

SEEDING JUSTICE

Financial Statements

For the Year Ended June 30, 2022

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Independent Auditor's Report

To the Board of Directors
Seeding Justice
Portland, Oregon

Opinion

We have audited the financial statements of Seeding Justice, which comprise the statement of financial position as of June 30, 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 accompanying financial statements present fairly, in all material respects, the financial position of Seeding Justice as of June 30, 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 (GAAS). 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 Seeding Justice 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.

Report on Summarized Comparative Information

The financial statements for the year ended June 30, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on October 11, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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.



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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 Seeding Justice's ability to continue as a going concern for 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 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 Seeding Justice'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 Seeding Justice's ability to continue as a going concern for a reasonable period of time.



Clark Nuber^{PS}

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.

Clark Nuber P.S.

Certified Public Accountants
November 15, 2022

SEEDING JUSTICE

Statement of Financial Position

June 30, 2022

(With Comparative Totals for June 30, 2021)

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents	\$ 10,606,981	\$ 4,204,059
Investments	9,907,410	12,534,918
Pledges and grants receivable	194,260	734,339
Property and equipment	1,633,202	10,164
Other assets	25,000	37,085
Total Assets	<u>\$ 22,366,853</u>	<u>\$ 17,520,565</u>
Liabilities and Net Assets		
Liabilities:		
Grants payable	\$ 1,390,678	\$ 759,539
Accounts and other payables	110,709	68,994
Deferred grant revenue	5,424,608	
Paycheck Protection Program loan		96,933
Total Liabilities	6,925,995	925,466
Net Assets:		
Without donor restrictions	3,823,624	3,569,355
With donor restrictions	11,617,234	13,025,744
Total Net Assets	<u>15,440,858</u>	<u>16,595,099</u>
Total Liabilities and Net Assets	<u>\$ 22,366,853</u>	<u>\$ 17,520,565</u>

See accompanying notes.

SEEDING JUSTICE

Statement of Activities For the Year Ended June 30, 2022 (With Comparative Totals for 2021)

	2022			
	Without Donor Restrictions	With Donor Restrictions	Total	2021 Total
Support and Revenue:				
Contributed support-				
Grants and contributions	\$ 1,214,121	\$ 3,216,415	\$ 4,430,536	\$ 6,472,671
Government grants	695,392		695,392	771,000
Forgiveness of Paycheck Protection Program loan	96,933		96,933	75,792
Donor Advised Funds contributions	41,411		41,411	297,198
Donor in Movement Funds contributions	293,962		293,962	346,551
Indirect public contributions	17,733		17,733	11,618
Net assets released from restrictions	2,700,393	(2,700,393)		
	5,059,945	516,022	5,575,967	7,974,830
Special events	146,446		146,446	10,100
Less direct benefits to donors	(51,328)		(51,328)	(7,324)
	95,118		95,118	2,776
Revenue-				
Fee for service				15,807
Return on investments	(183,563)	(1,924,532)	(2,108,095)	2,623,493
Other revenue	114		114	4,124
	(183,449)	(1,924,532)	(2,107,981)	2,643,424
Total Support and Revenue	4,971,614	(1,408,510)	3,563,104	10,621,030
Expenses:				
Program services	3,898,454		3,898,454	5,569,151
Administration	514,900		514,900	202,023
Fundraising	303,991		303,991	239,324
Total Expenses	4,717,345		4,717,345	6,010,498
Change in Net Assets	254,269	(1,408,510)	(1,154,241)	4,610,532
Net assets at beginning of year	3,569,355	13,025,744	16,595,099	11,984,567
Net Assets at End of Year	\$ 3,823,624	\$ 11,617,234	\$ 15,440,858	\$ 16,595,099

See accompanying notes.

SEEDING JUSTICE

Statement of Functional Expenses For the Year Ended June 30, 2022 (With Comparative Totals for 2021)

	2022					2021 Total
	Programs Services	Administration	Fundraising	Direct Benefits to Donors	Total	
Direct Grants:						
Funding cycle grants	\$ 700,000	\$ -	\$ -	\$ -	\$ 700,000	\$ 492,638
Travel and critical response grants	34,640				34,640	31,000
Lilla Jewel grants	20,000				20,000	20,000
Donor advised grants	385,488				385,488	542,870
Oregon Worker Relief Fund grants	198,065				198,065	1,423,080
Warm Springs grants	131,472				131,472	961,815
Time Immemorial grants	126,000				126,000	432,672
My Valley My Home grants	31,747				31,747	
Rogue Valley relief grants	511,678				511,678	730,440
Addiction Recovery Assistance Fund grants	485,000				485,000	209,367
American Rescue Plan Act grants	60,398				60,398	
Ambo Fund grants	686,990				686,990	100,000
Other grants and sponsorships	19,702				19,702	43,938
	3,391,180				3,391,180	4,987,820
Personnel:						
Wages	249,653	239,007	145,990		634,650	433,797
Payroll taxes	27,917	26,578	16,208		70,703	44,939
Employee benefits	78,843	77,759	48,083		204,685	113,826
	356,413	343,344	210,281		910,038	592,562
Other:						
Professional fees	123,220	130,737	30,778		284,735	345,205
Meetings, travel, and events	3,205	13,579	1,058	51,328	69,170	11,437
Material printing and shipping	910	7,354	42,947		51,211	21,998
Other operating costs	16,355	12,804	12,772		41,931	40,855
Supplies and equipment	5,024	4,964	4,846		14,834	16,161
Depreciation	2,147	2,118	1,309		5,574	1,784
Total Expenses	\$ 3,898,454	\$ 514,900	\$ 303,991	\$ 51,328	\$ 4,768,673	\$ 6,017,822

See accompanying notes.

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Statement of Cash Flows For the Year Ended June 30, 2022 (With Comparative Totals for June 30, 2021)

	2022	2021
Cash Flows From Operating Activities:		
Change in net assets	\$ (1,154,241)	\$ 4,610,532
Adjustments to reconcile change in net assets to net cash used in operating activity-		
Depreciation	5,574	1,784
Forgiveness of Paycheck Protection Program loan	(96,933)	(75,792)
Unrealized loss (gain) on investments	2,214,172	(2,512,061)
Changes in operating assets and liabilities:		
Pledges and grants receivable	540,079	(684,339)
Other assets	12,085	(14,884)
Grants payable	631,139	724,539
Accounts and other payables	41,715	(6,474)
Deferred grant revenue	5,424,608	
Net Cash Provided by Operating Activities	7,618,198	2,043,305
Cash Flows From Investing Activities:		
Proceeds from investments	2,120,994	398,034
Purchases of investments	(1,707,658)	(184,497)
Purchases of property and equipment	(1,628,612)	(11,948)
Net Cash (Used in) Provided by Investing Activities	(1,215,276)	201,589
Cash Flows From Financing Activities:		
Proceeds from Paycheck Protection Program loan		96,933
Net Cash Provided by Financing Activities		96,933
Net Change in Cash and Cash Equivalents	6,402,922	2,341,827
Cash and cash equivalents at beginning of year	4,204,059	1,862,232
Cash and Cash Equivalents at End of Year	\$ 10,606,981	\$ 4,204,059

See accompanying notes.

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Notes to Financial Statements For the Year Ended June 30, 2022

Note 1 - Organization

Seeding Justice (formerly McKenzie River Gathering Foundation), an Oregon nonprofit corporation, has funded grassroots, social justice organizing in Oregon since 1976. Through leveraging support from a community of progressive donors and Seeding Justice's activist-led grantmaking committee, Seeding Justice has been able to support a range of issues, including LGBTQ rights, economic justice, environmental protection, racial equity, and human rights. Seeding Justice's grantees are community-led groups that organize and provide resources for social change in Oregon, and work towards systemic change by building leadership and community power. Much of our funding comes from contributions from the general public.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis of Presentation - The financial statements of Seeding Justice have been prepared in conformity with U.S. GAAP. These principles require Seeding Justice to present its net assets, revenues, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Seeding Justice and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to or are no longer subject to donor imposed stipulations.

Net Assets With Donor Restrictions - Net assets whose use is limited by donor imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that the donor requires to be used to acquire long lived assets (e.g., building improvements, furniture, fixtures and equipment) are reported as time or purpose restricted. When the long lived assets are placed in service, the Seeding Justice reflects the satisfaction of the donor imposed restriction as a release from net assets with donor restrictions to net assets without donor restrictions.

Contribution Revenue - Contributions are recognized as revenue when received or unconditionally promised. Unconditional promises to give that are expected to be collected in future years are recognized at fair value based on discounted cash flows. Contributions of assets other than cash are recorded at their estimated fair value on the date received. Conditional promises to give are recognized as revenue when the donor imposed conditions upon which they depend have been met.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

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Notes to Financial Statements For the Year Ended June 30, 2022

Note 2 - Continued

There were \$5,424,608 of conditional government grants that were received and not earned at June 30, 2022 and has been recognized as deferred grant revenue on the statement of financial position.

Cash and Cash Equivalents - For purposes of the statement of cash flows, Seeding Justice considers all cash and other liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk - Seeding Justice deposits its cash in various institutions. From time-to-time, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation or the National Credit Union Association and as such may subject Seeding Justice to concentrations of credit risk.

Contributions Receivable - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue.

Property and Equipment - Office equipment, furniture and leasehold improvements are carried at cost, and at market value when acquired by gift. Depreciation on equipment and furniture is provided on the straight-line basis over the estimated useful lives of the respective assets, which is from three to five years. Amortization of leasehold improvements is included in depreciation expense and is provided on the straight-line basis over the lease term, which is five years. Seeding Justice follows the practice of capitalizing all expenditures for property and equipment in excess of \$500.

Investments and Investment Return - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment return is reported net of related investment expenses in the statement of activities.

In-Kind Contributions - Seeding Justice recognizes the fair value of contributed services received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

In-kind contributions of equipment and other materials are recorded when there is an objective basis upon which to value the contribution and where the contribution is an essential part of the Seeding Justice's activities.

No significant contributions of such goods or services were received during the year ended June 30, 2022 and 2021.

Grant Expenses - Grant expenses are recognized in the period the grant is approved, provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions.

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Notes to Financial Statements For the Year Ended June 30, 2022

Note 2 - Continued

Functional Expenses - The costs of providing program and supporting activities have been summarized on a functional basis in the statement of activities. Specific expenses that are readily identifiable to a single program activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Accordingly, these expenses require allocation on a reasonable basis that is consistently applied. Payroll costs are allocated based on estimates of employee time and effort. Other expenses that are allocated are maintained in a shared cost pool that includes some payroll costs, professional services, occupancy, postage, office supplies, printing and copying, telephone and internet, some travel, depreciation, and miscellaneous other costs. The shared cost pool is allocated across program and supporting services functions based on the estimated employee full-time equivalent of each function.

Income Taxes - Seeding Justice is a nonprofit corporation exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and applicable state law. Any activity conducted by Seeding Justice subject to unrelated business income tax is not material; therefore, there is no provision for income taxes in the accompanying financial statements. Seeding Justice is not a private foundation.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

Summarized Financial Information for 2021 - For comparative purposes, the financial statements include certain prior year summarized information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with Seeding Justice's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Reclassifications - Certain reclassifications have been made to prior year amounts to conform to the presentation in the current year financial statements. The reclassifications have no effect on the previously reported change in net assets or net asset balances.

Subsequent Events - Subsequent events were evaluated through November 15, 2022, which is the date on which the financial statements were available to be issued.

Note 3 - Investments

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. To increase consistency and comparability in fair value measurements, U.S. GAAP uses a fair value hierarchy that prioritizes the inputs to valuation approaches into three broad levels. The hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3).

Valuation Techniques - Financial assets and liabilities valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using Level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities using Level 3 inputs are primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied.

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Notes to Financial Statements For the Year Ended June 30, 2022

Note 3 - Continued

Following is a description of the valuation methodology used for assets measured at fair value. There have no changes in the methodology used at June 30, 2022 and 2021.

Cash/bank sweep accounts - Valued at cost plus accrued interest, which approximates fair value.

Equities - Valued at the closing price reported on the active market on which these securities are traded.

Fixed income - Valued using quoted pricing in active markets for similar instruments.

All of Seeding Justice's investments are measured at fair value on a recurring basis, and consist of the following:

	Fair Value Measurements as of June 30, 2022				2021 Total
	Level 1	Level 2	Level 3	Total	
Cash/bank sweep accounts	\$ 200,097	\$ -	\$ -	\$ 200,097	\$ 111,586
Fixed income		3,711,732		3,711,732	3,825,875
Equities	5,995,581			5,995,581	8,597,457
	<u>\$ 6,195,678</u>	<u>\$ 3,711,732</u>	<u>\$ -</u>	<u>\$ 9,907,410</u>	<u>\$ 12,534,918</u>

Note 4 - Pledges and Grants Receivable

Pledges and grants receivable consist of the following as of June 30:

	2022	2021
Receivables to be collected within one year	\$ 100,000	\$ 640,079
Receivables to be collected in two to five years	100,000	100,000
	200,000	740,079
Less present value discount	(5,740)	(5,740)
	<u>\$ 194,260</u>	<u>\$ 734,339</u>

No allowance for uncollectible pledges and grants receivable has been established as of June 30, 2022 and 2021.

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Notes to Financial Statements For the Year Ended June 30, 2022

Note 5 - Property and Equipment

Property and equipment consist of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Equipment	\$ 27,805	\$ 23,055
Construction in progress	<u>1,623,862</u>	
	1,651,667	23,055
Less accumulated depreciation	<u>(18,465)</u>	<u>(12,891)</u>
Property and Equipment, Net	<u>\$ 1,633,202</u>	<u>\$ 10,164</u>

During the year ended June 30, 2022, Seeding Justice purchased a community-facing building project called the "Center for Social Justice". The Center is conceptualized as an office, gathering space, and resource hub for grassroots groups, with more than 1,000 square feet of storefront, and featuring an innovative, first-of-its-kind-in-the-region investment and management structure that will provide local grassroots nonprofits an opportunity to use habitable office and event space for work and events and provide stability and sustainability. To future renovate this property to get the building to its ultimate use, Seeding Justice is planning on fundraising efforts through foundation support, public grants, and capital campaigns, and anticipates possibly obtaining a line-of-credit loan to bridge funding needs when construction begins.

Note 6 - Endowment Funds

Seeding Justice's endowment consists of 6 individual funds established for a variety of purposes. Its endowment includes both donor restricted funds and funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

In accordance with the Oregon State Uniform Prudent Management of Institutional Funds Act (UPMIFA), Seeding Justice considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund;
- The purposes of Seeding Justice and the endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of Seeding Justice; and
- The investment policies of Seeding Justice.

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Notes to Financial Statements For the Year Ended June 30, 2022

Note 6 - Continued

Investment Return Objectives, Risk Parameters and Strategies - Seeding Justice has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a diversified asset mix, that includes equity and debt securities that meet Seeding Justice's criteria for socially responsible investments and that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distributions of 5%, while growing the funds if possible. Therefore, Seeding Justice expects its endowment assets, over time, to produce an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy - Seeding Justice has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value at the end of the prior 16 quarters through March 31 of the fiscal year preceding the fiscal year in which the distribution is planned. In establishing this policy, Seeding Justice considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. Seeding Justice expects the current spending policy to allow its endowment funds to grow at a nominal average rate of about 3% annually. This is consistent with Seeding Justice's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition by type of fund as of June 30 is as follows:

	Without Donor Restrictions	With Donor Restrictions		2022	2021
		Accumulated Unspent Earnings	Corpus		
General endowment fund	\$ -	\$ 858,348	\$ 1,257,703	\$ 2,116,051	\$ 2,595,208
Kellog Family grantmaking fund		644,283	4,484,529	5,128,812	6,511,171
FEX endowment fund for operations		396,580	621,541	1,018,121	1,254,913
Michael Smith grantmaking endowment fund		90,445	116,249	206,694	250,982
Lilla Jewel grantmaking for the benefit of women, children, and peace endowment fund		114,428	156,592	271,020	330,678
Board-designated endowment fund	982,419			982,419	1,173,098
Total All Endowment Funds	\$ 982,419	\$ 2,104,084	\$ 6,636,614	\$ 9,723,117	\$ 12,116,050

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Notes to Financial Statements For the Year Ended June 30, 2022

Note 6 - Continued

Changes in endowment net assets for the year ended June 30 are as follows:

	Without Donor Restrictions	With Donor Restrictions Accumulated Unspent Earnings	Corpus	2022	2021
Endowment net assets, beginning of year	\$ 1,173,098	\$ 4,306,337	\$ 6,636,614	\$ 12,116,049	\$ 9,955,763
Endowment investment return, net	(183,089)	(1,924,532)		(2,107,621)	2,619,839
Amounts appropriated for expenditure	(7,590)	(277,721)		(285,311)	(459,552)
Endowment Net Assets, End of Year	\$ 982,419	\$ 2,104,084	\$ 6,636,614	\$ 9,723,117	\$ 12,116,050

Note 7 - Net Assets Designated by the Board

Net assets designated by the Board are as follows as of June 30:

	2022	2021
General operating reserve	\$ 753,500	\$ 753,500
FEX apartment sale proceeds operating reserve	478,674	478,674
Donor-advised funds	42,576	249,382
Donor in movement funds	150,995	164,129
Quasi-endowment	982,419	1,173,098
Total Board Designated	\$ 2,408,164	\$ 2,818,783

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Notes to Financial Statements For the Year Ended June 30, 2022

Note 8 - Net Assets With Donor Restrictions

Net assets with donor restrictions are as follows as of June 30:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purposes-		
Named funds	\$ -	\$ 20,654
Community funds	766,765	1,767,878
Building funds	<u>1,915,511</u>	
Total subject to expenditure for specified purposes	2,682,276	1,788,532
Subject to use in future periods-general operations	194,260	294,261
Accumulated unspent return on endowment	2,104,084	4,306,337
Restricted in perpetuity-		
Endowment funds restricted by donors	<u>6,636,614</u>	<u>6,636,614</u>
Total With Donor Restrictions	<u>\$ 11,617,234</u>	<u>\$ 13,025,744</u>

Note 9 - Retirement Plan

Seeding Justice has adopted a defined contribution retirement plan to cover essentially all employees who have been employed for three months or more. Seeding Justice's contributions to the plan amounted to \$27,549 and \$23,331 for the years ended June 30, 2022 and 2021.

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Notes to Financial Statements For the Year Ended June 30, 2022

Note 10 - Availability and Liquidity

The following represents Seeding Justice's financial assets at June 30:

	<u>2022</u>	<u>2021</u>
Financial assets at year end-		
Cash and equivalents	\$ 10,606,981	\$ 4,204,059
Investments	9,907,410	12,534,918
Pledges and grants receivables	<u>194,260</u>	<u>734,339</u>
	20,708,651	17,473,316
Less non-current pledges and grants receivable	94,260	94,260
Less board-designated funds	2,408,164	2,818,783
Less donor-restricted endowment funds	<u>8,740,698</u>	<u>10,942,951</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 9,465,529</u>	<u>\$ 3,617,322</u>

As part of its liquidity management plan, Seeding Justice has a policy to structure its financial assets to be available as general expenditures and liabilities become due, with excess cash invested in money market accounts and short-term certificates of deposit.

The Board-designated general operating reserve amounting to \$753,000 for both the years ended June 30, 2022 and 2021 provides, at the Board's discretion, funding for ongoing operations and strategic investment opportunities; resources to meet unplanned obligations, material uninsured losses, or other unexpected events; and to fulfill other strategic purposes or near-term needs.

Note 11 - Paycheck Protection Program

On April 22, 2020, Seeding Justice was granted a \$75,792 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and was fully guaranteed by the Federal government. Seeding Justice was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. Seeding Justice initially recorded the loan as a refundable advance. Upon notice on April 12, 2021 of approval by the SBA of its application for complete loan forgiveness, Seeding Justice recognized grant revenue of \$75,792 in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed.

On January 26, 2021, Seeding Justice was granted a second loan under the PPP amounting to \$96,933 and subject to the same terms and conditions as the earlier PPP loan. Seeding Justice initially recorded the loan as a refundable advance that remained as a liability as of June 30, 2021. During the year ended June 30, 2022, upon notice on September 10, 2021 of approval by the SBA of its application for complete loan forgiveness, Seeding Justice has recognized grant revenue of \$96,933 in accordance with guidance for conditional contributions.