THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

WATSONRICE LLP
CERTIFIED PUBLIC ACCOUNTANTS

THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
DECEMBER 31, 2021 AND 2020

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Audit Committee
The Interfaith Center on Corporate Responsibility

Opinion

We have audited the financial statements of The Interfaith Center on Corporate Responsibility ("ICCR"), which comprise the statements of financial position as of December 31, 2021, and 2020, 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 accompanying financial statements present fairly, in all material respects, the financial position of ICCR as of December 31, 2021, and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ICCR and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

WatsonRice LLP

New York, New York
July 1, 2022

THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
Assets		
Cash and cash equivalent (Note 4)	$ 2,058,865	$ 926,851
Restricted cash (Notes 4, 10, and 11)	206,908	150,000
Member dues receivable (Note 5)	65,350	126,138
Grants receivable (Note 6)	272,500	160,000
Contributions receivable (Note 17)	104,000	119,000
Prepaid expenses	33,303	21,208
Investment (Note 7)	1,794,864	1,647,024
Property and equipment - net (Note 8)	110,457	115,784
Total Assets	$ 4,646,247	$ 3,266,005
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities (Note 9)	$ 276,416	$ 205,684
Other payable (Note 10)	106,908	50,000
Deferred revenue (Note 17)	665,000	-
Note payable (Note 11)	100,000	100,000
Liability for HIPR benefits (Note 13)	223,000	145,000
Total Liabilities	1,371,324	500,684
Net Assets (Note 12):		
Without donor restrictions	743,307	909,537
With donor restrictions	2,531,616	1,855,784
Total Net Assets	3,274,923	2,765,321
Total Liabilities and Net Assets	$ 4,646,247	$ 3,266,005

See notes to financial statements.

THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021, WITH COMPARATIVE TOTALS FOR 2020

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
Revenues				
Member dues	$ 1,209,362	$ -	$ 1,209,362	$ 1,064,843
Contributions	128,282	-	128,282	90,885
Grants	970,863	827,103	1,797,966	712,499
PPP grant (Note 18)	-	-	-	255,627
Special event - net of $29,995 in direct expenses (Note 17)	-	-	-	484,976
In-kind contributions (Note 16)	7,175	-	7,175	16,848
Investment return, net (Note 7)	1,996	211,390	213,386	250,795
Other income	-	-	-	1,938
Net assets released from restrictions (Note 12)	362,661	(362,661)	-	-
Total Revenues	2,680,339	675,832	3,356,171	2,878,411
Expenses				
Program expenses	2,141,638	-	2,141,638	1,994,671
Management and general	398,007	-	398,007	327,930
Fundraising/membership	306,924	-	306,924	278,726
Total Expenses	2,846,569	-	2,846,569	2,601,327
Changes in Net Assets	(166,230)	675,832	509,602	277,084
Net Assets, Beginning of Year	909,537	1,855,784	2,765,321	2,488,237
Net Assets, End of Year	$ 743,307	$ 2,531,616	$ 3,274,923	$ 2,765,321

See notes to financial statements.

THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Member dues	$ 1,064,843	$ -	$ 1,064,843
Contributions	90,885	-	90,885
Grants	471,666	240,833	712,499
PPP grant (Note 18)	255,627	-	255,627
Special event - net of $29,995 in direct expenses (Note 17)	484,976	-	484,976
In-kind contributions (Note 16)	16,848	-	16,848
Investment return, net (Note 7)	2,448	248,347	250,795
Other income	1,938	-	1,938
Net assets released from restrictions (Note 12)	764,845	(764,845)	-
Total Revenues	3,154,076	(275,665)	2,878,411
Expenses			
Program expenses	1,994,671	-	1,994,671
Management and general	327,930	-	327,930
Fundraising/membership	278,726	-	278,726
Total Expenses	2,601,327	-	2,601,327
Changes in Net Assets	552,749	(275,665)	277,084
Net Assets, Beginning of Year	356,788	2,131,449	2,488,237
Net Assets, End of Year	$ 909,537	$ 1,855,784	$ 2,765,321

See notes to financial statements.

THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

Expense Classification	Program Expenses	Management and General	Fundraising/ Membership	Total
Salaries and other personnel costs	$ 1,758,087	$ 304,735	$ 281,294	$ 2,344,116
Rent	88,867	11,109	11,109	111,085
Consultants	81,908	-	-	81,908
Events and conferences	13,648	-	-	13,648
Publications	29,626	-	-	29,626
Database	4,061	-	-	4,061
Information and technology	34,554	9,873	4,936	49,363
Travel and meeting expenses	36,615	-	-	36,615
Office expenses	20,777	5,936	2,968	29,681
Administrative expenses	46,320	13,234	6,617	66,171
In-kind services (Note 16)	7,175	-	-	7,175
Uncollectible membership dues	-	50,070	-	50,070
Depreciation and amortization expenses	20,000	3,050	-	23,050
Total Expenses	$ 2,141,638	$ 398,007	$ 306,924	$ 2,846,569

See notes to financial statements.

THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

Expense Classification	Program Expenses	Management and General	Fundraising/ Membership	Total
Salaries and other personnel costs	$ 1,582,640	$ 274,324	$ 253,222	$ 2,110,186
Rent	77,759	22,217	11,109	111,085
Consultants	90,956	-	-	90,956
Events and conferences	23,499	-	-	23,499
Publications	15,222	-	-	15,222
Database	42,112	-	-	42,112
Information and technology	52,526	15,008	7,504	75,038
Travel and meeting expenses	24,873	-	-	24,873
Office expenses	24,722	7,063	3,532	35,317
Administrative expenses	23,514	6,718	3,359	33,591
In-kind services (Note 16)	16,848	-	-	16,848
Depreciation and amortization expenses	20,000	2,600	-	22,600
Total Expenses	$ 1,994,671	$ 327,930	$ 278,726	$ 2,601,327

See notes to financial statements.

THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2021 AND 2020

	2021	2020
Cash Flows From Operating Activities		
Changes in net assets	$ 509,602	$ 277,084
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Net realized and unrealized gains on investments	(115,409)	(218,027)
Depreciation and amortization expenses	23,050	22,600
Uncollectible membership dues	50,070	-
(Increase)/decrease in assets:		
Member dues receivable	10,718	29,833
Grants receivable	(112,500)	65,000
Contributions receivable	15,000	(101,500)
Prepaid expenses	(12,095)	(20,646)
(Decrease)/increase in liabilities:		
Accounts payable and accrued liabilities	70,732	50,036
Other payable	56,908	50,000
Deferred revenue (Note 17)	665,000	-
Liability for HIPR benefits	78,000	(35,700)
Net cash provided by operating activities	1,239,076	118,680
Cash Flows From Investing Activities		
Proceeds from sale of investments	518,842	201,420
Purchase of investments	(551,273)	(234,188)
Additions to property and equipment	(17,723)	(3,495)
Net cash used in investing activities	(50,154)	(36,263)
Net Increase in Cash, Cash Equivalent and Restricted Cash	1,188,922	82,417
Cash, Cash Equivalent and Restricted Cash, Beginning of Year	1,076,851	994,434
Cash, Cash Equivalent and Restricted Cash, End of Year	$ 2,265,773	$ 1,076,851

See notes to financial statements.

THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. ORGANIZATION

The Interfaith Center on Corporate Responsibility ("ICCR") was founded in 1971. ICCR has more than 300 institutional investor members, representing faith-based institutions and other socially responsible investors. ICCR's faith-based members elect ICCR's Governing Board. ICCR is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code. ICCR has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

ICCR assists its members in the coordination of their shareholder engagement with companies regarding environmental, social, and governance issues. Through dialogue and engagement with publicly-held corporations, ICCR members promote corporate responsibility and sound corporate governance around key issue areas, including human rights/workers rights, climate change/environment, food, water, health, and banking.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements of ICCR have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

b. Basis of Presentation

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

1. Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

b. Basis of Presentation – Continued

2. Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; ICCR must continue to use the resources in accordance with the donor's instructions.

ICCR's unspent contributions are included in this class if the donor limits their use, as are its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by ICCR.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statements of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

c. Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

d. Investments

Through its endowment, ICCR carries investments in money market funds, mutual funds and equities at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less investment expenses.

e. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). ICCR groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1	Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs that cannot be corroborated by observable market data.

f. Revenue and Revenue Recognition

Membership dues are recorded when received and are recognized immediately as contribution since there is no exchange element. ICCR records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference.

ICCR recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Reclassifications to net assets without donor restrictions are made as related grant expenses are incurred to a maximum of the grant award.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

g. Compensated Absences

ICCR accrues for the liability of vacation pay which its employees have earned but not yet used, in accordance with the terms of its collective bargaining agreement.

h. Expense Recognition and Allocation

The cost of providing ICCR's programs and other activities is summarized on a functional basis in the statements of activities and statements of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on the respective program area, with the exception of those employees who are allocated across all departments based on estimated time spent.
- Occupancy, administrative expenses, information and technology are allocated 70% program, 20% management and general, and 10% fundraising/membership.
- Events and conferences, publications, travel and meeting expenses are allocated to programs. Depreciation and amortization expenses are allocated directly to the program, where applicable, otherwise they are allocated to management and general. Consultants that are directly attributable are charged to respective function head, the rest are allocated based on the particular department for which the consultant is covering.

i. Property and Equipment

Property and equipment are reported in the statements of financial position at cost, if purchased, and at fair value at the date of donation, if donated. Equipment is capitalized if it has a cost of $750 or more and a useful life when acquired of more than 12 months. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Computers	3 Years
Office Equipment	5 Years
Furniture	7 Years
Vehicles	5 Years
Database	7 Years
Leasehold Improvements	The shorter of the life of the leasehold improvement or the remaining term of the lease

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

i. Property and Equipment – Continued

Property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

j. Endowment Funds

ICCR's net assets with donor restrictions includes an endowment gift from the Fabunmi Trust and matching funds raised by ICCR. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

ICCR's Board of Directors has interpreted the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, ICCR retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by ICCR in a manner consistent with the standard of prudence prescribed by NYPMIFA.

In accordance with NYPMIFA, ICCR considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of ICCR, and (7) ICCR's investment policies.

Investment and Spending Policies

ICCR has adopted investment and spending policies, approved by the Board of Directors, for the endowment that attempt to provide a predictable stream of funding to programs supported by its endowment funds while seeking to maintain the purchasing power of the endowment assets. Accordingly, the investment process seeks to achieve an after-cost total rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

j. Endowment Funds – Continued

Investment and Spending Policies – Continued

Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4% while growing the funds if possible. ICCR expects its endowment assets, over time, to produce an average rate of return of approximately 6% 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.

ICCR shall expend income and appreciation on the fund on a total return basis in accordance with standards applicable under the New York State Not-for-Profit Corporation Law and the NYPMIFA at a percentage of total return deemed prudent by the board. Under ICCR's endowment spending policy, ICCR may draw up to 4% of the market value on an annual basis. In establishing this policy, ICCR considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. This is consistent with ICCR's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

k. Adoption of Accounting Standards

FASB Accounting Standards Codification Topic 606, Revenue from Contracts with Customers, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. ICCR has implemented Topic 606 for the year ended December 31, 2020, which did not have an effect on the presentation of the financial statements and on net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

l. Recently Issued Accounting Pronouncements

Contributed Nonfinancial Assets

On September 17, 2020, FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958) – Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial assets. This ASU requires a not-for-profit entity to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires a not-for-profit to disclose:

a. Contributed nonfinancial assets recognized within the statement of activities disaggregated by category that depicts the type of contributed nonfinancial assets; and

b. For each category of contributed nonfinancial assets recognized (as identified in (a)):

   - Qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, a description of the programs or other activities in which those assets were used.

   - The not-for-profit's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets.

   - A description of any donor-imposed restrictions associated with the contributed nonfinancial assets.

   - The valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in Topic 820, Fair Value Measurement, at initial recognition.

   - The principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient NFP is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets.

ASU No. 2020-07 is effective retrospectively for annual reporting periods beginning after June 15, 2021, and interim periods with annual reporting periods beginning after June 15, 2022. Early adoption is permitted. Management is currently evaluating the impact of this ASU on the financial statements and will implement when applicable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

l. Recently Issued Accounting Pronouncements – Continued

Accounting for Leases

The FASB issued its new lease accounting guidance in ASU No. 2016-02, Leases (Topic 842). Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: (a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (b) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term.

Under the new guidance, lessor accounting is largely unchanged. Certain targeted improvements were made to align, where necessary, lessor accounting with the lessee accounting model and Topic 606, Revenue from Contracts with Customers. The new lease guidance simplified the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. Lessees will no longer be provided with a source of off-balance sheet financing.

Lessees (for capital and operating leases) and lessors (for sales-type, direct financing, and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees and lessors may not apply a full retrospective transition approach.

In June 2020, the FASB issued ASU 2020-05 which defers the effective date of ASU No. 2016-02 by one year for entities in the "all other" category. Therefore, ASU No. 2016-02 is effective for those entities for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Management is currently evaluating the impact of this ASU on the financial statements and will implement when applicable.

3. AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure that is without donor or other restrictions limiting their use, within one year of December 31, 2021 and 2020 are:

	2021	2020
Financial assets:		
Cash and cash equivalent	$ 2,058,865	$ 926,851
Restricted cash	206,908	150,000
Member dues receivable	65,350	126,138
Grants receivable	272,500	160,000
Contributions receivable	104,000	119,000
Endowment and long-term investments	1,794,864	1,647,024
Total financial assets	4,502,487	3,129,013
Less financial assets held to meet donor imposed restrictions		
Donor restricted endowment funds	(871,750)	(871,750)
Less board-designated employee separation reserve fund	(63,588)	(63,588)
Less restricted cash	(206,908)	(150,000)
Amounts available for general expenditures within one year	$ 3,360,241	$ 2,043,675

ICCR's goal is generally to maintain financial assets to meet 6 months of operating expenses (approximately $1,000,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit. ICCR has a $100,000 line of credit available to meet cash flow needs.

4. CASH, CASH EQUIVALENT, AND RESTRICTED CASH

ICCR considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to endowments that are perpetual in nature or other long-term purposes are excluded from this definition. ICCR maintains its cash accounts in Chase Bank, which at times may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to certain limits. At December 31, 2021, and 2020, ICCR had approximately $1,881,637 and $460,556, respectively, of uninsured cash balances.

Restricted cash consists of the following at December 31, 2021, and 2020:

	2021	2020
EFA - FJC	$ 100,000	$ 100,000
SEC litigation fund	106,908	50,000
Total	$ 206,908	$ 150,000

4. CASH, CASH EQUIVALENT, AND RESTRICTED CASH – CONTINUED

ICCR maintains the Eleemosynary Fund Account-Money Market ("EFA") with FJC, a foundation of philanthropic funds, in compliance with the requirement of the promissory note to Marty and Dorothy Silverman Foundation. SEC litigation fund consists of cash in Chase Bank that is designated for the litigation that was filed against the U.S. Security and Exchange Commission (SEC).

The following table provides a reconciliation of cash, cash equivalent, and restricted cash reported within the statements of financial position to the sum of the corresponding amounts within the statements of cash flows:

	2021	2020
Cash and cash equivalent	$ 2,058,865	$ 926,851
Restricted cash	206,908	150,000
Total	$ 2,265,773	$ 1,076,851

5. MEMBER DUES RECEIVABLE

This account consists of outstanding faith-based member dues, associate member dues and affiliate member dues receivable, as follows:

	2021	2020
Faith based member dues receivable	$ 37,350	$ 54,838
Associate member dues receivable	10,000	41,020
Affiliate member dues receivable	18,000	30,280
Total	$ 65,350	$ 126,138

6. GRANTS RECEIVABLE

Grants receivable of $272,500 and $160,000 at December 31, 2021, and 2020, respectively, is due in less than one year from the following:

	2021	2020
Environmental Defense Fund	$ 122,500	$ 160,000
Educational Foundation of America	100,000	-
Nathan Cummings Foundation	50,000	-
Total	$ 272,500	$ 160,000

7. INVESTMENTS

Investments are comprised of the following:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
TD Ameritrade:				
Mutual funds	$ 716,643	$ 896,441	$ 706,729	$ 811,922
Equities	938	9,799	938	10,233
Money market account	847	847	353	353
Charles Schwab Institutional:				
Equities	344,217	464,307	315,000	410,079
Money market funds	876	876	5,995	5,995
Boston Common:				
Mutual funds	333,329	422,594	319,678	408,442
Total	$ 1,396,850	$ 1,794,864	$ 1,348,693	$ 1,647,024

As of December 31, 2021, and 2020, all investments were considered level 1 investments.

The net investment return for the years ended December 31, 2021, and 2020 consists of the following:

	2021	2020
Interest and dividends	$ 98,126	$ 33,038
Net realized and unrealized gains	115,409	218,027
Investment fees and charges	(149)	(270)
Net investment earnings and gains	$ 213,386	$ 250,795

8. PROPERTY AND EQUIPMENT

The following is the composition of property and equipment at December 31, 2021, and 2020:

	2021	2020
Computer equipment	$ 229,823	$ 212,100
Office machines	42,582	42,582
Members database	140,000	140,000
Leasehold improvements	26,106	26,106
Total	438,511	420,788
Less: Accumulated depreciation and amortization	328,054	305,004
Net	$ 110,457	$ 115,784

During 2021 and 2020, ICCR acquired office computers, members database, and office equipment in the amounts $17,723 and $3,495, respectively.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	2021	2020
Accrued salaries and vacation	$ 89,426	$ 83,925
Accounts payable - various suppliers	65,904	30,223
Accrued expenses	121,086	91,536
Total	$ 276,416	$ 205,684

10. OTHER PAYABLE

ICCR is lead plaintiff in litigation that was filed against the U.S. Security and Exchange Commission under the Administrative Procedure Act, to invalidate rule changes promulgated under SEC Rule 14(a)(8) that would significantly limit the ability of shareholders to file resolutions on environmental, social, and governance matters. In order to pay the law firm that is handling the case, members, allied organizations, and foundations are pooling funds. As lead plaintiff, ICCR has agreed to be the custodian for these funds. ICCR set up a dedicated account at Chase, titled "SEC Litigation Fund", to receive these funds and to pay the lawyers. All funds that are designated for the litigation are deposited in this dedicated account, and all payments to the law firm of MoloLamken LLP are paid out of this dedicated account. ICCR is not charging a fee to administer the account, and no funds that are received for the purpose of the litigation are used for ICCR's operations. All of these pooled funds are used exclusively to pay the law firm. As of December 31, 2021, and 2020, the fund consists of $106,908 and $50,000, respectively, in cash and is included as restricted cash with a corresponding liability in the financial statements.

11. NOTE PAYABLE

On June 26, 2017, ICCR issued a promissory note to Marty and Dorothy Silverman Foundation for $100,000. The note provided that ICCR has to open an Eleemosynary Fund Account-Money Market ("EFA") with FJC, a foundation of philanthropic funds, and deposit all the loan proceeds in such EFA.

Among other things, the note provides that:

a. Interest will be payable quarterly for each outstanding day on the unpaid principal amount until paid at a floating interest rate of the prime rate plus 3% per annum.

b. First payment is due on the last day of each quarter until June 30, 2022.

11. NOTE PAYABLE – CONTINUED

c. During the period that such proceeds are in the EFA, the interest rate on that portion of the loan proceeds in the EFA shall be equal to the net amount of interest earned on the funds in the EFA (after deduction of all losses, fees and taxes and charges including wire transfer fees).

d. Funds may be withdrawn or deposited from and to the EFA on five (5) business days' notice to FJC, and shall be limited to three (3) withdrawals and two (2) deposits per month.

e. The deposit of funds into the EFA shall be made in the minimum amount of $25,000.

f. In the event of default, there is a lien and right of set-off against the balance of the fund in the EFA.

At December 31, 2021, and 2020, the balance of the fund in the EFA was $100,000.

12. NET ASSETS

Without Donor Restrictions

Net assets without donor restrictions at December 31, 2021, and 2020 consist of the following:

	2021	2020
Board-designated:		
Employee Separation Reserve	$ 63,588	$ 63,588
Undesignated	679,719	845,949
Total	$ 743,307	$ 909,537

The Board has designated net assets without donor restrictions to fund the Employee Separation Reserve, which had a balance of $63,588 as of December 31, 2021, and 2020. The existence of the board-designated fund resulted in undesignated net assets without donor restrictions of $679,719 and $845,949 at December 31, 2021, and 2020, respectively.

With Donor Restrictions

Net assets with donor restrictions include grants, program-related contributions with donor-imposed stipulations and the donor-restricted endowment funds.

12. NET ASSETS – CONTINUED

With Donor Restrictions – Continued

Net assets with donor restrictions at December 31, 2021, and 2020 consist of the following:

	2021	2020
Endowment net assets	$ 1,704,513	$ 1,564,951
Grants - Porticus	326,269	-
Grants - Omidyar Network Fund, Inc.	131,250	-
Grants - Foundation to Promote Open Society	145,834	-
Grants - Educational Foundation of America	45,000	21,250
Grants - Nathan Cummings Foundation	37,500	50,000
Grants - Environmental Defense Fund	56,250	114,583
Grants - Humanity United	37,500	-
Grants - Wallace Global	10,000	15,000
Grants - Anonymous	37,500	90,000
	$ 2,531,616	$ 1,855,784

During each year, net assets released from restrictions were for the following:

	2021	2020
Endowment net assets	$ 71,828	$ 65,472
Grants - Environmental Defense Fund	114,583	-
Grants - Anonymous	90,000	380,509
Grants - Nathan Cummings Foundation	50,000	100,000
Grants - Educational Foundation of America	21,250	22,500
Grants - Wallace Global	15,000	10,000
Grants - Foundation to Promote Open Society	-	136,364
Grants - Humanity United	-	50,000
Total	$ 362,661	$ 764,845

12. NET ASSETS – CONTINUED

Donor-Restricted Endowment Net Assets

The composition of donor-restricted endowment net assets as of December 31, 2021, and 2020 are as follows:

	2021	2020
Original donor-restricted amount and amounts required to be maintained in perpetuity by donor	$ 871,750	$ 871,750
Accumulated investment gains	832,763	693,201
Total	$ 1,704,513	$ 1,564,951

Changes in endowment net assets for the years ended December 31, 2021, and 2020 are as follows:

	2021	2020
Endowment net assets, beginning of year	$ 1,564,951	$ 1,382,076
Investment return, net	211,390	248,347
Amounts appropriated for expenditure	(71,828)	(65,472)
Endowment net assets, end of year	$ 1,704,513	$ 1,564,951

13. RETIREMENT PLAN AND OTHER BENEFITS

The governing board of ICCR established a 403(b) pension plan through the Teachers Insurance and Annuity Association – College Retirement Equity Fund ("TIAA-CREF"). The plan requires ICCR to contribute an amount equivalent to 11% of the annual compensation for certain eligible employees, or 18.65% of the annual compensation for ordained employees who are considered self-employed, as defined in Article IV of the Federal Social Security Act. For the years ended December 31, 2021, and 2020, contributions to the plan amounted to $162,889 and $153,936, respectively.

ICCR also provides certain health care benefits for retired employees in accordance with the CBA agreement. Following are the eligibility requirements for post-retirement health benefits as provided for in ICCR's collective bargaining agreement with its employees:

Employees hired before April 1, 1995	Age 55 and 15 years of service
Employees hired after Apri1 1, 1995	Age 55, 25 years of service and 15 years in the medical plan

13. RETIREMENT PLAN AND OTHER BENEFITS – CONTINUED

An employee hired after April 1, 1995, who is laid off at age 60 or older with at least 20 years of participation in the medical plan maintained by ICCR, will be treated as if they had 25 years of such participation and will therefore be entitled to receive post-retirement health benefits under the plan.

At January 1, 2021, ICCR's accumulated post-retirement benefit obligation was determined to be $223,000 at 4.5% discount rate. ICCR decided to amortize its accumulated post-retirement benefit obligation over a 20-year period. The components of its post-retirement benefit cost consisted of:

Service cost	$ 16,600
Interest cost	10,100
Amortization of (20 years) transition obligation	12,000
Amortization of cumulative loss	13,700
Net post-retirement benefit cost	$ 52,400

Health insurance post-retirement (HIPR) benefit obligations and funded status:

Accumulated post-retirement benefit obligation (APBO) at January 1, 2022:

Retirees	$ -
Actives eligible for benefits	146,000
Actives not yet eligible	77,000
Accumulated post-retirement benefit obligation	$ 223,000

14. EXPENSES

Below are total expenses and percentages of expenses charged to program and supporting services for the years ended December 31, 2021, and 2020:

	2021		2020	
	Amount	**Percent**	**Amount**	**Percent**
Program expenses	$ 2,141,638	75%	$ 1,994,671	77%
Management and general	398,007	14%	327,930	12%
Fundraising/membership	306,924	11%	278,726	11%
Total	$ 2,846,569	100%	$ 2,601,327	100%

15. OPERATING LEASE COMMITMENTS

On May 2, 2018, ICCR entered into a new lease agreement with The Interchurch Center (the "Landlord") for the office space located on the 18th Floor of 475 Riverside Drive, New York, New York for a term of five (5) years commencing on July 1, 2018, and ending on June 30, 2023. The annual rental for each year ending December 31st will be an amount equal to ICCR's proportionate share of (i) the Landlord's carrying, maintenance, operating and depreciation charges for the building, parking lot, other improvements (including common facilities), underlying land and the adjacent sidewalks (collectively, the "Real Property") for such year plus (ii) the amount of scheduled contributions to Landlord's capital improvement fund for the Real Property as set forth in the Landlord's capital improvements fund budget.

Rent expense for the years ended December 31, 2021, and 2020 amounted to $111,085.

16. IN-KIND CONTRIBUTIONS

ICCR recognizes as contributions revenue and as legal expenses the fair value of pro bono legal services donated by Morrison & Foerster LLP in conjunction with employee's immigration status. For the years ended December 31, 2021, and 2020, ICCR recorded $7,175 and $16,848, respectively, of donated legal fees.

17. SPECIAL EVENT AND GALA REVENUE

Deferred revenue of $665,000 represents monies received as of December 31, 2021, for the 50th Anniversary Gala awards event originally scheduled in September 2021, which was postponed due to the COVID-19. While these monies were raised in 2021, they are booked as deferred revenue in 2021 and will be recognized as revenue in 2022, as the rescheduled gala was held on March 31, 2022. Expenses of $24,708 for the 50th Anniversary Gala, paid in 2021, are recorded as prepaid expense in 2021 and will be recognized as expense in 2022.

Special event represents net proceeds from the awards dinner held on October 6, 2020. Contributions receivable from special event of $119,000 at December 31, 2020, was collected within one year. Revenues and direct expenses at December 31, 2020, were as follows:

	2020
Revenues	$ 514,971
Less: Direct expenses	(29,995)
Net Proceeds	$ 484,976

18. PAYCHECK PROTECTION PROGRAM (PPP)

On April 30, 2020, ICCR received a loan of $255,627 under the Paycheck Protection Program (“PPP”) which was created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The PPP loan accrued interest at 1%, but payments were not required to begin for six months after the funding of the loan. ICCR was eligible for loan forgiveness of up to 100% of the PPP loan upon meeting certain requirements. The PPP loan was uncollateralized and fully guaranteed by the Federal government.

On December 2, 2020, the SBA approved ICCR’s PPP forgiveness application which included waiver of both outstanding principal and interest payments. At December 31, 2020, the full amount was reflected as a grant in the statement of activities.

19. EVALUATION OF SUBSEQUENT EVENTS

ICCR has evaluated subsequent events through July 1, 2022, the date the financial statements were available to be issued.