## PREVENT CHILD ABUSE AMERICA
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YEARS ENDED DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITORS’ REPORT

Board of Directors
Prevent Child Abuse America
Chicago, Illinois

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying financial statements of Prevent Child Abuse America (the Organization), which comprises the statements of financial position of December 31, 2021 and 2020, 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 Organization as of December 31, 2021 and 2020, 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 Organization 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 Organization’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 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.

CliftonLarsonAllen LLP

Oak Brook, Illinois
April 20, 2022
### PREVENT CHILD ABUSE AMERICA
### STATEMENTS OF FINANCIAL POSITION
### DECEMBER 31, 2021 AND 2020

See accompanying Notes to Financial Statements.

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$4,437,782</td>
<td>$6,427,457</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>1,334,081</td>
<td>515,649</td>
</tr>
<tr>
<td>Bequest Receivable, Net</td>
<td>766,289</td>
<td>824,085</td>
</tr>
<tr>
<td>Deposit and Prepaid Expenses</td>
<td>226,823</td>
<td>150,331</td>
</tr>
<tr>
<td>Endowment Investments</td>
<td>5,915,735</td>
<td>5,143,979</td>
</tr>
<tr>
<td>Investments Without Donor Restrictions</td>
<td>5,553,787</td>
<td>2,325,676</td>
</tr>
<tr>
<td>Copyright, Net</td>
<td>63,854</td>
<td>107,604</td>
</tr>
<tr>
<td>Furniture and Equipment, Net</td>
<td>776,981</td>
<td>392,208</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$19,075,332</td>
<td>$15,886,989</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$259,417</td>
<td>$168,182</td>
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<tr>
<td>Accrued Expenses</td>
<td>157,479</td>
<td>278,550</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>88,861</td>
<td>149,762</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>505,757</td>
<td>596,494</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Without Donor Restrictions</td>
<td>9,376,222</td>
<td>8,215,899</td>
</tr>
<tr>
<td>With Donor Restrictions</td>
<td>9,193,353</td>
<td>7,074,596</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>18,569,575</td>
<td>15,290,495</td>
</tr>
</tbody>
</table>

**Total Liabilities and Net Assets**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$19,075,332</td>
<td>$15,886,989</td>
</tr>
</tbody>
</table>
PREVENT CHILD ABUSE AMERICA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PUBLIC SUPPORT AND OTHER REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Support - Contributions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individuals - Workplace Campaign</td>
<td>155,398</td>
<td>$</td>
</tr>
<tr>
<td>Individuals and Family Foundations</td>
<td>1,812,970</td>
<td>77,084</td>
</tr>
<tr>
<td>Grants</td>
<td>1,102,125</td>
<td>1,475,000</td>
</tr>
<tr>
<td>Associations and Corporations</td>
<td>698,999</td>
<td>$</td>
</tr>
<tr>
<td>Programs and Conferences</td>
<td>3,733,425</td>
<td>$</td>
</tr>
<tr>
<td>Special Events and Pinwheels</td>
<td>90,086</td>
<td>$</td>
</tr>
<tr>
<td>Total Public Support</td>
<td>7,593,003</td>
<td>1,552,084</td>
</tr>
<tr>
<td>Other Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income, Net</td>
<td>41,855</td>
<td>772,156</td>
</tr>
<tr>
<td>Other</td>
<td>22,314</td>
<td>$</td>
</tr>
<tr>
<td>Total Other Revenue</td>
<td>64,169</td>
<td>772,156</td>
</tr>
<tr>
<td>Net Assets Released from Restrictions</td>
<td>205,483</td>
<td>(205,483)</td>
</tr>
<tr>
<td>Total Public Support and Other Revenue</td>
<td>7,862,655</td>
<td>2,118,757</td>
</tr>
</tbody>
</table>

**EXPENSES**

| Program Services | 4,968,664 | $ | 4,968,664 |
| Supporting Services | 1,733,668 | $ | 1,733,668 |
| Total Expenses | 6,702,332 | $ | 6,702,332 |

**CHANGE IN NET ASSETS**

| 1,160,323 | 2,118,757 | 3,279,080 |

**Net Assets - Beginning of Year**

| 8,215,899 | 7,074,596 | 15,290,495 |

**NET ASSETS - END OF YEAR**

| $ 9,376,222 | $ 9,193,353 | $ 18,569,575 |

See accompanying Notes to Financial Statements.
## PUBLIC SUPPORT AND OTHER REVENUE

<table>
<thead>
<tr>
<th>Public Support - Contributions:</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals - Workplace Campaign</td>
<td>$ 218,001</td>
<td>$</td>
<td>$ 218,001</td>
</tr>
<tr>
<td>Individuals and Family Foundations</td>
<td>1,527,492</td>
<td>106,779</td>
<td>1,634,271</td>
</tr>
<tr>
<td>Grants</td>
<td>656,125</td>
<td>500,000</td>
<td>1,156,125</td>
</tr>
<tr>
<td>Associations and Corporations</td>
<td>597,758</td>
<td>-</td>
<td>597,758</td>
</tr>
<tr>
<td>Programs and Conferences</td>
<td>3,172,265</td>
<td>-</td>
<td>3,172,265</td>
</tr>
<tr>
<td>Special Events and Pinwheels</td>
<td>101,298</td>
<td>-</td>
<td>101,298</td>
</tr>
<tr>
<td><strong>Total Public Support</strong></td>
<td><strong>6,272,939</strong></td>
<td><strong>606,779</strong></td>
<td><strong>6,879,718</strong></td>
</tr>
</tbody>
</table>

Other Revenue:
- Investment Income, Net: 51,696 626,168 677,864
- Other: 1,544 - 1,544

**Total Other Revenue**: 53,240 626,168 679,408

**Net Assets Released from Restrictions**: 122,047 (122,047) -

**Total Public Support and Other Revenue**: 6,448,226 1,110,900 7,559,126

## EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>3,993,619</td>
<td>-</td>
<td>3,993,619</td>
</tr>
<tr>
<td>Supporting Services</td>
<td>1,359,253</td>
<td>-</td>
<td>1,359,253</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>5,352,872</td>
<td>-</td>
<td>5,352,872</td>
</tr>
</tbody>
</table>

## CHANGE IN NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets - Beginning of Year</td>
<td>7,120,545</td>
<td>5,963,696</td>
<td>13,084,241</td>
</tr>
</tbody>
</table>

**NET ASSETS - END OF YEAR**: $ 8,215,899 $ 7,074,596 $ 15,290,495

See accompanying Notes to Financial Statements.
## STATEMENT OF FUNCTIONAL EXPENSES

**YEAR ENDED DECEMBER 31, 2021**

<table>
<thead>
<tr>
<th></th>
<th>Prevention Education</th>
<th>Prevention Research</th>
<th>Prevention Programs</th>
<th>Prevention Advocacy</th>
<th>Chapter Activities</th>
<th>Total</th>
<th>Management and General</th>
<th>Advancement</th>
<th>Total</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Expenses</td>
<td>$284,278</td>
<td>$773,229</td>
<td>$1,680,565</td>
<td>$277,394</td>
<td>$213,950</td>
<td>$3,229,416</td>
<td>$759,008</td>
<td>$287,340</td>
<td></td>
<td>$4,275,764</td>
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<tr>
<td>Accounting, Auditing, Legal, and Consulting</td>
<td>242,644</td>
<td>141,236</td>
<td>168,315</td>
<td>74,928</td>
<td>4,471</td>
<td>651,800</td>
<td>150,957</td>
<td>225,334</td>
<td>376,291</td>
<td>1,028,091</td>
</tr>
<tr>
<td>Other Services</td>
<td>2,163</td>
<td>33,632</td>
<td>19,765</td>
<td>1,192</td>
<td>979</td>
<td>57,731</td>
<td>4,487</td>
<td>29,205</td>
<td>33,692</td>
<td>91,423</td>
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<tr>
<td>Occupancy and Insurance</td>
<td>7,839</td>
<td>17,235</td>
<td>46,002</td>
<td>2,772</td>
<td>4,471</td>
<td>78,319</td>
<td>17,471</td>
<td>5,564</td>
<td>23,035</td>
<td>101,354</td>
</tr>
<tr>
<td>Telephone</td>
<td>3,193</td>
<td>6,416</td>
<td>16,549</td>
<td>2,556</td>
<td>1,869</td>
<td>30,583</td>
<td>6,203</td>
<td>1,727</td>
<td>7,930</td>
<td>38,513</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>39,867</td>
<td>29,158</td>
<td>59,254</td>
<td>16,624</td>
<td>4,199</td>
<td>149,102</td>
<td>50,812</td>
<td>24,597</td>
<td>75,409</td>
<td>224,511</td>
</tr>
<tr>
<td>Printing and Material Development</td>
<td>123,944</td>
<td>8,038</td>
<td>54,197</td>
<td>3,323</td>
<td>170,678</td>
<td>131,982</td>
<td>135,305</td>
<td>332,323</td>
<td>135,305</td>
<td></td>
</tr>
<tr>
<td>Travel and Development</td>
<td>149</td>
<td>9,852</td>
<td>54,197</td>
<td>9,363</td>
<td>11,508</td>
<td>85,069</td>
<td>14,011</td>
<td>1,829</td>
<td>15,840</td>
<td>100,909</td>
</tr>
<tr>
<td>Special Events and Pinwheels</td>
<td>31,316</td>
<td>77,032</td>
<td>170,678</td>
<td>19,725</td>
<td>4,295</td>
<td>128,092</td>
<td>47,283</td>
<td>130,562</td>
<td>218,667</td>
<td></td>
</tr>
<tr>
<td>In-Kind Expense</td>
<td>81,712</td>
<td>18,549</td>
<td>188,321</td>
<td>4,486</td>
<td>1,457</td>
<td>128,092</td>
<td>18,843</td>
<td>1,495</td>
<td>20,338</td>
<td>148,430</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>29,533</td>
<td>4,486</td>
<td>88,321</td>
<td>4,295</td>
<td>1,457</td>
<td>128,092</td>
<td>18,843</td>
<td>1,495</td>
<td>20,338</td>
<td>148,430</td>
</tr>
<tr>
<td>Indirect Expenses</td>
<td>-</td>
<td>27,558</td>
<td>-</td>
<td>-</td>
<td>19,725</td>
<td>47,283</td>
<td>130,562</td>
<td>-</td>
<td>130,562</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$846,638</td>
<td>$1,146,421</td>
<td>$2,303,646</td>
<td>$386,286</td>
<td>$285,673</td>
<td>$4,968,664</td>
<td>$1,153,001</td>
<td>$580,667</td>
<td></td>
<td>$6,702,332</td>
</tr>
</tbody>
</table>

See accompanying Notes to Financial Statements.
PREVENT CHILD ABUSE AMERICA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

See accompanying Notes to Financial Statements.
PREVENT CHILD ABUSE AMERICA  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Assets</td>
<td>$ 3,279,080</td>
<td>$ 2,206,254</td>
</tr>
<tr>
<td>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>148,430</td>
<td>84,386</td>
</tr>
<tr>
<td>Change in Market Value of Investments</td>
<td>(649,817)</td>
<td>(545,310)</td>
</tr>
<tr>
<td>Discount on Long-Term Receivables</td>
<td>(29,106)</td>
<td>(25,467)</td>
</tr>
<tr>
<td>Bad Debt Expense</td>
<td>-</td>
<td>5,703</td>
</tr>
<tr>
<td>Loss on Disposal of Fixed Assets</td>
<td>872</td>
<td>1,007</td>
</tr>
<tr>
<td>Changes in Assets and Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>(818,432)</td>
<td>125,202</td>
</tr>
<tr>
<td>Bequests Receivable</td>
<td>86,902</td>
<td>63,429</td>
</tr>
<tr>
<td>Other Assets</td>
<td>(76,492)</td>
<td>(32,337)</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>91,235</td>
<td>78,722</td>
</tr>
<tr>
<td>Accrued Expenses</td>
<td>(121,071)</td>
<td>65,266</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>(60,901)</td>
<td>(23,975)</td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities</td>
<td>1,850,700</td>
<td>2,002,880</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from Sales of Investments</td>
<td>4,560,402</td>
<td>1,862,329</td>
</tr>
<tr>
<td>Purchase of Investments and Reinvested Earnings</td>
<td>(7,910,452)</td>
<td>(1,990,135)</td>
</tr>
<tr>
<td>Purchase of Fixed Assets</td>
<td>(490,325)</td>
<td>(367,901)</td>
</tr>
<tr>
<td>Net Cash Used by Investing Activities</td>
<td>(3,840,375)</td>
<td>(495,707)</td>
</tr>
</tbody>
</table>

NET CHANGE IN CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1,989,675)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents - Beginning of Year</td>
<td>6,427,457</td>
<td>4,920,284</td>
</tr>
</tbody>
</table>

CASH AND CASH EQUIVALENTS - END OF YEAR

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 4,437,782</td>
<td>$ 6,427,457</td>
<td></td>
</tr>
</tbody>
</table>

See accompanying Notes to Financial Statements.
NOTE 1  NATURE OF ACTIVITIES

Prevent Child Abuse America (the Organization) is an organization established for the purpose of building a nationwide commitment to prevent child abuse in all its forms. Prevent Child Abuse America is supported primarily by contributions and grants from corporations, foundations, and individuals and from fees for services. Program services include Prevention Education, Prevention Research, Prevention Programs, Prevention Advocacy, and Chapter Activities. Management and General and Advancement are classified under supporting services.

NOTE 2  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates in Preparing Financial Statements
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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations and include board-designated funds. In December 2017, the board of directors approved the establishment of an Operating Reserve Fund. The purpose of the board-designated fund is to build and maintain an adequate level of net assets to support the organization’s day-to-day operations in the event of unforeseen shortfalls. The reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as staff development, research and development, rebranding, investment in infrastructure, or a temporary lapse in core program funding.

Net Assets With Donor Restrictions – Net assets that are subject to donor-imposed restrictions. Some net assets are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity (generally, the donors of these assets permit the Organization to use all or part of the income earned on these investments for general operations). Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose has been fulfilled, or both.
NOTE 2   SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents
The Organization considers cash deposited in banks and money market fund investments to be cash equivalents, with the exception of the cash that is included in the investment portfolio. That cash is designated for long-term investment purposes. Cash and cash equivalents are maintained on deposit with various financial institutions and investment companies, which at times may exceed federally insured limits.

Accounts Receivable
Accounts receivable include amounts related to training fees, publications, and other services and are reflected on the statement of financial position net of an allowance for doubtful accounts. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and historical experience with the customer. Management will record adjustments as necessary, which are reflected in the statements of activities.

Beneficial Interest in Trusts
The Organization is the income beneficiary under various charitable trusts, the corpus of which is not controlled by the management of the Organization. Although the Organization has no control over the administration or investment of the funds held in the charitable trusts, in accordance with U.S. GAAP, the current fair value of the beneficial interest in the charitable trusts is recognized as bequest receivable in the accompanying financial statements. The beneficial interest in the charitable trusts comprise $742,444 and $824,085 of the bequest receivable balance as of December 31, 2021 and 2020, respectively. As of December 31, 2021 there is one other bequest receivable outstanding in the amount of $23,845.

Investments
The Organization carries investments at fair value and reports gains and losses in the statements of activities. The fair value of investments are based on quoted market prices at the reporting date.

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those such changes could materially affect the amounts reported in the statements of financial position.

The board of directors designates a portion of the Organization’s total investment return for support of current operations in accordance with the board’s investment policy.

Copyright
Copyright is recorded at cost, net of amortization. The copyright is being amortized over its estimated useful life of six years.
NOTE 2  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Furniture and Equipment
Furniture and equipment are recorded at cost or at estimated fair value at the date of gift. Donations are reported as support without restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire furniture, fixtures, and office equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

The Organization depreciates furniture, fixtures, and office equipment over their estimated useful lives, typically three to five years, using the straight-line method.

Impairment of Long-Lived Assets
The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Deferred Rent
The Organization has entered into an operating lease for office space which includes escalating rent over the lease term. In accordance with accounting principles generally accepted in the United States of America, rent expense is recognized evenly over the life of the lease. Deferred rent of $7,856 and $10,745 is included in accrued expenses on the statements of financial position as of December 31, 2021 and 2020, respectively.

Deferred Revenue
Deferred revenue consists of conference registration, training, and affiliation fees paid in advance. Conference registration and training fees are recorded when the conference or training occurs and affiliation revenues are recorded in the year in which they relate.
NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition
The Organization derives its revenue primarily from contributions, programs, and conferences. Revenue is recognized in the year in which it is earned. The following discloses the recognition for the Organization’s most significant revenue streams:

Contributions
Contributions, including unconditional promises to give, are recorded when received. All contributions are available for unrestricted use unless specifically restricted by the donor. 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. Unconditional promises to give due in the next year are recorded at their net realizable value which approximates fair value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using adjusted risk-free interest rates applicable to the years in which the promises were received, and are included in accounts receivable on the statements of financial position.

A portion of the Organization’s revenue is derived from a cost-reimbursable federal grant, which is conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract and grant provisions. Any amounts received in advance would be recorded as a refundable advance in the statement of financial position. For the years ended December 31, 2021 and 2020, contributions of approximately $407,000 and $242,000, respectively, have not been recognized in the accompanying statement of activities because the qualifying expenditures have not yet been incurred.

Programs and Conferences Revenue
Program and conference revenue is made up of the following types of revenue:

Affiliation Fees, Chapter Revenue, and Accreditation Fees:
Affiliation fees and chapter revenue is recognized on a calendar year basis. Performance obligations provided to chapters and affiliates include access to technical assistance and support, training, research, capacity building, national conferences, marketing and communications, and networking opportunities, which occur throughout the year. Accreditation fees are application fees recognized when the application and payment is received for sites to begin the accreditation process.

Training and Manuals:
Revenues from training and manuals consists primarily of registration revenue for training sessions, related travel fees and manuals used in training sessions. Revenue is recognized when the sessions are held or products are purchased.

Conference Revenue:
Conference revenue includes registration and booth space exhibit fees which are recognized when the meeting takes place. Sponsorship revenue is recognized when the sponsored events and activities take place.
NOTE 2  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Services and Materials
Donated services and materials are reported as contribution revenue and as assets and expenses only if the services and materials create or enhance a nonfinancial asset, require specialized skills and are provided by individuals possessing those skills, are measurable, and would have been purchased if they had not been contributed. Donated services and materials are measured at their fair value.

Functional Allocation of Expenses
The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Expenses that can be identified with a specific program or supporting activity are allocated directly according to their natural expenditure classification. Certain categories of expenses are attributed to more than one program or supporting function and, therefore, require allocation on a reasonable basis that is consistently applied. Costs that meet the criteria for allocation, primarily employee expenses, occupancy, telephone, office expenses and supplies and depreciation and amortization, are allocated on the basis of employee time and effort.

Income Taxes
The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and has been classified as an organization that is not a private foundation under Section 509(a)(2). Management has concluded that there are no uncertain tax positions as of December 31, 2021 and 2020 and that the Organization has properly maintained its exempt status.

Reclassifications
Certain amounts have been reclassified for the year ended December 31, 2020 to conform to the presentation for the year ended December 31, 2021. The reclassifications had no impact on previously reported net assets.

Subsequent Events
The Organization has performed an evaluation of subsequent events through April 20, 2022, which is the date the financial statements were available to be issued and has considered any relevant matters in the preparation of the financial statements and footnotes.
NOTE 3 LIQUIDITY

Financial assets available for general expenditure, within one year of the date of the statements of financial position, comprise the following:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 4,437,782</td>
<td>$ 6,427,457</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>1,334,081</td>
<td>515,649</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,771,863</strong></td>
<td><strong>6,943,106</strong></td>
</tr>
<tr>
<td>Less: Amounts Receivable with Restriction</td>
<td>1,934,725</td>
<td>1,106,532</td>
</tr>
<tr>
<td><strong>Total Available for General Expenditure</strong></td>
<td><strong>$ 3,837,138</strong></td>
<td><strong>$ 5,836,574</strong></td>
</tr>
</tbody>
</table>

Endowment funds consist of two donor-restricted endowments. Investment earnings from donor-restricted endowments is available to support general operations. Investment earnings, net of related investment expenses are recorded as net assets with donor restrictions until the appropriated by the board of directors at which time net assets with donor restrictions are released from donor restriction and reported as net assets without donor restrictions. Donor-restricted endowment funds are not available for general expenditure.

The Organization also has $5,553,787 and $2,325,676 in investments that are not subject to donor restriction as of December 31, 2021 and 2020, respectively. $3,293,008 and $2,325,321 of unrestricted investments have been designated by the board as an operating reserve as of December 31, 2021 and 2020, respectively.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2021 and 2020 consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant and Pledges Receivable Expected to be Collected in Less Than One Year</td>
<td>$ 444,432</td>
<td>$ 263,100</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>930,165</td>
<td>307,684</td>
</tr>
<tr>
<td>Less: Allowance for Uncollectible Accounts</td>
<td>(40,516)</td>
<td>(55,135)</td>
</tr>
<tr>
<td>Accounts Receivables, Net</td>
<td>$ 1,334,081</td>
<td>$ 515,649</td>
</tr>
</tbody>
</table>
NOTE 5  BEQUEST RECEIVABLE

Bequest receivable at December 31, 2021 and 2020 consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due Within One Year</td>
<td>$191,229</td>
<td>$158,275</td>
</tr>
<tr>
<td>Due Between Two and Five Years</td>
<td>671,330</td>
<td>632,157</td>
</tr>
<tr>
<td>Due Thereafter</td>
<td>-</td>
<td>159,030</td>
</tr>
<tr>
<td>Bequest Receivable</td>
<td>862,559</td>
<td>949,462</td>
</tr>
<tr>
<td>Less: Discount</td>
<td>(96,270)</td>
<td>(125,377)</td>
</tr>
<tr>
<td>Bequest Receivable, Net</td>
<td>$766,289</td>
<td>$824,085</td>
</tr>
</tbody>
</table>

NOTE 6  INVESTMENTS

The components of the Organization’s investments consist of the following at December 31:

<table>
<thead>
<tr>
<th>December 31, 2021</th>
<th>Cost</th>
<th>Fair Value</th>
<th>Unrealized Appreciation (Depreciation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Market Funds</td>
<td>$1,980,870</td>
<td>$1,980,870</td>
<td>$-</td>
</tr>
<tr>
<td>Fixed Income - Mutual Funds</td>
<td>3,589,162</td>
<td>3,595,297</td>
<td>6,135</td>
</tr>
<tr>
<td>Fixed Income - Exchange Traded Funds</td>
<td>878,474</td>
<td>872,908</td>
<td>(5,566)</td>
</tr>
<tr>
<td>Equities - Mutual Funds</td>
<td>3,283,128</td>
<td>4,466,876</td>
<td>1,183,748</td>
</tr>
<tr>
<td>Equities - Exchange Traded Funds</td>
<td>482,329</td>
<td>553,571</td>
<td>71,241</td>
</tr>
<tr>
<td>Total</td>
<td>$10,213,963</td>
<td>$11,469,522</td>
<td>$1,255,559</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>December 31, 2020</th>
<th>Cost</th>
<th>Fair Value</th>
<th>Unrealized Appreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Market Funds</td>
<td>$1,321,047</td>
<td>$1,321,047</td>
<td>$-</td>
</tr>
<tr>
<td>Fixed Income - Mutual Funds</td>
<td>2,013,163</td>
<td>2,091,760</td>
<td>78,597</td>
</tr>
<tr>
<td>Fixed Income - Exchange Traded Funds</td>
<td>693,880</td>
<td>696,895</td>
<td>3,015</td>
</tr>
<tr>
<td>Equities - Mutual Funds</td>
<td>2,371,791</td>
<td>3,081,492</td>
<td>709,701</td>
</tr>
<tr>
<td>Equities - Exchange Traded Funds</td>
<td>250,792</td>
<td>278,461</td>
<td>27,669</td>
</tr>
<tr>
<td>Total</td>
<td>$6,650,673</td>
<td>$7,469,655</td>
<td>$818,982</td>
</tr>
</tbody>
</table>

The following schedule summarizes the investment return and its classification in the statements of activities as of December 31:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend and Interest Income, Net</td>
<td>$164,194</td>
<td>$132,554</td>
</tr>
<tr>
<td>Realized and Unrealized Gains</td>
<td>649,817</td>
<td>545,310</td>
</tr>
<tr>
<td>Total Investment Income, Net</td>
<td>$814,011</td>
<td>$677,864</td>
</tr>
</tbody>
</table>
NOTE 7  FAIR VALUE MEASUREMENT

In accordance with U.S. GAAP, the Organization prioritizes the inputs to valuation techniques used to measure fair value. The levels of the hierarchy and those investments included in each are as follows:

**Level 1** – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets that the Organization has the ability to access.

**Level 2** – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for substantially the entire period for the asset or liability and market-corroborated inputs.

**Level 3** – Inputs to valuation methodology are unobservable for the asset or liability and are significant to the fair value measurement.

The fair value of assets measured on a recurring basis at December 31, 2021 are as follows:

<table>
<thead>
<tr>
<th>December 31, 2021</th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income - Mutual Funds</td>
<td>$3,595,297</td>
<td>$3,595,297</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fixed Income - Exchange Traded Funds</td>
<td>872,908</td>
<td>872,908</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equities - Mutual Funds</td>
<td>4,466,876</td>
<td>4,466,876</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equities - Exchange Traded Funds</td>
<td>553,571</td>
<td>553,571</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Investments</td>
<td>9,488,652</td>
<td>9,488,652</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bequest Receivables</td>
<td>742,444</td>
<td>-</td>
<td>-</td>
<td>742,444</td>
</tr>
<tr>
<td>Total</td>
<td>$10,231,096</td>
<td>$9,488,652</td>
<td>-</td>
<td>$742,444</td>
</tr>
</tbody>
</table>

The fair value of assets measured on a recurring basis at December 31, 2020 are as follows:

<table>
<thead>
<tr>
<th>December 31, 2020</th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income - Mutual Funds</td>
<td>$2,091,760</td>
<td>$2,091,760</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fixed Income - Exchange Traded Funds</td>
<td>696,895</td>
<td>696,895</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equities - Mutual Funds</td>
<td>3,081,492</td>
<td>3,081,492</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equities - Exchange Traded Funds</td>
<td>278,461</td>
<td>278,461</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Investments</td>
<td>6,148,608</td>
<td>6,148,608</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bequest Receivables</td>
<td>824,085</td>
<td>-</td>
<td>-</td>
<td>824,085</td>
</tr>
<tr>
<td>Total</td>
<td>$6,972,693</td>
<td>$6,148,608</td>
<td>-</td>
<td>$824,085</td>
</tr>
</tbody>
</table>

Not included in the previous tables are money market funds of $1,980,870 and $1,321,047 as of December 31, 2021 and 2020, respectively.
NOTE 7  FAIR VALUE MEASUREMENT (CONTINUED)

Fair values for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value of Level 3 beneficial interest receivables is determined by calculating the present value of future distributions expected to be received using a discount rate of 4.2% in 2021 and 2020. There has been no change in valuation techniques from the prior year.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are as follows as of December 31:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bequest Receivable, Net - Beginning Balance</td>
<td>$824,085</td>
<td>$862,047</td>
</tr>
<tr>
<td>Payments Received</td>
<td>(158,725)</td>
<td>(144,742)</td>
</tr>
<tr>
<td>Change in Value</td>
<td>77,084</td>
<td>106,780</td>
</tr>
<tr>
<td>Bequest Receivable, Net - Ending Balance</td>
<td>$742,444</td>
<td>$824,085</td>
</tr>
</tbody>
</table>

NOTE 8  COPYRIGHT

On March 13, 2017, the Organization entered into an agreement with Great Kids, Inc. to purchase the copyrights to two curricula used by Healthy Families America. The two organizations also amended the original license agreement for other curricula used by Healthy Families America, reducing the licensing fee to reflect the copyright purchase. Additional copyrights were purchased during 2020 in the amount of $20,000. The copyrights were recorded at cost and will be amortized on a straight-line basis over the expected useful life of six years. Accumulated amortization as of December 31, 2021 and 2020 was $198,646 and $154,896, respectively. Amortization expense for 2021 and 2020 was $43,750.

NOTE 9  FURNITURE AND EQUIPMENT

Furniture and equipment at December 31 consists of:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remodeling Costs</td>
<td>$29,000</td>
<td>$29,000</td>
</tr>
<tr>
<td>Furniture and Other Furnishings</td>
<td>112,536</td>
<td>108,851</td>
</tr>
<tr>
<td>Equipment and Software</td>
<td>939,810</td>
<td>474,435</td>
</tr>
<tr>
<td>Total</td>
<td>1,081,346</td>
<td>612,286</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td>(304,365)</td>
<td>(220,078)</td>
</tr>
<tr>
<td>Total Furniture, Equipment, and Software</td>
<td>$776,981</td>
<td>$392,208</td>
</tr>
</tbody>
</table>

Depreciation expense was $104,680 and $40,636 for the years ended December 31, 2021 and 2020, respectively.
NOTE 10  LINE OF CREDIT

The Organization has an unsecured line of credit with Huntington Bank that was established on February 22, 2022 and provides for borrowings up to $1,000,000. The line of credit has a variable interest rate that is calculated based off the secured overnight financing rate published by the Federal Reserve Bank of New York (0.050% at the date the agreement was entered into) plus 2.000%; not to be less than 2.500% per annum. Interest on the line of credit is payable monthly. The line of credit has a current maturity date of February 21, 2023. As of the report date there was no balance outstanding under the line of credit agreement.

NOTE 11  DEFERRED REVENUE

Deferred revenue at December 31, 2021 and 2020 consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recognized Over Time:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conferences and Trainings</td>
<td>$39,000</td>
<td>$39,730</td>
</tr>
<tr>
<td>Affiliate Fees</td>
<td>49,861</td>
<td>56,032</td>
</tr>
<tr>
<td>MIECHV Systems Development</td>
<td>-</td>
<td>54,000</td>
</tr>
<tr>
<td>Total Recognized Over Time</td>
<td>49,861</td>
<td>110,032</td>
</tr>
<tr>
<td>Total Deferred Revenue</td>
<td>$88,861</td>
<td>$149,762</td>
</tr>
</tbody>
</table>

Deferred revenue was $173,737 at January 1, 2020.

NOTE 12  NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from donor restriction by incurring expenses satisfying the restricted purpose or by the passage of time as follows for the year ended December 31:

<table>
<thead>
<tr>
<th>Donor Removed Restriction for a Specified Purpose:</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer-to-Peer Abuse (Bullying) Prevention</td>
<td>$</td>
<td>$122,047</td>
</tr>
<tr>
<td>PCAA Chapters Support</td>
<td>195,483</td>
<td>-</td>
</tr>
<tr>
<td>HFA Network Support</td>
<td>10,000</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$205,483</td>
<td>$122,047</td>
</tr>
</tbody>
</table>
NOTE 12  NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets with donor restrictions at December 31 are restricted for the following purposes:

Subject to Expenditure for a Specified Purpose:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adverse Childhood Experiences</td>
<td>$2,500</td>
<td>$2,500</td>
</tr>
<tr>
<td>Advocacy and Education</td>
<td>1,457,671</td>
<td>1,380,187</td>
</tr>
<tr>
<td>Funds for Individuals in Need of PCAA's Services</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Peer-to-Peer Abuse (Bullying) Prevention</td>
<td>22,930</td>
<td>22,930</td>
</tr>
<tr>
<td>PCA Chapters and HFA Network Support</td>
<td>1,769,517</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,277,618</td>
<td>1,930,617</td>
</tr>
</tbody>
</table>

Endowment Assets:

Amounts to be Held in Perpetuity, the Income From Which is Expendable to Support:

<table>
<thead>
<tr>
<th>Endowment</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donna Stone Pesch Endowment</td>
<td>2,500,000</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Forester’s Endowment</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,000,000</td>
<td>3,000,000</td>
</tr>
</tbody>
</table>

Subject to Endowment Spending Policy and Appropriation:

<table>
<thead>
<tr>
<th>Endowment</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donna Stone Pesch Endowment - General Operations</td>
<td>2,260,206</td>
<td>1,629,434</td>
</tr>
<tr>
<td>Forester’s Endowment - Healthy Families America and the Chapter Network</td>
<td>655,529</td>
<td>514,545</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,915,735</td>
<td>2,143,979</td>
</tr>
</tbody>
</table>

Total Endowment Assets: **5,915,735**

Total: **$9,193,353**

**$7,074,596**
NOTE 13 ENDOWMENTS

The Organization’s endowment includes two donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The board of directors of the Organization has interpreted the Illinois Uniform Management of Institutional Funds Act (UMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restriction (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UMIFA:

The Organization considers the following factors in making a determination of the amount to appropriate for current operations:

1. The duration and preservation of the fund;
2. The purposes of the organization and 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 organization; and
7. The investment policies of the organization.

As of December 31, the Organization had the following endowment net asset composition:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th></th>
<th>2020</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Without Donor Restrictions</td>
<td>With Donor Restrictions</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Donor-Restricted Endowment Funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original Donor Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by the Donor</td>
<td>$ -</td>
<td>$ 3,000,000</td>
<td>$ 3,000,000</td>
<td></td>
</tr>
<tr>
<td>Accumulated Investment Gains</td>
<td>$ -</td>
<td>2,915,735</td>
<td>2,915,735</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ -</td>
<td>$ 5,915,735</td>
<td>$ 5,915,735</td>
<td></td>
</tr>
</tbody>
</table>
NOTE 13  ENDOWMENTS (CONTINUED)

Donor-restricted endowments consist of:

- A $1,000,000 grant from the Pesch Family Foundation, and the related $1,000,000 matching funds, which contains a donor stipulation that the principal be maintained intact in perpetuity and that only the income from investment thereof be expended for general purposes. Earnings are reported as net assets with donor restrictions until they are appropriated by the board of directors.

- A $500,000 grant from the W. Clement Stone 1990 Revocable Trust which contains a donor stipulation that the principal be maintained intact in perpetuity and that only the income from investment thereof be expended for general purposes. Earnings are reported as net assets with donor restrictions until they are appropriated by the board of directors.

- A $500,000 grant from the Independent Order of Foresters which contains a donor stipulation that the principal be maintained intact in perpetuity and that only the income from investment thereof be expended to support Healthy Families America and the Chapter network with approval of the Foresters. Until designated for operations by the board of directors, investment income from this grant is classified as net assets with donor restrictions.

Changes in donor-restricted endowment net assets for December 31 were:

<table>
<thead>
<tr>
<th></th>
<th>2021 Without Donor Restrictions</th>
<th>2021 With Donor Restrictions</th>
<th>2021 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment Net Assets - Beginning of Year</td>
<td>$ -</td>
<td>$ 5,143,579</td>
<td>$ 5,143,579</td>
</tr>
<tr>
<td>Investment Return:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income, Net of Investment Expenses</td>
<td>-</td>
<td>132,981</td>
<td>132,981</td>
</tr>
<tr>
<td>Net Appreciation (Realized and Unrealized)</td>
<td>-</td>
<td>639,175</td>
<td>639,175</td>
</tr>
<tr>
<td>Total Investment Return</td>
<td>-</td>
<td>772,156</td>
<td>772,156</td>
</tr>
<tr>
<td>Endowment Net Assets - End of Year</td>
<td>$ -</td>
<td>$ 5,915,735</td>
<td>$ 5,915,735</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2020 Without Donor Restrictions</th>
<th>2020 With Donor Restrictions</th>
<th>2020 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment Net Assets - Beginning of Year</td>
<td>$ -</td>
<td>$ 4,517,411</td>
<td>$ 4,517,411</td>
</tr>
<tr>
<td>Investment Return:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income, Net of Investment Expenses</td>
<td>-</td>
<td>102,176</td>
<td>102,176</td>
</tr>
<tr>
<td>Net Appreciation (Realized and Unrealized)</td>
<td>-</td>
<td>523,992</td>
<td>523,992</td>
</tr>
<tr>
<td>Total Investment Return</td>
<td>-</td>
<td>626,168</td>
<td>626,168</td>
</tr>
<tr>
<td>Endowment Net Assets - End of Year</td>
<td>$ -</td>
<td>$ 5,143,579</td>
<td>$ 5,143,579</td>
</tr>
</tbody>
</table>
NOTE 13  ENDOWMENTS (CONTINUED)

**Funds with Deficiencies**
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UMIFA requires the Organization to retain as a fund of perpetual duration. There were no deficiencies as of December 31, 2021 and 2020.

**Return Objectives and Risk Parameters**
The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the historic dollar value of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or until as used per donor specifications. Under this policy, the endowment assets are invested in a diversified manner that is intended to produce results that meet or exceed the blended benchmark of 30% Barclays Capital Intermediate Govt/Credit Index, 5% BBC High Yield Index, 45% S&P 500 Index, 10% Russell 2000 Index, 10% MSCI EAFE-net Index, while maintaining a prudent level of risk. The Organization expects its endowment funds, over time, to provide an average rate of return that exceeds the rate of inflation by 5% as measured in the Consumer Price Index over a rolling three year period. Actual returns in any given year may vary from this amount.

**Strategies Employed for Achieving Objectives**
To satisfy its long-term rate of return objectives, the Organization 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 Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**
The board of directors may annually appropriate a portion of the total return on its investments to current operations. Under the Organization’s policy, no amounts were appropriated in 2021 and 2020. In determining the amount to appropriate, the board of directors considers the long-term expected return on its endowment. This is consistent with the Organization’s objective to maintain the preservation of the fair value of the original gift held in perpetuity or for a specified term as well as to provide predictable amounts of funds for current operations. The total return on endowment funds are reduced by investment fees incurred related to those funds.
NOTE 14  REVENUE RECOGNITION

The following table shows the Organization’s revenue disaggregated according to the timing of the transfer of goods as services:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recognized at a Point in time:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programs and Conferences:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manuals</td>
<td>$ 10,523</td>
<td>$ 56,554</td>
</tr>
<tr>
<td>Recognized Over Time:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programs and Conferences:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accreditation Fees</td>
<td>19,500</td>
<td>7,000</td>
</tr>
<tr>
<td>Conference Revenue</td>
<td>335,771</td>
<td>241,369</td>
</tr>
<tr>
<td>Training</td>
<td>1,113,870</td>
<td>634,164</td>
</tr>
<tr>
<td>Chapter Revenue</td>
<td>98,700</td>
<td>100,800</td>
</tr>
<tr>
<td>MIECHV Systems Development</td>
<td>84,375</td>
<td>129,375</td>
</tr>
<tr>
<td>Affiliation Fees</td>
<td>2,070,686</td>
<td>2,003,003</td>
</tr>
<tr>
<td>Other</td>
<td>22,314</td>
<td>1,544</td>
</tr>
<tr>
<td>Total Recognized Over Time</td>
<td>3,745,216</td>
<td>3,117,255</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 3,755,739</td>
<td>$ 3,173,809</td>
</tr>
</tbody>
</table>

NOTE 15  IN-KIND CONTRIBUTIONS

The Organization received contributed legal and other services as follows for the years ended December 31, 2021 and 2020:

<table>
<thead>
<tr>
<th></th>
<th>Program Service</th>
<th>Management and General</th>
<th>Advancement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>December 31, 2021</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounting, Auditing, Legal, and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consulting</td>
<td>$ -</td>
<td>$ 136,384</td>
<td>$ -</td>
<td>$ 136,384</td>
</tr>
<tr>
<td>Other Services</td>
<td>81,712</td>
<td></td>
<td>-</td>
<td>81,712</td>
</tr>
<tr>
<td>Travel and Development</td>
<td>-</td>
<td>571</td>
<td>-</td>
<td>571</td>
</tr>
<tr>
<td>Total</td>
<td>$ 81,712</td>
<td>$ 136,955</td>
<td>$ -</td>
<td>$ 218,667</td>
</tr>
<tr>
<td><strong>December 31, 2020</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounting, Auditing, Legal, and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consulting</td>
<td>$ -</td>
<td>$ 100,873</td>
<td>$ -</td>
<td>$ 100,873</td>
</tr>
<tr>
<td>Other Services</td>
<td>5,046</td>
<td>-</td>
<td>-</td>
<td>5,046</td>
</tr>
<tr>
<td>Travel and Development</td>
<td>-</td>
<td>1,885</td>
<td>-</td>
<td>1,885</td>
</tr>
<tr>
<td>Total</td>
<td>$ 5,046</td>
<td>$ 102,758</td>
<td>$ -</td>
<td>$ 107,804</td>
</tr>
</tbody>
</table>
NOTE 16 RELATED PARTY TRANSACTIONS

The Organization received $674,662 and $777,328 in 2021 and 2020, respectively, of support from its board of directors and corporations that employ members of the Organization’s board of directors.

NOTE 17 RETIREMENT PLAN

The Organization has a 401(k) plan that covers substantially all employees. The Organization funds the plan through annual contributions based upon a fixed percentage of eligible employees’ salaries. The contributions for 2021 were $68,917 and in 2020 were $55,919.

NOTE 18 COMMITMENTS

Leases
The Organization is obligated under terms of a lease which expires February 28, 2023 for office space located in Chicago, Illinois. Under terms of the lease agreement, the Organization pays monthly base rent of $7,000. The base rent escalates by 4% per annum. In addition, the Organization leases various office equipment under operating leases expiring through March 2025. Rent expense recorded for the years ended December 31, 2021 and 2020 was $100,867 and $98,963, respectively. Future minimum base lease payments for office and equipment leases are as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$122,558</td>
</tr>
<tr>
<td>2023</td>
<td>41,297</td>
</tr>
<tr>
<td>2024</td>
<td>24,574</td>
</tr>
<tr>
<td>2025</td>
<td>5,884</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$194,313</strong></td>
</tr>
</tbody>
</table>

Event Contracts
The Organization has entered into contracts for future conferences. In the event the conferences are cancelled, the Organization can be held liable for liquidated damages.
NOTE 19  PAYCHECK PROTECTION PROGRAM LOAN

On April 25, 2020, the Organization received a loan from Huntington National Bank totaling $563,000 to fund payroll, rent, and utilities through the Paycheck Protection Program (the PPP Loan #1). The PPP Loan #1 bore interest at a fixed rate of 1.0% per annum, had a term of two years, and was unsecured and guaranteed by the U.S. Small Business Administration (SBA). Payment of principal and interest was deferred until the date on which the amount of forgiveness was remitted by the SBA to the lender or, if the Organization failed to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts are subject to forgiveness based on compliance with program requirements and approval by the SBA. The covered period from April 27, 2020 to October 11, 2020, is the time the Organization had to spend their PPP Loan #1 funds.

The Organization followed ASC 470, Debt, to account for the initial receipts related to the PPP Loan #1. On December 14, 2020, the SBA processed the Organization’s PPP Loan #1 forgiveness application and notified Huntington National Bank that the PPP Loan qualified for full forgiveness. Loan proceeds were received by the bank from the SBA on this date. Therefore, the Organization was legally released from the debt and the loan forgiveness has been recorded as a gain on extinguishment of debt, which is included in Public Support – Contributions: Associations and Corporations in the statement of activities during the year ended December 31, 2020.

On February 16, 2021, the Organization received a second loan from Huntington National Bank totaling $603,500 to fund payroll through the Paycheck Protection Program (the PPP Loan #2). The PPP Loan #2 bore interest at a fixed rate of 1.0% per annum, had a term of five years, and was unsecured and guaranteed by the U.S. Small Business Administration (SBA). Payment of principal and interest was deferred until the date on which the amount of forgiveness is remitted by the SBA to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts are subject to forgiveness based on compliance with program requirements and approval by the SBA. The covered period from February 16, 2021 to May 10, 2021, is the time the Organization had to spend their PPP Loan #2 funds.

The Organization is following, ASC 470, Debt, to account for the initial receipts related to the PPP Loan #2. On October 6, 2021, the SBA processed the Organization’s PPP Loan #2 forgiveness application and notified Huntington National Bank that the PPP Loan #2 qualified for full forgiveness. Loan proceeds were received by the bank from the SBA on this date. Therefore, the Organization was legally released from the debt and the loan forgiveness has been recorded as a gain on extinguishment of debt, which is included in Public Support – Contributions: Associations and Corporations in the statement of activities during the year ended December 31, 2021.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization’s financial position.
NOTE 20  RISKS AND UNCERTAINTY

The World Health Organization has declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may have continuing impacts on various parts of its operations and financial results including, but not limited to, investment performance and loss of revenue due to the inability to hold in person conferences and events, as well as other reductions in certain revenue streams. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

NOTE 21  CASH FLOW DISCLOSURES

There was no cash paid for interest and taxes during the years ended December 31, 2021 and 2020. During 2021, the Organization acquired fixed assets of $6,999 that were included in accounts payable at year-end. During 2020, the Organization acquired fixed assets of $21,975 that were included in accounts payable at year-end.

NOTE 22  RECENT ACCOUNTING PRONOUNCEMENTS

Leases
In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the Organization’s leasing activities. The guidance will initially be applied using a modified retrospective approach. The amendments in the guidance will be effective for the year ending December 31, 2022. Early adoption is permitted. Management is evaluating the impact of the amended lease guidance on the Organization’s financial statements.

Contributed Nonfinancial Assets
In September 2020, FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958). This update increases transparency about the measurement and use of nonfinancial assets by recognizing gifts-in-kind to be presented as a separate line in the statement of activities and disclosing key information. ASU 2020-07 is effective for the Organization for the year ending December 31, 2022.