

FOUNDATION FOR FINANCIAL PLANNING, INC.

FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 and 2020  
with  
INDEPENDENT AUDITORS' REPORT

FOUNDATION FOR FINANCIAL PLANNING, INC.  
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December 31, 2021 and 2020

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# Reed, Quinn & McClure, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Foundation for Financial Planning, Inc.

### ***Opinion***

We have audited the accompanying financial statements of the Foundation for Financial Planning, Inc. which comprise the statements of financial position as 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 Foundation for Financial Planning, Inc. 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 audit in accordance with the 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 Foundation for Financial Planning, Inc. and to meet our 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Foundation for Financial Planning, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit, conducted in accordance with generally accepted auditing standards, will always detect a material misstatement when it exists. The risk of not detecting 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 substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 of 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 Foundation for Financial Planning, Inc.'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Foundation for Financial Planning, Inc.'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 findings, and certain internal control related matters that we identified during the audit.

*Reed, Quinn and McClure*

Lawrenceville, Georgia  
October 11, 2022

FOUNDATION FOR FINANCIAL PLANNING, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2021 AND 2020

ASSETS	2021	2020
Cash and cash equivalents	\$ 1,164,196	\$ 400,203
Investments	26,846,249	23,653,140
Unconditional promises to give, net	2,121,482	1,922,958
Prepaid expense	11,475	11,475
Computer equipment and software, net	24,979	28,443
Total assets	\$ 30,168,381	\$ 26,016,219
LIABILITIES AND NET ASSETS		
LIABILITIES		
Grants payable	\$ 603,160	\$ 410,359
Accounts payable and accrued liabilities	114,599	122,221
	717,759	532,580
NET ASSETS		
Without restrictions	27,181,455	23,313,880
Board designated	1,000,000	1,000,000
Total net assets without restrictions	28,181,455	24,313,880
With restrictions	1,269,167	1,169,759
Total net assets	29,450,622	25,483,639
Total liabilities and net assets	\$ 30,168,381	\$ 26,016,219

The accompanying notes are an integral part of these financial statements.

FOUNDATION FOR FINANCIAL PLANNING, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	WITHOUT RESTRICTION	WITH RESTRICTIONS	TOTAL	WITHOUT RESTRICTION	WITH RESTRICTIONS	TOTAL
<b>REVENUE AND SUPPORT</b>						
Contributions	\$ 48,717	\$ 2,200,903	\$ 2,249,620	\$ 50,747	\$ 1,031,978	\$ 1,082,725
Advertising - donated	187,941	-	187,941	196,175	-	196,175
Investment income	3,362,143	-	3,362,143	1,897,536	-	1,897,536
Donated services	5,000	-	5,000	-	-	-
Other income	499	-	499	10,566	-	10,566
Total revenues and support	<u>3,604,300</u>	<u>2,200,903</u>	<u>5,805,203</u>	<u>2,155,024</u>	<u>1,031,978</u>	<u>3,187,002</u>
Net assets released from restrictions	<u>2,101,495</u>	<u>(2,101,495)</u>	<u>-</u>	<u>1,155,889</u>	<u>(1,155,889)</u>	<u>-</u>
<b>EXPENSES</b>						
Program services:						
Grants	793,889	-	793,889	722,676	-	722,676
National programs	586,574	-	586,574	565,859	-	565,859
Total program services	<u>1,380,463</u>	<u>-</u>	<u>1,380,463</u>	<u>1,288,535</u>	<u>-</u>	<u>1,288,535</u>
General and administrative	271,741	-	271,741	234,921	-	234,921
Fundraising	186,016	-	186,016	175,939	-	175,939
Total expenses	<u>1,838,220</u>	<u>-</u>	<u>1,838,220</u>	<u>1,699,395</u>	<u>-</u>	<u>1,699,395</u>
Change in Net Assets	3,867,575	99,408	3,966,983	1,611,518	(123,911)	1,487,607
Net assets - beginning of year	<u>24,313,880</u>	<u>1,169,759</u>	<u>25,483,639</u>	<u>22,702,362</u>	<u>1,293,670</u>	<u>23,996,032</u>
Net assets - end of year	<u>\$ 28,181,455</u>	<u>\$ 1,269,167</u>	<u>\$ 29,450,622</u>	<u>\$ 24,313,880</u>	<u>\$ 1,169,759</u>	<u>\$ 25,483,639</u>

The accompanying notes are an integral part of these financial statements.

FOUNDATION FOR FINANCIAL PLANNING  
STATEMENT OF FUNCTIONAL EXPENSE  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>GRANTS</u>	<u>NATIONAL PROGRAMS</u>	<u>TOTAL PROGRAM</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries	\$ 183,243	\$ 429,298	\$ 612,541	\$ 107,615	\$ 94,932	\$ 815,088
Employee benefits	11,817	27,684	39,501	6,939	6,122	52,562
Payroll taxes	12,722	29,805	42,527	7,471	6,591	56,589
Total personnel costs	<u>207,782</u>	<u>486,787</u>	<u>694,569</u>	<u>122,025</u>	<u>107,645</u>	<u>924,239</u>
Advertising - donated	62,647	62,647	125,294	-	62,647	187,941
Depreciation	2,064	4,836	6,900	1,212	1,069	9,181
Dues and subscriptions	1,212	-	1,212	9,007	-	10,219
Grants	502,790	-	502,790	-	-	502,790
Grants to Chapters	4,470	-	4,470	-	-	4,470
Insurance expense	4,014	9,404	13,418	2,357	2,079	17,854
Merchant fees	2,742	6,425	9,167	1,611	1,421	12,199
Occupancy	5,005	11,726	16,731	2,939	2,593	22,263
Office supplies	-	-	-	593	-	593
Postage	-	-	-	1,755	-	1,755
Printing and publications	588	3,200	3,788	217	3,275	7,280
Professional services	25	1,549	1,574	109,376	-	110,950
Telecommunications	-	-	-	7,894	-	7,894
Travel and events	550	-	550	12,755	5,287	18,592
Total	<u>\$ 793,889</u>	<u>\$ 586,574</u>	<u>\$ 1,380,463</u>	<u>\$ 271,741</u>	<u>\$ 186,016</u>	<u>\$ 1,838,220</u>

The accompanying notes are an integral part of these financial statements.

FOUNDATION FOR FINANCIAL PLANNING  
STATEMENT OF FUNCTIONAL EXPENSE  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>GRANTS</u>	<u>NATIONAL PROGRAMS</u>	<u>TOTAL PROGRAM</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries	\$ 169,211	\$ 411,599	\$ 580,810	\$ 93,354	\$ 87,406	\$ 761,570
Employee benefits	14,435	35,112	49,547	7,964	7,456	64,967
Payroll taxes	11,142	27,104	38,246	6,147	5,756	50,149
Total personnel costs	<u>194,788</u>	<u>473,815</u>	<u>668,603</u>	<u>107,465</u>	<u>100,618</u>	<u>876,686</u>
Advertising - donated	65,392	65,392	130,784	-	65,392	196,176
Depreciation	1,972	4,798	6,770	1,088	1,019	8,877
Dues and subscriptions	606	1,273	1,879	9,545	-	11,424
Grants	425,480	-	425,480	-	-	425,480
Grants to Chapters	26,589	-	26,589	-	-	26,589
Insurance expense	2,347	5,710	8,057	1,295	1,213	10,565
Merchant fees	-	-	-	7,892	-	7,892
Miscellaneous	-	-	-	258	-	258
Office rent	4,935	12,005	16,940	2,723	2,549	22,212
Office supplies	-	800	800	1,465	-	2,265
Postage	-	-	-	172	-	172
Printing and publications	-	384	384	2,864	5,148	8,396
Professional services	-	1,500	1,500	89,523	-	91,023
Telecommunications	-	-	-	4,670	-	4,670
Travel and events	567	182	749	5,961	-	6,710
Total	<u>\$ 722,676</u>	<u>\$ 565,859</u>	<u>\$ 1,288,535</u>	<u>\$ 234,921</u>	<u>\$ 175,939</u>	<u>\$ 1,699,395</u>

The accompanying notes are an integral part of these financial statements.



FOUNDATION FOR FINANCIAL PLANNING, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
INCREASE (DECREASE) IN CASH

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 3,966,983	\$ 1,487,607
Adjustments necessary to reconcile increase in net assets to cash provided by operating activities:		
Depreciation	9,181	8,877
Net realized and unrealized (gains) losses on investments	(2,728,902)	(1,603,000)
(Increase) Decrease in promises to give	(198,524)	(56,047)
(Increase) Decrease in prepaid expenses	-	(5,876)
Increase (Decrease) in accounts payable	(7,622)	7,859
Increase (Decrease) in grants payable	192,801	22,182
Net cash provided by operating activities	1,233,917	(138,398)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	300,000	500,000
Purchase of investments, net	(764,207)	(308,508)
Purchases of equipment	(5,717)	(17,309)
Net cash provided(used) from investing activities	(469,924)	174,183
Net increase(decrease) in cash	763,993	35,785
Cash - beginning of year	400,203	364,418
Cash - end of year	\$ 1,164,196	\$ 400,203
<b>Supplemental information</b>		
Income recognized - noncash		
In Kind contributions	\$ 192,941	\$ 196,175
Donated securities	-	-
Total income from noncash sources	\$ 192,941	\$ 196,175
Expenses recognized - non-cash		
Advertising expense	192,941	196,175
Total non-cash expense	\$ 192,941	\$ 196,175

The accompanying notes are an integral part of these financial statements.

FOUNDATION FOR FINANCIAL PLANNING, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

**1. ORGANIZATION**

Foundation for Financial Planning Inc. (the Foundation) is a not-for-profit financial educational organization. It helps develop and support programs connecting vulnerable families and individuals to free quality financial advice. In 2018, the Foundation launched a new signature initiative, Pro Bono for Cancer, connecting hundreds of families affected by cancer with volunteer financial planners across the country. It also continued to support efforts that benefited low-income individuals and their families, low-income home buyers, military and veterans, domestic violence survivors, and many other underserved groups.

The Foundation

- Provides grants to local and national nonprofits to support programs linking financial planners to families who could not otherwise afford quality guidance.
- Helps recruit and connect volunteer financial planners to people in need through targeted outreach and working with corporate and association partners.
- Develops innovative program models with key partners to reach populations where it can have a particularly strong impact, like military families and people affected by cancer.
- Offers free financial planning resources to people in need and the volunteers that help them, including training and best practices for volunteer planners.
- Raises awareness of the financial advice profession's commitment to pro bono through community events, national conferences, digital and traditional media, and more.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Presentation*

The financial statements have been prepared on the accrual basis of accounting. The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without restrictions and net assets with restrictions.

*Estimates*

Financial statements prepared in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates

*Income Taxes*

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The IRS has determined the Foundation is not a private foundation. Accordingly, no provision for income taxes is necessary.

FOUNDATION FOR FINANCIAL PLANNING, INC.  
NOTES TO FINANCIAL STATEMENTS (Continued)  
December 31, 2021 and 2020

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Fair Value of Financial Instruments*

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, FASB ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels used to measure fair value are as follows:

- Level 1 Quoted prices in an active market for identical assets or liabilities;
- Level 2 Observable inputs other than quoted market prices included in level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities; this includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs

The Foundation has estimated the fair values of its financial instruments on Level 1 and Level 3 (see note 9). The estimated fair value amounts for specific groups of financial instruments are presented within the footnotes applicable to such items. Cash and cash equivalents and accounts payable are stated at cost, which approximates fair value, due to their short-term maturity,

*Cash and Cash Equivalent*

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and cash on deposit with banks. The Foundation considers all highly liquid investments with a maturity of three months or less when purchased, to be cash equivalents, except money market funds held as part of the Foundation's investment portfolio. Such funds are not considered to be cash equivalents for purposes of the statement of cash flows.

*Investments*

Investments are stated at fair market value if such value is readily determinable (Level 1). Donated investments are included as contribution income based on the estimated fair market value as of the date of the gift. Unrealized gains and losses are included in the change in net assets in the statement of activities.

FOUNDATION FOR FINANCIAL PLANNING, INC.  
NOTES TO FINANCIAL STATEMENTS (Continued)  
December 31, 2021 and 2020

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Promises to Give*

Promises to give are recorded at their net realizable value based on Level 3 inputs (See Note 4). Promises to give received after one year are discounted at an appropriate discount rate based on management's estimate of the risks involved. Amortization of the discount is recorded annually as additional contribution revenue. The Foundation uses the allowance method to determine estimated uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At December 31, 2021 and 2020, the allowance was \$82,716 and \$87,641, respectively.

*Property and equipment*

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over useful lives. Depreciation of property and equipment and amortization of the website is computed using the straight-line method and charged to operations over the estimated useful life of five (5) years.

*Contributions*

Contributions are recorded as without restriction or with restriction depending on the existence and/or nature of any donor restrictions. The donor's restriction must be a specific purpose restriction or a specific time restriction. Net assets with restrictions are reclassified to net assets without restriction upon satisfaction of the donor restriction. The reclassification is referred to on the statement of activities as net assets released from restriction.

*Contributions of Non-monetary Assets, including Services*

Contributions of non-monetary assets are recorded at fair value at the date of receipt, including contributions of services that can be measured by the creation or enhancement of a non-financial asset. Fair value is based on quoted market prices or other objective valuation techniques. Donated services received that create or enhance non-financial assets or require specialized skills that would need to be purchased, if not donated, are recognized as in-kind contributions at their fair value.

*Functional Allocation of Expenses*

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimate of time spent on such activities.

FOUNDATION FOR FINANCIAL PLANNING, INC.  
NOTES TO FINANCIAL STATEMENTS (Continued)  
December 31, 2021 and 2020

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Advertising*

The Foundation uses advertising to promote its programs among the audiences it serves. The Foundation received free advertising pages in several leading publications in the financial advisor market. Donated advertising revenues are recognized when the free advertising pages are published. At December 31, 2021 and 2020 donated advertising revenue and expense was \$187,941 and \$196,175, respectively.

*Subsequent Events*

In preparing these financial statements the Foundation has evaluated events and transactions for potential recognition or disclosure through October 11, 2022, the date the financial statements were available to be issued. All such transactions have been recognized, if appropriate. (See Note 12)

**3. CONCENTRATIONS**

*Unconditional promises to give*

At December 31, 2021, four corporate donors represented 40% of promises to give. At December 31, 2020, two corporate donor represented 29% of promises to give.

*Credit Risk*

The Foundation maintains its cash balances in accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At December 31, 2021 and 2020, the Foundation had balances in excess of the FDIC limits of approximately and \$1,455,566 and \$263,760, respectively.

*Market Risk*

The Foundation also invests funds in a professionally managed portfolio that contains various securities detailed in Note 4. The portfolio includes common stocks, mutual funds, and exchange-traded funds, which are reported at their estimated fair value as determined by fund managers. Management believes the fund manager's estimates to be reasonable approximations of the fair values of these investments. Such investments are exposed to various risks, such as fluctuations in market value and credit risk. Thus, it is at least possible that changes in these risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

FOUNDATION FOR FINANCIAL PLANNING, INC.  
NOTES TO FINANCIAL STATEMENTS (Continued)  
December 31, 2021 and 2020

**4. INVESTMENTS**

Investments are measured at fair value Level 1. The fair value calculation may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments consisted of the following:

	<u>2021</u>	<u>2020</u>
Cash and money market funds	\$ 946,637	\$ 714,203
Mutual funds	13,212,497	11,973,264
Exchange traded funds	<u>4,439,246</u>	<u>4,678,373</u>
	18,598,380	17,365,840
Unrealized gain	<u>8,247,869</u>	<u>6,287,300</u>
	<u>\$ 26,846,249</u>	<u>\$ 23,653,140</u>

Investment income (loss) consisted of the following:

	<u>2021</u>	<u>2020</u>
Dividends and interest	\$ 683,448	\$ 334,007
Realized gains	769,264	(296,635)
Unrealized gain(loss)	1,959,638	1,899,475
Brokerage fees	<u>(50,207)</u>	<u>(39,311)</u>
	<u>\$ 3,362,143</u>	<u>\$ 1,897,536</u>

**5. PROMISES TO GIVE**

Unconditional promises to give consisted of the following:

	<u>2021</u>	<u>2020</u>
Promises to give, due in one year	\$ 997,302	\$ 832,109
Promises to give, due after one year	<u>1,269,167</u>	<u>1,235,773</u>
Total promises to give	2,266,469	2,067,882
Unamortized discount	(54,328)	(62,208)
Allowance for uncollectible promises to give	<u>(90,659)</u>	<u>(82,716)</u>
	<u>\$ 2,121,482</u>	<u>\$ 1,922,958</u>

The Foundation used 4% for calculating the discount rate.

FOUNDATION FOR FINANCIAL PLANNING, INC.  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 December 31, 2021 and 2020

**5. PROMISES TO GIVE – continued**

Future amounts due on promises to give follow:

2022		\$ 997,302
2023		670,577
2024		397,420
2025		143,670
2026		56,000
2027		1,500
		\$ 2,266,469

**6. LEASE**

The Foundation leases it's office space which expires in December 2021. The lease has option provisions that extend the lease through through December 31, 2025. Rent expense for the year ending December 31, 2021 and 2020 is \$22,263 and \$22,212, respectively. Future rent payments are as follows:

2022		\$ 20,771
2023		21,291
2024		21,823
2025		22,369
		\$ 86,254

**7. NET ASSETS WITH RESTRICTIONS**

At December 31, 2021 and 2020, the Foundation's net assets with restrictions were \$1,169,759 and \$1,293,670, respectively stated for promises to give in excess of one year. Amounts released from restriction in the year ended December 31, 2021 and 2020 were \$2,101,495 and \$1,155,889 for amounts received on promises.

**8. GRANTS**

The Foundation provides grants to organizations with programs promoting and providing pro bono financial planning and financial life skills education. Once approved by the Board of Directors, the grant is deemed a liability since the likelihood that it will not be paid is extremely remote. For the years ended December 31, 2021 and 2020, the Foundation provided grants of \$502,790 and \$425,480, respectively, to other organizations.

FOUNDATION FOR FINANCIAL PLANNING, INC.  
NOTES TO FINANCIAL STATEMENTS (Continued)  
December 31, 2021 and 2020

**9. DEFINED CONTRIBUTION PLAN**

The employees of the Foundation are leased from TriNet Passport (“TriNet”) in order to manage its employment obligations and risk. TriNet has a multiple employer-defined contribution retirement plan. The Foundation contributes 4% of each employee’s salary which is vested in accordance with the plan documents. At December 31, 2021 and 2020, the Foundation contributed \$29,102 and \$25,830 into the plan.

**10. FAIR VALUE OF ASSETS**

The following tables represent the Foundation’s assets measured at fair value on a recurring basis at December 31, 2021 and 2020:

2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,164,196	\$ -	\$ -	\$ 1,164,196
Investments	26,846,249	-	-	26,846,249
Promises to give, net	-	-	2,121,482	2,121,482
	<u>\$ 28,010,445</u>	<u>\$ -</u>	<u>\$ 2,121,482</u>	<u>\$ 30,131,927</u>

  

2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 400,203	\$ -	\$ -	\$ 400,203
Investments	23,653,140	-	-	23,653,140
Promises to give, net	-	-	1,922,958	1,922,958
	<u>\$ 24,053,343</u>	<u>\$ -</u>	<u>\$ 1,922,958</u>	<u>\$ 25,976,301</u>

The table below sets forth a summary of the changes in the fair value of the Foundation’s Level 3 financial assets for the year ended September 30, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Promises to give fair value January 1,	\$ 1,922,958	\$ 1,866,911
New pledges	1,182,839	958,985
Receipts	(984,252)	(901,942)
Change in discounts and allowance	(63)	(996)
	<u>\$ 2,121,482</u>	<u>\$ 1,922,958</u>



FOUNDATION FOR FINANCIAL PLANNING, INC.  
NOTES TO FINANCIAL STATEMENTS (Continued)  
December 31, 2021 and 2020

**11. LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following table reflects the organization’s financial assets as of December 31, 2021 and 2020 reduced by amounts that are not available to meet general expenditures within one year of the Statement of Financial Position date because of contractual restrictions. Amounts not available to meet general expenditures within one year may include net assets with donor restrictions that are intended to fund special initiatives.

	2021	2020
Cash	\$ 1,164,196	\$ 400,203
Investments	26,846,249	23,653,140
Pledges receivable	2,121,482	1,922,958
Total financial assets	30,131,927	25,976,301
Less: Net assets with restrictions	(1,269,167)	(1,169,759)
Less: Board designated for operating reserves	(1,000,000)	(1,000,000)
	\$ 27,862,760	\$ 23,806,542

**12. SUBSEQUENT EVENTS**

As of September 30, 2022, the investments held by the Foundation declined in value by approximately \$5,160,768 or 19%, due to market volatility. The Foundation will continue with its standard endowment model of a prudent allocation and a diversified portfolio. The expectation is the value will recover as it has in prior market downturns.