests to attend the event. The transaction price is based on the estimated cost to attend the event, including airfare, ground transportation, lodging, and meals. The fees are recognized as revenue at the point in time that the event occurs. Funds received in advance of the event are included in refundable deposits on the statement of financial position.

John Robert Lewis Program Fees

John Robert Lewis (JRL) program fees, which are considered contract revenues, consist of amounts received for "rising leaders" to attend the JRL program events. The transaction price is based on the estimated cost to attend the events, including airfare, ground transportation, lodging, and meals. The fees are recognized as revenue at the point in time that the events occur. Funds received in advance of the events are included in deferred revenue on the statement of financial position. Amounts received as part of the JRL program that are not considered contract revenues are recognized as unconditional contributions when the donor makes a promise to give, and is included in grants and contributions with donor restrictions on the statement of activities.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, benefits, and payroll taxes, certain professional fees, operating lease, IT services, depreciation and amortization, insurance, and other general office expenses. These expenses are allocated on the basis of estimates of time and effort by employees. Expenses directly identifiable to specific programs and supporting activities are presented accordingly.

Prior Year Information

The financial statements include certain prior year summarized comparative totals as of and for the year ended December 31, 2021. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. ADOPTION OF ACCOUNTING STANDARDS UPDATES

Accounting Standard Update 2016-02

During the year ended December 31, 2022, the Institute adopted the Financial Accounting Standards Board's (FASB) Accounting Standard Update (ASU) 2016-02, *Leases (Topic 842),* which supersedes the leasing guidance in *Topic 840.* The Institute also adopted the following ASUs, which amend and clarify *Leases (Topic 842)*: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; ASU 2019-01, *Leases (Topic 842): Codification Improvements*; ASU 2021-05, *Leases (Topic 842): Lessors - Certain Leases with Variable Lease Payments*; and ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities.* The most significant change in the new lease guidance is the requirement to recognize right-of-use assets and lease liabilities for operating leases on the statement of financial position.

The Institute adopted the leasing standards effective January 1, 2022, using the modified retrospective approach with January 1, 2022, as the initial date of application. Management has elected to apply all practical expedients available under the new guidance, which allows the Institute to: (1) not reassess whether any expired or existing contracts previously assessed as not containing

2. ADOPTION OF ACCOUNTING STANDARDS UPDATES (CONTINUED)

Accounting Standard Update 2016-02 (Continued)

leases are, or contain, leases; (2) not reassess the lease classification for any expired or existing leases; and (3) not reassess initial direct costs for any existing leases. The Institute also elected to apply the practical expedient to use hindsight in determining the lease term.

The most significant impact was the recognition of right-of-use assets and lease liabilities for all leases with terms greater than twelve months. Accordingly, an operating right-of-use asset and lease liability totaling approximately $194,000 and $215,000, respectively, was recognized as of January 1, 2022. Existing deferred rent of approximately $21,000 as of January 1, 2022, is included as a reduction to the initial measurement of the right-of-use asset for the operating lease. In addition, a finance right-of-use asset and lease liability totaling approximately $16,400 and $16,400, respectively, was recognized in April 2022, when the new contract was signed.

Accounting Standard Update 2020-07

During the year ended December 31, 2022, the Institute adopted the Financial Accounting Standards Board's (FASB) Accounting Standard Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958).* This guidance is intended to increase transparency of contributed nonfinancial assets for nonprofits through enhancements to presentation and disclosure. Specifically, the ASU addresses the lack of transparency surrounding the measurement of contributed nonfinancial assets, as well as the amount of those contributions used in programs and other activities. Management believes that the adoption of this ASU enhances the transparency of financial information among nonprofit entities. The change in accounting principle was applied on a retrospective basis. The impact of adoption was not material to the financial statements, however, the presentation and disclosure of contributed nonfinancial assets has been enhanced.

3. LIQUIDITY AND AVAILABLE RESOURCES

The Institute's cash flows have seasonal variations due to the timing of grants, contributions, event revenue, and vendor payments. The Institute manages its liquidity to meet general expenditures, liabilities, and other obligations as they become due.

As of December 31, 2022, the following financial assets and liquidity sources are available for general operating expenditures in the year ending December 31, 2023:

Financial Assets	
Cash and Cash Equivalents	$ 1,647,657
Grants and Contributions Receivable in Less than One Year	508,972
Investments	476,101
Less Amounts for Donor Purpose Restrictions	(125,200)
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	$ 2,507,530

4. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consisted of the following as of December 31, 2022:

Receivable in Less than One Year	$ 508,972
Receivable in One to Five Years	200,000
Total Grants and Contributions Receivable	708,972
Less Discount to Net Present Value	(836)
Grants and Contributions Receivable, Net	$ 708,136

5. FAIR VALUE MEASUREMENTS

The Institute invests in professionally managed portfolios that contain various investments. Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amount reported in the financial statements.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 - observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes;

Level 2 - includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace, such as yield curves or other market data; and

Level 3 - unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts.

The following presents the Institute's investments measured at fair value as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Government and Agency Securities	$ -	$ 276,555	$ -	$ 276,555
Corporate Bonds	-	52,391	-	52,391
Mutual Funds	147,155	-	-	147,155
Total	$ 147,155	$ 328,946	$ -	$ 476,101

The Institute's Level 2 investments are valued based on readily available pricing sources for comparable investments.

6. PROPERTY AND EQUIPMENT

As of December 31, 2022, the Institute's property and equipment consisted of the following:

Computer Equipment and Software	$ 45,272
Furniture and Fixtures	43,870
	89,142
Less Accumulated Depreciation and Amortization	(85,960)
Property and Equipment, Net	$ 3,182

7. COVID-19 PANDEMIC

COVID-19 Financial Risk

The spread of COVID-19 (coronavirus disease) has had a disruptive impact on the daily life and operations of individuals, businesses, and nonprofits around the world. There is uncertainty about financial and economic impacts in all sectors of the economy. The financial markets have experienced significant volatility, and this may continue for an extended period of time. In light of these circumstances, management continues to assess how best to adapt to changed circumstances.

Employee Retention Credit

The Employee Retention Credit (ERC) was created as part of the CARES Act in response to COVID-19 and provides employers a refundable tax credit against certain employment taxes after March 12, 2020.

The Institute applied for and received approximately $21,000 of ERC for the year ended December 31, 2022. The ERC is included in grants and contributions without donor restrictions on the statement of activities.

8. DONATED SERVICES AND FACILITIES

For the year ended December 31, 2022, the Institute received donated airfare valued at approximately $182,000 and used it for travel to the Pilgrimage. In addition, rent of $5,000 was donated to the Institute in 2022 and has been allocated among programs, management and general, and fundraising expenses. The value of donated airfare is based on current market rates (for chartered flights) and estimated current market rates for similar flights (for flight vouchers). The value of donated facilities is based on rent discounts provided by the lessor. The Institute's policy related to donated services and facilities is to utilize the assets given to carry out the mission of the Institute. All donated services and facilities received by the Institute for the year ended December 31, 2022, were considered without donor restrictions and able to be used by the Institute as determined by the board of directors and management.

The value of donated airfare and rent included as revenue and expenses in the financial statements are as follows:

	Conferences and Meetings	Operating Lease Expense	Total
Forums	$ -	$ 674	$ 674
Pilgrimages	182,300	1,131	183,431
Communications	-	28	28
JRL Fellows and Scholars	-	2,084	2,084
Management and General	-	1,083	1,083
Total	$ 182,300	$ 5,000	$ 187,300

9. RETIREMENT PLANS

The Institute has a defined contribution retirement plan for all employees. The Institute matches one hundred percent of employee elective deferral contributions up to five percent of compensation for employees who have attained the age of twenty-one and completed at least one year of service. Contributions are fully vested when made. Retirement plan expense was approximately $18,000 for the year ended December 31, 2022.

10. CONCENTRATIONS

The Institute maintains cash balances at financial institutions. Balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The Institute also maintains an investment account with a brokerage firm. Balances are insured up to certain limits by the Securities Investor Protection Corporation (SIPC). At times during the year, the Institute's cash and investment balances exceeded the FDIC and SIPC limits, respectively. Management believes the risk in these situations to be minimal.

As of December 31, 2022, approximately 70% of grants and contributions receivable consisted of amounts due from two donors. For the year ended December 31, 2022, approximately 26% of grants and contributions revenue was received from two donors. For the year ended December 31, 2022, approximately 12% of total revenue was for pilgrimage fees.

11. LEASES

Finance Lease

The Institute is obligated under a non-cancelable finance lease for office equipment through June 2027. Amortization on the finance right-of-use asset totaled $2,381 and is included in depreciation and amortization expense on the statement of functional expenses for the year ended December 31, 2022.

The accumulated amortization on the finance right-of-use asset was $2,381 as of December 31, 2022. Interest expense on the finance lease liability totaled $163 for the year ended December 31, 2022.

Maturity of the finance lease liability as of December 31, 2022, is as follows:

For the Years Ending December 31,		
2023	$	3,405
2024		3,405
2025		3,405
2026		3,405
2027		1,419
Total Undiscounted Minimum Lease Payments		15,039
Less Discount to Present Value		(454)
Total Finance Lease Liability	$	14,585

11. LEASES (CONTINUED)

Finance Lease (Continued)

As of December 31, 2022, the Institute's finance right-of-use asset consisted of the following:

Finance Right-of-Use Asset	$ 16,408
Less Accumulated Amortization	(2,381)
Finance Right-of-Use Asset, Net	$ 14,027

The supplementary qualitative finance lease information is as follows:

Supplementary Qualitative Finance Lease Information	
Interest Paid for Amounts Included in the Measurement of Finance Lease Liabilities - Operating Cash Flows	$ 163
Weighted-Average Remaining Lease Term (Years)	4.50
Weighted-Average Discount Rate (Risk-Free Rate)	1.37%

Operating Lease

The Institute is obligated under a lease for office space through March 2024. Under the terms of the lease, the base rent increases annually based on scheduled increases. Under accounting principles generally accepted in the United States of America (GAAP), operating lease expense is recognized on a straight-line basis over the remaining lease term. The lease does not contain an option to extend the lease term or terminate early. The Institute had no variable or short-term lease expense in 2022.

Maturity of the operating lease liability as of December 31, 2022, is as follows:

For the Years Ending December 31,	
2023	$ 95,464
2024	32,335
Total Undiscounted Minimum Lease Payments	127,799
Less Discount to Present Value	(1,241)
Total Operating Lease Liability	$ 126,558

The supplementary qualitative operating lease information is as follows:

Supplementary Qualitative Operating Lease Information	
Weighted-Average Remaining Lease Term (Years)	1.33
Weighted-Average Discount Rate (Risk-Free Rate)	1.55%

12. NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2022, the Institute's net assets with donor restrictions consisted of the following:

Time Restricted Subsequent Year Activity	$ 905,464
Purpose Restricted for John Robert Lewis Program	125,200
Total Net Assets With Donor Restrictions	$ 1,030,664

12. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets released from restrictions for the year ended December 31, 2022, was as follows:

Time Restricted Subsequent Year Activity	$ 1,047,397
Purpose Restricted for John Robert Lewis Program	112,800
Total Releases from Donor Restrictions	$ 1,160,197

13. COMMITMENTS AND CONTINGENCIES

The Institute has entered into contracts with hotels in connection with future pilgrimage events. In the event of cancellation by the Institute or if attendance is less than agreed-upon minimum levels, the Institute would be responsible for certain fees. Management does not anticipate significant fees due to cancellation of these events or attendance below minimum levels.

14. SUBSEQUENT EVENTS

Subsequent events were evaluated through April 28, 2023, which is the date the financial statements were available to be issued.