Pro Publica, Inc.

Financial Statements

December 31, 2022

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Directors
Pro Publica, Inc.

Opinion

We have audited the accompanying financial statements of Pro Publica, Inc. (the "Organization") which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pro Publica, Inc. 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 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Policy

As discussed in Note 2 to the financial statements, the Organization adopted the Financial Accounting Standards Board ("FASB") Topic 842, Leases, using the effective date method with January 1, 2022, as the initial adoption date. Our opinion is not modified with respect to that matter.

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.

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is 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 Summarized Comparative Information

We have previously audited the Organization's December 31, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 5, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

May 18, 2023

Pro Publica, Inc.

Statement of Financial Position
December 31, 2022
(with comparative amounts at December 31, 2021)

	2022	2021
ASSETS		
Cash and cash equivalents	$ 7,036,343	$11,870,733
Cash held for contingent liability	1,640,000	-
Investments	36,571,431	36,068,729
Contributions receivable, net	13,591,754	11,587,301
Prepaid expenses and other assets	906,861	809,626
Property and equipment, net	447,537	446,292
Right of use asset, net	3,161,170	-
	$ 63,355,096	$60,782,681
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 505,792	$ 473,080
Contingent liability	1,640,000	-
Deferred rent	-	382,502
Lease liability	3,494,826	-
Total Liabilities	5,640,618	855,582
Net Assets		
Without donor restrictions	38,988,806	42,999,335
With donor restrictions	18,725,672	16,927,764
Total Net Assets	57,714,478	59,927,099
	$ 63,355,096	$60,782,681

See notes to financial statements

Pro Publica, Inc.

Statement of Activities
Year Ended December 31, 2022
(with summarized totals for the year ended December 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
SUPPORT AND REVENUE				
Foundation grants	$ 7,882,661	$ 22,461,762	$ 30,344,423	$ 22,026,185
Individual contributions	12,360,807	578,936	12,939,743	13,368,055
Investment return	(4,209,398)	-	(4,209,398)	444,778
Program service fees	172,813	-	172,813	-
Other income	429,389	-	429,389	329,837
Net assets released from restrictions	21,242,790	(21,242,790)	-	-
Total Support and Revenue	37,879,062	1,797,908	39,676,970	36,168,855
EXPENSES				
Program	35,549,722	-	35,549,722	28,569,725
Management and general	4,304,765	-	4,304,765	3,866,904
Fundraising	2,035,104	-	2,035,104	1,587,960
Total Expenses	41,889,591	-	41,889,591	34,024,589
Change in Net Assets	(4,010,529)	1,797,908	(2,212,621)	2,144,266
NET ASSETS				
Beginning of year	42,999,335	16,927,764	59,927,099	57,782,833
End of year	$ 38,988,806	$ 18,725,672	$ 57,714,478	$ 59,927,099

See notes to financial statements

Pro Publica, Inc.

Statement of Functional Expenses
Year Ended December 31, 2022
(with summarized totals for the year ended December 31, 2021)

	Program	Management and General	Fundraising	2022 Total	2021 Total
Staffing	$ 25,789,581	$ 3,479,941	$ 1,322,837	$ 30,592,359	$ 26,856,210
Professional development	109,272	20,004	5,695	134,971	107,708
Occupancy	1,344,163	130,535	64,817	1,539,515	1,410,593
Insurance	388,299	114,974	14,798	518,071	474,213
Freelance and consulting fees	1,003,837	46,858	70,378	1,121,073	440,593
Accounting fees	-	70,769	-	70,769	65,702
Legal fees, net of reimbursement	104,106	9,666	14,972	128,744	81,678
Recruitment	13,512	653	1,415	15,580	148,517
Travel	965,131	55,761	12,471	1,033,363	475,333
Website development and design	850,674	100,081	50,040	1,000,795	716,616
Audience/Engagement & Video	244,615	28,779	14,389	287,783	149,925
Advertising	-	57,079	-	57,079	62,025
Software and tech support	356,207	76,240	103,183	535,630	422,847
Public records & Research	296,894	-	-	296,894	281,963
Telecommunications	236,192	27,251	8,993	272,436	262,621
Repairs and maintenance	95,451	12,117	5,298	112,866	65,135
Printing and postage	23,448	721	156,647	180,816	101,673
Meeting expense	87,002	11,923	10,129	109,054	81,156
Supplies	41,389	2,296	504	44,189	34,407
Equipment lease	12,008	1,398	2,122	15,528	15,648
Regrants/partner payments	1,726,279	-	-	1,726,279	1,271,274
Depreciation	221,545	26,064	13,032	260,641	262,498
Unrelated business income tax expense	-	21,200	-	21,200	43,000
Other taxes	-	-	-	-	127
Credit card and bank fees	117	10,455	163,384	173,956	193,127
Reserve for return of grant	1,640,000	-	-	1,640,000	-
	$ 35,549,722	$ 4,304,765	$ 2,035,104	$ 41,889,591	$ 34,024,589

See notes to financial statements

Pro Publica, Inc.

Statement of Cash Flows
Year Ended December 31, 2022
(with comparative amounts for the year ended December 31, 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (2,212,621)	$ 2,144,266
Adjustments to reconcile change in net assets to net cash from operating activities		
Change in present value discount	287,887	(46,311)
Depreciation	260,641	262,498
Loss on disposal of assets	1,948	-
Deferred rent	-	(38,814)
Donated stock	(562,816)	(734,794)
Realized and unrealized loss (gain) on investments	4,795,821	(293,394)
Amortization of right of use asset	1,195,277	-
Changes in operating assets and liabilities		
Contributions receivable	(2,292,340)	3,809,420
Prepaid expenses and other assets	(97,235)	28,386
Accounts payable and accrued expenses	32,712	10,870
Contingent liability	1,640,000	-
Lease liability	(1,244,123)	-
Net Cash from Operating Activities	1,805,151	5,142,127
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(263,834)	(223,686)
Purchase of investments	(5,297,136)	(7,226,054)
Proceeds from sale of investments	561,429	834,956
Net Cash from Investing Activities	(4,999,541)	(6,614,784)
Net Change in Cash and Cash Equivalents and Restricted Cash	(3,194,390)	(1,472,657)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH		
Beginning of year	11,870,733	13,343,390
End of year	$ 8,676,343	$ 11,870,733
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Unrelated business income taxes paid	$ 21,200	$ 43,000

See notes to financial statements

1. Organization

Pro Publica, Inc. (the "Organization") is an independent newsroom that produces investigative journalism in the public interest. The Organization's work focuses exclusively on truly important stories, stories with "moral force." The Organization does this by producing journalism that shines a light on exploitation of the weak by the strong and on the failures of those with power to vindicate the trust placed in them.

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code, and has been classified as an organization that is not a private foundation.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) which 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recently Adopted Accounting Standards

The Organization adopted FASB Topic 842, Leases, using the effective date method with January 1, 2022, as the date of initial adoption, with certain practical expedients available. The Organization elected the available practical expedients to account for its existing operating leases as operating leases, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, on January 1, 2022 the Organization recognized a lease liability and a right–of-use asset ("ROU asset"). On January 1, 2022, the Organization also recognized a lease liability of $4,738,949, that represents the present value of the remaining operating lease payments of $4,826,842, discounted using the Organization's risk-free interest rate using a weighted-average treasury rate of 1.04% and a ROU asset of $4,045,282, that represents the operating lease liability of $4,439,174, adjusted for deferred rent of $393,892, net of prepaid rent of $11,390 relating to a terminated lease during 2022.

The standard had a material impact on the Organization's statement of financial position but did not have a significant impact on its statements of activities and cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

2. Summary of Significant Accounting Policies *(continued)*

Cash and Cash Equivalents and Restricted Cash

For the purpose of the statement of cash flows, the Organization considers all highly liquid debt instruments with a maturity of three months or less at the time of purchase to be cash equivalents. Cash held for contingent liability consists of a contribution received during 2022 that is intended to be returned to the appropriate authority as decided by the board.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statement of financial position that sum to the total amount shown on the statement of cash flows at December 31:

	2022	2021
Cash and cash equivalents	$ 7,036,343	$11,870,733
Cash held for contingent liability	1,640,000	-
	$ 8,676,343	$11,870,733

Fair Value Measurements

The Organization follows US GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investments and Investment Income Recognition

Investments are carried at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest and dividends are recorded when earned.

Property and Equipment

Property and equipment are stated at cost and depreciated on the straight-line basis over the estimated useful lives of the assets ranging between 3 to 7 years. Leasehold improvements are depreciated over the lesser of the life of the asset or the term of the lease using the straight-line method. The Organization capitalizes all expenditures of property and equipment in excess of $1,000.

2. Summary of Significant Accounting Policies *(continued)*

Net Asset Presentation

Net assets without donor restrictions include funds having no restriction as to use or purpose imposed by donors. Net assets with donor restrictions are those whose use is limited by donors to a specific time period or purpose or limited by donors for investment in perpetuity. There were no net assets limited by donors for investment in perpetuity as of December 31, 2022 and 2021.

Contributions and Grants

Contributions and grants are recorded when unconditional promises to give are made. Nonmonetary contributions (stocks, bonds, etc.) are recorded at estimated fair value at date of receipt. All contributions are available for general use unless specifically restricted by the donor. Conditional contributions are recognized when the conditions on which they depend are substantially met. Unconditional contributions due in the next year are recorded at their full amount. Unconditional contributions due in subsequent years are reported at the present value of their net realizable value, using risk-adjusted rates applicable to the years in which the promises are received. The change in the present value discount from year to year is reported as contribution revenue in the statement of activities.

Other Income

Other income consists of royalties and licenses, advertising revenue and honorariums and prizes among others and are recognized as the services or goods are provided to the customers.

The beginning and ending contract balances were as follows:

	2022	2021	2020
Contract Assets	$59,705	$4,406	$1,031
Contract Liabilities	-	-	-

Advertising Costs

The Organization expenses the costs of advertising as incurred.

Reclassifications

Certain amounts in the December 31, 2021 financial statements have been reclassified to conform to the December 31, 2022 presentation.

2. Summary of Significant Accounting Policies *(continued)*

Leases

As of January 1, 2022, the Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use ("ROU") assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services in reasonable ratios determined by management. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function, specifically program services which consist of investigative journalism projects. Certain expenses are attributable to more than one program or supporting function and have been allocated among program, management and general and fundraising. These expenses include staffing, occupancy, insurance, software and tech support, website development and design among others, which are allocated based on estimates of time and effort.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2019.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total only, which does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for 2021, from which the summarized information was derived.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is May 18, 2023.

3. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist principally of cash and cash equivalents, investments and contributions receivable. Contributions receivable are from limited sources, subjecting the Organization to a concentration of credit risk. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to $250,000. Investment holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to $500,000 ($250,000 for cash holdings). At times cash balances may exceed the FDIC and SIPC limit. As of December 31, 2022 and 2021, the Organization's uninsured cash, cash equivalents, and restricted cash balances on deposit totaled approximately $8,426,000 and $11,619,000. As of December 31, 2022 and 2021, the Organization's uninsured investment holdings totaled approximately $35,568,000 and $35,043,000.

The investment portfolio is diversified by type of investments and industry concentrations so that no individual investment, investment advisor, investment manager or group of investments represents a significant concentration of credit risk.

4. Contributions Receivable

Unconditional pledges are included in the financial statements as contributions receivable and revenue, discounted to the present value of expected future cash flows. Contributions to be received after one year are discounted using a risk-free interest rate between .13% and 4.41%. Management considers all amounts to be fully collectible and based on the Organization's strong collection experience, no allowance for doubtful accounts has been provided.

Management expects contributions receivable to be realized in the following periods at December 31:

	2022	2021
Due within one year	$ 7,993,054	$ 9,109,384
Due within two to four years	5,908,670	2,500,000
Discount to present value	(309,970)	(22,083)
	$ 13,591,754	$ 11,587,301

5. Investments

The following are major categories of investments measured at fair value on a recurring basis at December 31:

Description	2022	2021
Mutual Funds		
Short-term corporate bond	$ 14,104,725	$ 14,961,514
Large blend	14,068,048	17,478,644
Equity securities	3,655	18,811
Total Investments at Fair Value	28,176,428	32,458,969
Temporary cash investments, at cost	8,395,003	3,609,760
Total Investments	$ 36,571,431	$ 36,068,729

As of December 31, 2022 and 2021 all of the Organization's investments at fair value were level 1 investments.

6. Property and Equipment

Property and equipment consist of the following at December 31:

	2022	2021
Office furniture and fixtures	$ 244,061	$ 237,126
Website	113,891	113,404
Computers	1,091,576	949,629
Leasehold improvements	280,423	266,318
	1,729,951	1,566,477
Accumulated depreciation	(1,282,414)	(1,120,185)
	$ 447,537	$ 446,292

7. Contingencies and Contingent Liability

The Organization may be party to certain claims and assessments arising in the normal course of business. Management does not expect the ultimate resolution of these actions, if any, to have a material adverse effect on the Organization's financial position.

The board identified a contingent liability related to a contribution received during 2022 that is intended to be returned to the appropriate authority. The board has designated certain cash (see note 2) related to this contingency.

8. Net Assets with Donor Restrictions

Changes in net assets with donor restrictions are as follows for the years ended December 31:

	2022			
Purpose/Restriction	Beginning Balance	Contributions Received	Assets Released	Ending Balance
Internship program underwriting	$ 634,833	$ 500,000	$ (456,898)	$ 677,935
Healthcare projects	372,162	1,751,648	(575,766)	1,548,044
Climate change	320,988	-	(238,061)	82,927
Investigating New York's public institutions	229,167	-	(229,167)	-
COVID-19 Pandemic	577,467	1,640,000	(1,492,913)	724,554
American Politics and Democracy	278,466	215,000	(250,338)	243,128
Diversity initiatives	240,578	486,750	(194,710)	532,618
Institutional strengthening/expansion	6,665,489	13,822,300	(11,933,345)	8,554,444
Timing	7,608,614	4,625,000	(5,871,592)	6,362,022
	$16,927,764	$23,040,698	$(21,242,790)	$18,725,672

	2021			
Purpose/Restriction	Beginning Balance	Contributions Received	Assets Released	Ending Balance
Internship program underwriting	$ 119,835	$ 827,500	$ (312,502)	$ 634,833
Healthcare projects	320,544	755,433	(703,815)	372,162
Climate change	980,081	833	(659,926)	320,988
Investigating New York's public institutions	400,000	50,000	(220,833)	229,167
Immigration	90,000	-	(90,000)	-
COVID-19 Pandemic	992,502	500,000	(915,035)	577,467
American Politics and Democracy	-	431,667	(153,201)	278,466
Diversity initiatives	319,772	50,505	(129,699)	240,578
Institutional strengthening/expansion	11,176,572	6,436,264	(10,947,347)	6,665,489
Timing	9,012,571	5,771,000	(7,174,957)	7,608,614
	$23,411,877	$14,823,202	$(21,307,315)	$16,927,764

9. Concentration of Revenue and Contributions Receivable

In 2022, funding from two donors amounted to 24% of total support and revenue. In 2021, funding from one donor amounted to 8% of total support and revenue. Multi-year commitments from three donors amounted to 54% and 48% of the total contribution receivable balance at December 31, 2022 and 2021. On a cash basis, funding received from these same three donors in 2022 and 2021 amounted to 4% and 8% of total donation receipts.

10. Lease Commitments

The Organization evaluated current contracts to determine which met the criteria of a lease. The ROU assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The discount rate applied to calculate lease liabilities as of January 1, 2022, was 1.04%.

The Organization signed a lease for a new office space in New York City that commenced in January 2015 and expires in July 2025. Under the terms of this lease, the Organization provided an irrevocable letter of credit with a bank of $882,540 as a security deposit which is renewed annually for this lease agreement and is included in cash and cash equivalents on the statement of financial position. The Organization entered into new leases for office space in Atlanta, Georgia on April 22, 2021 expiring December 2026 and Phoenix, Arizona on April 28, 2021 expiring May 2023. The Organization also leases an office in Washington, DC that was renewed December 2022 and expires March 2024, an office in Chicago that expired June 2022, and was renewed July 2022 and expires June 2024, and an office in California that was renewed in December 2020 that expires in December 2023.

For the Chicago lease, as of July 1, 2022, the Organization recognized a lease liability of $221,558, that represents the present value of the remaining operating lease payments of $223,284, discounted using the Organization's risk-free interest rate using a treasury rate of .78% and a ROU asset of $221,558.

For the Washington, DC lease, as of December 1, 2022, the Organization recognized a lease liability of $78,217, that represents the present value of the remaining operating lease payments of $78,602, discounted using the Organization's risk-free interest rate using a treasury rate of .78% and a ROU asset of $78,217.

As of December 31, 2022, the weighted-average remaining lease terms for the Organization's operating leases was 2.57 years and the weighted average discount rate was 1.04%. ROU asset as of December 31, 2022 was $3,161,170 and amortization of ROU asset during 2022 was $1,183,887. Cash paid for operating leases for the year ended December 31, 2022 was $1,285,038.

The Foundation amortizes the operating lease ROU asset over the life of the lease agreement. ROU assets consist of the following at December 31, 2022:

Right of use assets	$ 4,345,057
Less: Accumulated amortization	(1,183,887)
Present value of right of use assets	$ 3,161,170

10. Lease Commitments *(continued)*

Future maturities of lease liabilities are presented in the following table, for the fiscal year ending December 31:

2023	$ 1,420,384
2024	1,304,864
2025	755,103
2026	61,453
Total undiscounted cash flows	3,541,804
Less present value discount	(46,978)
	$ 3,494,826

Rent expense for all office space for 2022 and 2021 was $1,539,515 and $1,410,593. The Organization also has smaller leases from time to time for office equipment. Expenses for the leased office equipment for the years ended December 31, 2022 and 2021 amounted to $15,528 and $15,648.

11. Retirement Plan

The Organization has a 403(b) plan covering all eligible employees in which the Organization matches 100% of employee contributions up to 5% of the employees' eligible compensation. The Organization's contributions amounted to $1,020,388 and $897,451 for 2022 and 2021.

12. Unrelated Business Income Tax

The Organization is subject to tax on its unrelated business income which is earned through advertising in its newsletter and website. These taxes amounted to $21,200 and $43,000 in 2022 and 2021.

13. Liquidity and Availability of Financial Assets

The Organization's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the statement of financial position were as follows:

	2022	2021
Financial assets:		
Cash and cash equivalents	$ 7,036,343	$ 11,870,733
Cash held for contingent liability	1,640,000	-
Investments	36,571,431	36,068,729
Contributions receivable	13,591,754	11,587,301
Total financial assets	58,839,528	59,526,763
Less: Contractual or donor imposed restrictions amounts		
Cash held for contingent liability	1,640,000	-
Letter of credit collateral	882,540	882,540
Contributions receivable - Due in future years	5,598,700	2,477,917
Restricted by donor with time or purpose restrictions	13,126,972	14,449,847
	21,248,212	17,810,304
Add: time restricted releases for following year	3,766,189	5,471,592
Financial assets available to meet general expenditures over the next twelve months	$ 41,357,505	$ 47,188,051

As part of the Organization's liquidity management strategy, the Organization structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization's working capital and cash flows have cyclical variations during the year attributable to the cash receipts of contributions from donors. Contributions receivable are subject to implied time restrictions and are expected to be collected over the next several years. A majority of general expenditures over the next twelve months are financed through cash and investments.

* * * * *