

FINANCIAL STATEMENTS

SHARED ASCENT FUND

**FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021**

SHARED ASCENT FUND

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Shared Ascent Fund
Sacramento, California

Opinion

We have audited the accompanying financial statements of Shared Ascent Fund (the Organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, 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 Organization 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 Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

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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, including omissions, 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Report on Prior Year Comparative Statements

The financial statements of the Organization for the year ended December 31, 2021 were audited by other auditors, whose report dated May 13, 2022, expressed an unmodified opinion on those statements.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

June 8, 2023

SHARED ASCENT FUND
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,754,084	\$ 3,456,727
Accounts receivable	75,400	35,000
Grant receivable	896,794	438,200
Prepaid expenses	<u>21,332</u>	<u>27,127</u>
Total current assets	<u>3,747,610</u>	<u>3,957,054</u>
NONCURRENT ASSETS		
Right-of-use asset, net	387,193	-
Grant receivable, net of current portion	<u>125,000</u>	<u>400,000</u>
Total noncurrent assets	<u>512,193</u>	<u>400,000</u>
TOTAL ASSETS	<u>\$ 4,259,803</u>	<u>\$ 4,357,054</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 57,556	\$ 26,051
Accrued salaries and related benefits	339,927	199,829
Contracts payable	166,687	167,047
Lease liability	<u>59,036</u>	<u>-</u>
Total current liabilities	<u>623,206</u>	<u>392,927</u>
NONCURRENT LIABILITIES		
Lease liability, net of current portion	<u>329,401</u>	<u>-</u>
Total liabilities	<u>952,607</u>	<u>392,927</u>
NET ASSETS		
Without donor restrictions	316,074	199,837
With donor restrictions	<u>2,991,122</u>	<u>3,764,290</u>
Total net assets	<u>3,307,196</u>	<u>3,964,127</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,259,803</u>	<u>\$ 4,357,054</u>

SHARED ASCENT FUND

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions and grants	\$ 199,500	\$ 5,828,340	\$ 6,027,840
Contracts	406,350	-	406,350
Investment income, net	4,182	2,315	6,497
Net assets released from donor restrictions	<u>6,603,823</u>	<u>(6,603,823)</u>	<u>-</u>
Total support and revenue	<u>7,213,855</u>	<u>(773,168)</u>	<u>6,440,687</u>
EXPENSES			
Program Services	<u>6,513,877</u>	<u>-</u>	<u>6,513,877</u>
Supporting Services:			
General and Administrative	543,938		543,938
Fundraising	<u>39,803</u>	<u>-</u>	<u>39,803</u>
Total supporting services	<u>583,741</u>	<u>-</u>	<u>583,741</u>
Total expenses	<u>7,097,618</u>	<u>-</u>	<u>7,097,618</u>
Changes in net assets	116,237	(773,168)	(656,931)
Net assets at beginning of year	<u>199,837</u>	<u>3,764,290</u>	<u>3,964,127</u>
NET ASSETS AT END OF YEAR	<u>\$ 316,074</u>	<u>\$ 2,991,122</u>	<u>\$ 3,307,196</u>

SHARED ASCENT FUND

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions and grants	\$ 108,943	\$ 8,537,700	\$ 8,646,643
Contracts	35,000	-	35,000
Investment loss, net	407	(5,880)	(5,473)
Net assets released from donor restrictions	<u>4,899,383</u>	<u>(4,899,383)</u>	<u>-</u>
Total support and revenue	<u>5,043,733</u>	<u>3,632,437</u>	<u>8,676,170</u>
EXPENSES			
Program Services	<u>4,747,100</u>	<u>-</u>	<u>4,747,100</u>
Supporting Services:			
General and Administrative	118,773	-	118,773
Fundraising	<u>29,046</u>	<u>-</u>	<u>29,046</u>
Total supporting services	<u>147,819</u>	<u>-</u>	<u>147,819</u>
Total expenses	<u>4,894,919</u>	<u>-</u>	<u>4,894,919</u>
Changes in net assets	148,814	3,632,437	3,781,251
Net assets at beginning of year	<u>51,023</u>	<u>131,853</u>	<u>182,876</u>
NET ASSETS AT END OF YEAR	<u>\$ 199,837</u>	<u>\$ 3,764,290</u>	<u>\$ 3,964,127</u>

SHARED ASCENT FUND

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Expenses</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>		
Salaries and benefits	\$ 3,164,859	\$ 376,444	\$ 35,059	\$ 411,503	\$ 3,576,362
Grants and contracts	3,070,727	-	-	-	3,070,727
IT consulting and systems	79,317	42,812	1,839	44,651	123,968
Facilities	91,164	29,631	1,560	31,191	122,355
Travel	75,859	4,148	697	4,845	80,704
Professional services	-	55,326	-	55,326	55,326
Office expenses and supplies	31,951	13,406	648	14,054	46,005
Business Insurance	-	22,171	-	22,171	22,171
TOTAL	\$ 6,513,877	\$ 543,938	\$ 39,803	\$ 583,741	\$ 7,097,618

See accompanying notes to financial statements.

SHARED ASCENT FUND

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Supporting Services				Total Expenses
	Program Services	General and Administrative	Fundraising	Total Supporting Services	
Grants and contracts	\$ 4,037,343	\$ -	\$ -	\$ -	\$ 4,037,343
Salaries and benefits	675,084	73,541	20,086	93,627	768,711
Facilities	25,034	20,225	4,149	24,374	49,408
Professional services	856	12,646	3,750	16,396	17,252
Business Insurance	1,497	7,156	-	7,156	8,653
Office expenses and supplies	4,511	2,170	464	2,634	7,145
IT consulting and systems	731	3,035	597	3,632	4,363
Travel	2,044	-	-	-	2,044
TOTAL	\$ 4,747,100	\$ 118,773	\$ 29,046	\$ 147,819	\$ 4,894,919

See accompanying notes to financial statements.

SHARED ASCENT FUND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (656,931)	\$ 3,781,251
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities:		
Net realized loss on investments	-	5,880
Receipt of donated investments	-	(248,162)
Proceeds from sale of donated investments	-	242,282
Amortization of right-of-use asset	(387,193)	-
(Increase) decrease in:		
Accounts receivable	(40,400)	(35,000)
Grant receivable	(183,594)	(838,200)
Prepaid expenses	5,795	(27,127)
Increase (decrease) in:		
Accounts payable and accrued liabilities	31,505	11,033
Accrued salaries and related benefits	140,098	199,829
Contracts payable	(360)	165,195
Operating lease liability	<u>388,437</u>	<u>-</u>
Net cash (used) provided by operating activities	<u>(702,643)</u>	<u>3,256,981</u>
Net (decrease) increase in cash and cash equivalents	(702,643)	3,256,981
Cash and cash equivalents at beginning of year	<u>3,456,727</u>	<u>199,746</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,754,084</u>	<u>\$ 3,456,727</u>
SCHEDULE OF NONCASH INVESTING AND FINANCING TRANSACTIONS		
Right-of-Use Assets	<u>\$ 397,793</u>	<u>\$ -</u>
Operating Lease Liabilities for Right-of-Use Assets	<u>\$ 397,793</u>	<u>\$ -</u>

SHARED ASCENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Shared Ascent Fund (the Organization) commenced operations in 2019. The Organization is a 501(c)(3) nonprofit organization dedicated to promoting the common good by upholding democratic values, improving health, and advancing social equity.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

New accounting pronouncements adopted -

During 2022, the Organization adopted ASU 2019-01, *Leases* (Topic 842), which changed the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statements of Financial Position and disclosure of key information about leasing arrangements. The Organization applied the new standard at the inception of a new lease that began in 2022 and also the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. See Note 5 for further details.

Cash and cash equivalents -

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Organization maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

SHARED ASCENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Accounts and grants receivable -

Accounts and grants receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established.

Income taxes -

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization is not a private foundation.

Uncertain tax positions -

For the years ended December 31, 2022 and 2021, the Organization has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Revenue -

Contributions and grants -

The Organization receives contributions, including unconditional promises to give, from many sources as well as grants from organizations and other entities. Contributions and grants are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of the individual contribution or grant to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For contributions and grants qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Contributions and grants qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. Most grants and awards from the United States Government and other entities are for direct and indirect program costs. These transactions are nonreciprocal and recognized as contributions when the revenue becomes unconditional.

Funds received in advance of the incurrence of qualifying expenditures are recorded as deferred revenue unless they are from the United States Government which is then recorded as a refundable advance. For contributions and grants treated as contributions, the Organization had no unrecognized conditional awards as of December 31, 2022.

SHARED ASCENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Revenue (continued) -

Contracts -

Contracts and program revenue classified as exchange transactions following ASU 2014-09, *Revenue from Contracts With Customers*, are recorded as revenue when performance obligations are met. The Organization has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on cost. Funding received in advance of satisfying performance obligations are recorded as deferred revenue.

Grants and contracts expense -

The Organization recognizes grant expense at the time grant negotiations are substantially complete with the grantee and the grant award has been approved by executive management or the Board of Directors. Grants that have been determined to be conditional, which depend on the occurrence of specified uncertain events, are not recorded until the conditions have been met. Those grants that have been awarded but yet to be paid are recorded as grants payable. There were no outstanding conditional grants for the years ended December 31, 2022 and 2021.

Additionally, the Organization contracts with consultants that provide a variety of services to the Organization's programs. These contracts are considered exchange transactions as the Organization receives commensurate value for the services provided. The Organization recognizes contract expenses as services or work is performed or expected to be performed.

Use of estimates -

The preparation of the 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of 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 salaries and benefits, IT and website, and office supplies and expenses. Salaries and benefits are allocated based on time and effort. All other expenses are allocated based on the proportion of the number of programs or supporting function employees benefiting from the expenses per month. The Organization accounts for its expenditures in the following categories:

Program activities - Expenditures are related to grants made to other not-for-profit organizations, contracts entered into for services and contributions made to political campaigns within the scope of the Organization's areas of interest: upholding democratic values, protecting the environment, improving health and advancing social equity.

SHARED ASCENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Functional allocation of expenses (continued) -

General and administrative - Expenditures are related to building and maintaining an efficient business infrastructure, including oversight, business and financial management, governance, general recordkeeping, budgeting, and all management and administrative, except for that which is directly attributable to the conduct of program activities.

Fundraising - Expenses are related to time spent on developing new programs, preparing proposals and soliciting contributions.

New accounting pronouncements not yet adopted -

Accounting Standard Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for the Organization for the year ending December 31, 2023. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach.

The Organization plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

2. GRANTS RECEIVABLE

Following is a schedule of amounts due, by year, as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Less than one year	\$ 896,794	\$ 438,200
One to five years	<u>125,000</u>	<u>400,000</u>
TOTAL GRANTS RECEIVABLES	<u>\$ 1,021,794</u>	<u>\$ 838,200</u>

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Coalition to Expand Contraceptive Access	\$ 1,110,387	\$ 10,293
Student Borrower Project	1,778,512	2,093,877
Supporting American Democracy	12,986	1,553,955
Other Programs	<u>89,237</u>	<u>106,165</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 2,991,122</u>	<u>\$ 3,764,290</u>

SHARED ASCENT FUND

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

3. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

	<u>2022</u>	<u>2021</u>
Purpose restrictions accomplished:		
Coalition to Expand Contraceptive Access	\$ -	\$ 360,745
Student Borrower Project	2,456,339	518,655
Supporting American Democracy	2,223,468	3,871,374
Other Programs	<u>1,924,016</u>	<u>148,609</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 6,603,823</u>	<u>\$ 4,899,383</u>

4. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statements of Financial Position date comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,754,084	\$ 3,456,727
Accounts receivable	75,400	35,000
Grant receivable	<u>1,021,794</u>	<u>838,200</u>
Subtotal financial assets available within one year	3,851,278	4,329,927
Less: Donor restricted funds	<u>(2,991,122)</u>	<u>(3,764,290)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 860,156</u>	<u>\$ 565,637</u>

The Organization is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

5. LEASE COMMITMENTS

The Organization leases office space under a five-year agreement, which originated in November 2022. Base rent is \$83,328 per year, plus a proportionate share of expenses, increasing by a factor of 4% per year.

ASU 2019-01, *Leases* (Topic 842), changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statements of Financial Position and disclosure of key information about leasing arrangements. The Organization elected the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases.

SHARED ASCENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

5. LEASE COMMITMENTS (Continued)

The Organization also elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and are applying this expedient to all relevant asset classes. The Organization adopted the package of practical expedients to not perform any lease reclassification, did not reevaluate embedded leases and did not reassess initial direct costs. As a result, the Organization recorded a right-of-use asset in the amount of \$397,793. The Organization recorded an operating lease liability in the amount of \$397,793 by calculating the present value using the discount rate of 7%.

The following is a schedule of the future minimum lease payments:

<u>Year Ending December 31,</u>		
2023		\$ 83,884
2024		87,239
2025		90,728
2026		94,358
2027		98,132
Thereafter		<u>8,448</u>
		462,789
Less: Imputed interest		<u>(74,352)</u>
		388,437
Less: Current portion		<u>(59,036)</u>
LONG-TERM PORTION		<u>\$ 329,401</u>

Lease expense for the years ended December 31, 2022 and 2021 was \$122,355 and \$20,970, respectively. These amounts are included in Facilities in the accompanying Statements of Functional Expenses.

6. RETIREMENT PLAN

The Organization provides retirement benefits to its employees through a defined contribution plan covering all full-time employees with one year of eligible experience. Employees are 100% vested in safe harbor contributions, and vest in 50% increments per year, over two years, in all other employer contributions. For 2022 and 2021, the Organization made safe harbor matching contributions of 100% of the first 5% of eligible compensation. The Organization also elected to make a 3% discretionary contribution of eligible compensation. Contributions made to the Plan totaled \$169,760 for 2022, and \$24,883 for 2021.

7. CONCENTRATION OF REVENUE

The Organization had three major donors that accounted for approximately 56% of total contribution revenue in 2022. The Organization had two major donors that accounted for approximately 63% of total contributions in 2021.

SHARED ASCENT FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

8. RELATED PARTY

The president of the Organization during 2022 and 2021 was also the president of Resources Legacy Fund (RLF). Additionally, the Organization has entered into an agreement with RLF for shared resources of staff, office services, and technology resources. The Organization was billed \$509,607 by RLF for shared services in 2022 and \$154,009 by RLF for shared services in 2021. Of these amounts, due to RLF at December 31, 2022 was \$49,673, and at December 31, 2021 was \$22,184.

9. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 8, 2023, the date the financial statements were issued.