

Grantmakers of Western Pennsylvania

Financial Statements

Years Ended December 31, 2020 and 2019
with Independent Auditor's Report

MaherDuessel

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GRANTMAKERS OF WESTERN PENNSYLVANIA

YEARS ENDED DECEMBER 31, 2020 AND 2019

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Independent Auditor's Report

Members Grantmakers of Western Pennsylvania

We have audited the accompanying financial statements of Grantmakers of Western Pennsylvania (Grantmakers), a nonprofit organization, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grantmakers as of December 31, 2020 and 2019, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Mahe Duessel

Pittsburgh, Pennsylvania
November 5, 2021

GRANTMAKERS OF WESTERN PENNSYLVANIA

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Assets		
<hr/>		
Current assets:		
Cash and cash equivalents	\$ 3,198,328	\$ 2,980,157
Program reimbursement receivable	20,000	31,739
Grants receivable	382,588	981,338
Other assets	995	3,720
	<hr/>	<hr/>
Total Current Assets	\$ 3,601,911	\$ 3,996,954
	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Net Assets		
<hr/>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 119,261	\$ 98,963
Deferred membership dues	23,792	16,604
	<hr/>	<hr/>
Total Current Liabilities	143,053	115,567
	<hr/> <hr/>	<hr/> <hr/>
Net Assets:		
Without donor restrictions:		
Undesignated	331,372	309,597
Board-designated	323,068	322,718
	<hr/>	<hr/>
Total without donor restrictions	654,440	632,315
With donor restrictions	2,804,418	3,249,072
	<hr/>	<hr/>
Total Net Assets	3,458,858	3,881,387
	<hr/> <hr/>	<hr/> <hr/>
Total Liabilities and Net Assets	\$ 3,601,911	\$ 3,996,954

See accompanying notes to financial statements.

GRANTMAKERS OF WESTERN PENNSYLVANIA

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Net Assets Without Donor Restrictions:		
Revenues:		
Membership dues	\$ 408,572	\$ 408,408
Grants	392	3,709
Program fees	-	10,482
Online advertising (Kidsburgh)	6,005	12,197
Fees - other	14,644	73,058
Interest income	16,288	16,610
Total revenues	445,901	524,464
Net assets released from donor restrictions	2,091,912	1,857,767
Total revenues without donor restrictions	2,537,813	2,382,231
Expenses:		
GWP program services	2,338,237	2,197,592
Administration	171,510	144,945
Development	5,941	13,192
Total expenses	2,515,688	2,355,729
Change in Net Assets Without Donor Restrictions	22,125	26,502
Net Assets With Donor Restrictions:		
Grants	1,647,258	4,003,773
Net assets released from donor restrictions	(2,091,912)	(1,857,767)
Change in Net Assets With Donor Restrictions	(444,654)	2,146,006
Change in Net Assets	(422,529)	2,172,508
Net Assets:		
Beginning of year	3,881,387	1,708,879
End of year	\$ 3,458,858	\$ 3,881,387

See accompanying notes to financial statements.

GRANTMAKERS OF WESTERN PENNSYLVANIA

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020

	GWP Core Program Services	Remake Learning	Kidsburgh	Census 2020 Philanthropic Fund	Total GWP Program Services	Administration	Development	Total GWP Expenses
Salaries and benefits	\$ 222,152	\$ 17,222	\$ 2,414	\$ 8,519	\$ 250,307	\$ 148,048	\$ 5,941	\$ 404,296
Network meetings and conferences	21,078	3,114	-	-	24,192	-	-	24,192
Project management	-	540,107	23,000	-	563,107	-	-	563,107
Communications/marketing	-	115,018	50,730	-	165,748	-	-	165,748
Special projects	-	278,605	-	-	278,605	-	-	278,605
Mini-grants	-	135,000	-	237,860	372,860	-	-	372,860
Content distribution	-	-	164,585	-	164,585	-	-	164,585
Delegation sponsorships	-	115,900	-	-	115,900	-	-	115,900
Travel	-	4,245	-	-	4,245	-	-	4,245
Metrics and data reports	-	116,560	-	-	116,560	-	-	116,560
Occupancy	11,283	11,362	-	-	22,645	6,519	-	29,164
Miscellaneous	3,060	-	-	-	3,060	-	-	3,060
Information technology	21,463	6,090	-	-	27,553	12,401	-	39,954
Network services	19,421	43,482	-	141,959	204,862	-	-	204,862
Staff development	1,867	-	-	-	1,867	-	-	1,867
Professional fees	4,514	-	-	1,600	6,114	2,608	-	8,722
Dues and subscriptions	6,865	-	-	-	6,865	-	-	6,865
Office expenses	2,163	3,537	-	-	5,700	1,249	-	6,949
Policy engagement	2,276	-	-	-	2,276	-	-	2,276
Insurance	1,186	-	-	-	1,186	685	-	1,871
Total Expenses	\$ 317,328	\$ 1,390,242	\$ 240,729	\$ 389,938	\$ 2,338,237	\$ 171,510	\$ 5,941	\$ 2,515,688

See accompanying notes to financial statements.

GRANTMAKERS OF WESTERN PENNSYLVANIA

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2019

	GWP Core Program Services	Remake Learning	Kidsburgh	Census 2020 Philanthropic Fund	Total GWP Program Services	Administration	Development	Total GWP Expenses
Salaries and benefits	\$ 207,412	\$ 30,740	\$ 2,927	\$ 3,243	\$ 244,322	\$ 119,992	\$ 13,192	\$ 377,506
Network meetings and conferences	81,631	52,713	-	-	134,344	-	-	134,344
Project management	-	543,315	25,927	-	569,242	-	-	569,242
Communications/marketing	-	318,653	56,294	-	374,947	-	-	374,947
Special projects	-	400,905	-	-	400,905	-	-	400,905
Mini-grants	-	-	-	-	-	-	-	-
Content distribution	-	-	171,289	-	171,289	-	-	171,289
Delegation sponsorships	-	76,374	-	-	76,374	-	-	76,374
Travel	518	35,615	-	-	36,133	242	-	36,375
Metrics and data reports	-	47,320	-	-	47,320	-	-	47,320
Occupancy	11,322	18,264	-	-	29,586	5,296	-	34,882
Miscellaneous	5,868	-	9,026	-	14,894	1,572	-	16,466
Information technology	17,774	-	-	-	17,774	8,315	-	26,089
Network services	17,607	30,400	-	12,000	60,007	-	-	60,007
Staff development	4,574	-	-	-	4,574	2,140	-	6,714
Professional fees	4,867	-	-	550	5,417	3,376	-	8,793
Dues and subscriptions	4,208	-	-	-	4,208	1,969	-	6,177
Office expenses	3,114	-	-	-	3,114	1,457	-	4,571
Policy engagement	1,889	-	-	-	1,889	-	-	1,889
Insurance	1,253	-	-	-	1,253	586	-	1,839
Total Expenses	\$ 362,037	\$ 1,554,299	\$ 265,463	\$ 15,793	\$ 2,197,592	\$ 144,945	\$ 13,192	\$ 2,355,729

See accompanying notes to financial statements.

GRANTMAKERS OF WESTERN PENNSYLVANIA

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ (422,529)	\$ 2,172,508
Change in:		
Program reimbursement receivable	11,739	(21,270)
Grants receivable	598,750	(828,213)
Other assets	2,725	(1,963)
Accounts payable and accrued liabilities	20,298	58,373
Deferred membership dues	7,188	3,922
	<u>218,171</u>	<u>1,383,357</u>
Net cash provided by (used in) operating activities	<u>218,171</u>	<u>1,383,357</u>
Net Increase (Decrease) in Cash and Cash Equivalents	218,171	1,383,357
Cash and Cash Equivalents:		
Beginning of year	<u>2,980,157</u>	<u>1,596,800</u>
End of year	<u><u>\$ 3,198,328</u></u>	<u><u>\$ 2,980,157</u></u>

See accompanying notes to financial statements.

GRANTMAKERS OF WESTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

1. Organization

Grantmakers of Western Pennsylvania (Grantmakers) was incorporated under the Nonprofit Corporation Law of the Commonwealth of Pennsylvania on February 25, 1985.

Grantmakers is a nonprofit professional membership association of grantmaking organizations composed of various foundations, corporations and charitable trusts of all sizes and purposes. Grantmakers is principally funded through dues and grants from members. Grantmakers:

- i. Encourages membership enrollment and active participation of all grantmaking organizations throughout Western Pennsylvania and beyond, in order to maximize the opportunity for exchange of information and collaboration on common interests.
- ii. Assists members to identify community needs, working with them to develop information about these needs, and providing a forum for discussion of potential solutions. The community of interest is not limited to the City of Pittsburgh or Allegheny County, but extends to Western Pennsylvania and beyond.
- iii. Nurtures the professional development of its diverse membership by serving as a resource to improve the effectiveness of its members' operations and decisions.
- iv. As a member service, Grantmakers periodically provides grants administration and/or operates co-funded programs at the request of one or more members. Current examples include the Census 2020 Philanthropic Fund, as well as:
 - a. Remake Learning (RL), a network that ignites engaging, relevant, and equitable learning practices in support of young people navigating rapid social and technological change. The RL team provides support for ongoing network services, working groups, a leadership council (Remake Learning Council), and projects like Remake Learning Days, Remake Learning Days Across America and Shifting Power.
 - b. Kidsburgh, an online resource for the inspired ideas and people shaping the future of children's learning, health and play in the Pittsburgh region. In 2020, Kidsburgh coordinated the Parents as Allies project, which focused on strengthening family engagement in schools.
- v. Presents information regarding philanthropy to the community at large.

GRANTMAKERS OF WESTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

2. Summary of Significant Accounting Policies

A summary of significant accounting policies consistently applied by management in the preparation of the financial statements follows:

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recorded when earned and expenses are recognized when the liabilities are incurred.

Basis of Presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. The net assets of Grantmakers are classified and reported as follows:

Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations. The Board of Directors (Board) has designated certain accumulated funds as reserves (See Note 3).

With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of Grantmakers and/or the passage of time. Also included in this category are net assets subject to donor-imposed stipulations that require resources be maintained permanently but permits the organization to use up or expend part or all of the income derived from the donated assets. Grantmakers currently has no net assets with donor restrictions that are to be maintained in perpetuity as of December 31, 2020 and 2019.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures 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 may differ from those estimates.

GRANTMAKERS OF WESTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

Membership Dues

Membership dues, which are based on members' total grant payouts and are nonrefundable, are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the total dues paid and the exchange element. Memberships are on a calendar year basis, January 1 to December 31, and income from membership dues is recognized over the periods to which the dues relate. As such, revenue recognition is complete at December 31, 2020 and 2019. Membership dues revenue related to the exchange element is approximately \$60,000 and \$70,000 for 2020 and 2019, respectively. All membership dues received in advance are reported as deferred revenue, as any portion related to the contribution element is not material.

Grants

Grants to Grantmakers are reported at stated value at the date notified. The grants are reported as without donor restrictions if no donor stipulations are specified and with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 statements of activities as net assets released from donor restrictions. Conditional promises to give stipulate a measurable performance or other barrier and a right of return and are recognized only when the conditions on which they depend have been met. There were no conditional promises to give at December 31, 2020 and 2019.

Cash and Cash Equivalents

For purposes of the statements of cash flows, Grantmakers considers all investments with a purchased maturity of three months or less to be cash equivalents. Grantmakers maintains cash and cash equivalents at financial institutions, which may at times exceed federally insured limits.

Grants Receivable and Program Reimbursement Receivable

Grants receivable and program reimbursement receivables represent amounts awarded by grantors that have not been received. Management has determined that no allowance was considered necessary. Due to the short-term nature of the expected collections, the net

GRANTMAKERS OF WESTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

realizable value is considered a reasonable estimate of the fair value. Grants receivable and program reimbursement receivables are expected to be collected within one year.

Fixed Assets

Fixed assets are recorded at cost or, if donated, the estimated fair value at the date received. Depreciation is calculated on the straight-line method over the asset's estimated useful life. A capitalization level of \$3,000 has been adopted by Grantmakers. Fixed assets as of December 31, 2020 and 2019 are fully depreciated and consist of leasehold improvements with an original cost of \$10,881 and equipment of \$19,315.

Income Tax

Grantmakers is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986 (IRC), except on net income derived from unrelated business activities, and has been classified as an organization that is not a private foundation under Sections 509(a)(1) and 170(b)(1)(A)(vi) of the IRC. Income earned from website advertising activities is subject to tax on unrelated business income. Further, Grantmakers annually files a Form 990 and a Form 990-T.

Donated Services

Donated services (in-kind contributions) for the years ended December 31, 2020 and 2019 do not meet the criteria for inclusion in the accompanying financial statements. Grantmakers receives donation of services of immeasurable benefit to the organization from many individuals.

Functional Expenses

The costs of providing the program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the cost centers benefited based upon actual staff hours. The expenses that are allocated include fees for professional services, information technology, occupancy, insurance, and office expenses.

Liquidity and Availability

The primary sources of funding for Grantmakers are grants and membership dues. Grantmakers structures its financial assets to be available as general expenditures,

GRANTMAKERS OF WESTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

liabilities, and other obligations become due. Revenue and expense reports are prepared and reviewed on a regular basis to assist in monitoring liquidity. In accordance with Grantmakers' investment policy, certain amounts are invested in money market funds to provide immediate liquidity and, to the extent that there are remaining funds which can be invested for a longer term, such funds may be invested in Treasury bills or notes, or certificates of deposit, at such interest rates and in such durations as will provide the most attractive market returns and meet the anticipated future cash needs of Grantmakers. There are no such longer-term investments as of December 31, 2020 and 2019.

The following table reflects Grantmakers' financial assets as of December 31, 2020 and 2019 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor-imposed restrictions, contractual restrictions or internal Board designations. In the event the need arises to utilize the Board-designated funds for liquidity purposes, the reserves could be drawn upon through Board resolution.

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 3,198,328	\$ 2,980,157
Program reimbursement receivable	20,000	31,739
Grants receivable	<u>382,588</u>	<u>981,338</u>
Total financial assets	<u>3,600,916</u>	<u>3,993,234</u>
Less: those unavailable for general expenditures within one year due to:		
Restricted by donor with time or purpose restrictions	(2,804,418)	(3,249,072)
Board-designated for future operations	<u>(323,068)</u>	<u>(322,718)</u>
Financial assets available to meet cash needs for general expenses within one year	<u>\$ 473,430</u>	<u>\$ 421,444</u>

GRANTMAKERS OF WESTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

Pending Accounting Standards Updates

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Updates (individually and collectively, ASU) that will become effective in future years as outlined below. Management has not yet determined the impact of these updates on the financial statements:

ASU 2016-02, *“Leases (Topic 842),”* is effective, as delayed, for the financial statements for the year beginning after December 15, 2021. This amendment and related amendments will require lessees to recognize assets and liabilities on the statements of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

ASU 2020-07, *“Not-For-Profit Entities (Subtopic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets,”* is effective for reporting periods beginning after June 15, 2021. The amendments in this update address presentation and disclosure of contributed nonfinancial assets.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

GRANTMAKERS OF WESTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

3. Net Assets

The Board has designated certain accumulated funds as reserves. These reserves are classified as net assets without donor restrictions. The Board retains control over the related assets and may, at its discretion, subsequently use them for other purposes. Total reserves were \$323,068 and \$322,718 for the years ended December 31, 2020 and 2019, respectively.

Net assets with donor restrictions at December 31, 2020 and 2019 consist of:

	2020	2019
Remake Learning Council	\$ 382,666	\$ 427,834
Remake Learning Days 2020	234,707	165,640
Remake Learning Days Across America	754,571	560,493
Remake Learning COVID-19	71,150	-
CS for PGH	16,791	143,003
Blueprint Learning	-	62,267
Remake Learning Gates	618,901	949,620
Kidsburgh	626,712	472,538
Kidcast	4,252	4,352
Ignite Grants	-	97,000
Census 2020 Philanthropic Fund	38,968	304,625
C&G Workshops	55,700	61,700
Total	<u>\$ 2,804,418</u>	<u>\$ 3,249,072</u>

GRANTMAKERS OF WESTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

4. Net Assets Released from Donor Restrictions

During fiscal years 2020 and 2019, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows:

	2020	2019
Remake Learning Council	\$ 295,296	\$ 451,786
PLACES Fellow	-	13,294
Remake Learning Days 2018	-	360
Remake Learning Days 2019	-	274,843
Remake Learning Days 2020	63,933	31,422
Remake Learning Days Across America	255,922	495,424
Remake Learning COVID-19	78,850	-
Blueprint Learning	62,267	63,733
Remake Learning Gates	317,720	49,980
CS for PGH	118,583	71,328
Remake Learning Youth Voice	-	33,357
Remake Learning "143 Grants"	142,508	-
Ignite Grants	95,000	108,000
Kidsburgh	265,826	202,192
Kidcast	100	18,923
C&G Workshops	6,000	17,000
Census 2020 Philanthropic Fund	389,907	26,125
Total	<u>\$ 2,091,912</u>	<u>\$ 1,857,767</u>

5. Lease Commitments

In October 2015, Grantmakers renewed its lease for office space that provides for fixed annual rent payments of approximately \$16,000 through June 30, 2021. Rental payments totaled approximately \$18,000 and \$16,000 in 2020 and 2019, respectively.

In April 2021, Grantmakers entered into a lease for new office space. The lease term is July 1, 2021 through June 30, 2028 and provides for annual rent payments of approximately \$30,000.

GRANTMAKERS OF WESTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

Future minimum lease payments are as follows:

2021	\$	24,362
2022		31,886
2023		32,524
2024		33,177
2025		33,844
Thereafter		<u>87,535</u>
Total	\$	<u>243,328</u>

6. Concentrations

There were no significant concentrations of revenue or receivables for 2020. In 2019, Grantmakers received approximately 46% of grant revenue and 45% of accounts receivable from one grantor.

7. Employee Benefit Plan

Grantmakers has a noncontributory, defined contribution plan (Plan) covering all employees commencing after the employee completes three months of service. Grantmakers contributes 10% of eligible employee gross wages to the Plan. Total expense was approximately \$30,000 and \$29,000 for 2020 and 2019, respectively.