

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION**

AUDITED FINANCIAL STATEMENTS

For the Years Ended December 31, 2022 and 2021



# **CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION**

## **TABLE OF CONTENTS**

	<b>Page</b>
<b>Report of Independent Auditors</b>	1-2
<b>Financial Statements</b>	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-25

## **REPORT OF INDEPENDENT AUDITORS**

To the Board of Directors  
Caring for Military Families: The Elizabeth Dole Foundation  
Washington, D.C.

### **Opinion**

We have audited the accompanying financial statements of Caring for Military Families: The Elizabeth Dole Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Caring for Military Families: The Elizabeth Dole Foundation as of December 31, 2022 and 2021, 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. 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 the Caring for Military Families: The Elizabeth Dole Foundation (the Foundation) 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.

### **Changes in Accounting Principles**

As discussed in Note 2, the Foundation adopted the requirements of Financial Accounting Standards Board's Accounting Standards Update No 2016-02, *Leases* (Topic 842). Our opinion is not modified with respect to this adoption.

### **Responsibilities of Management for the Financial Statements**

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting 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, including omissions, 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

*UHY LLP*

Columbia, Maryland  
September 6, 2023

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
STATEMENTS OF FINANCIAL POSITION  
December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,784,471	\$ 3,141,920
Contributions and grants receivable	1,665,500	1,607,700
Due from related party	-	102,889
Prepaid expenses	30,570	63,618
Prepaid contractual services	<u>520,021</u>	<u>538,434</u>
Total current assets	<u>6,000,562</u>	<u>5,454,561</u>
PROPERTY AND EQUIPMENT, NET	<u>114,825</u>	<u>84,558</u>
<b>OTHER ASSETS</b>		
Contributions and grants receivable, net	2,831,334	293,256
Investments	1,193,142	1,582,330
Deposits	57,114	57,114
Right-of-use asset - operating office lease, net	945,773	-
Cash held for endowment	<u>-</u>	<u>1,076,182</u>
Total other assets	<u>5,027,363</u>	<u>3,008,882</u>
Total assets	<u><u>\$ 11,142,750</u></u>	<u><u>\$ 8,548,001</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 449,932	\$ 368,011
Accrued expenses	348,161	232,041
Grants payable	75,000	-
Lease liability - operating office lease	<u>463,105</u>	<u>-</u>
Total current liabilities	<u>1,336,198</u>	<u>600,052</u>
<b>NONCURRENT LIABILITIES</b>		
Deferred rent	-	63,376
Lease liability - operating office lease, net of current portion	<u>560,729</u>	<u>-</u>
Total noncurrent liabilities	<u>560,729</u>	<u>63,376</u>
Total liabilities	<u>1,896,927</u>	<u>663,428</u>
<b>NET ASSETS</b>		
Without donor restrictions	1,370,619	3,337,840
With donor restrictions	<u>7,875,204</u>	<u>4,546,733</u>
Total net assets	<u>9,245,823</u>	<u>7,884,573</u>
Total liabilities and net assets	<u><u>\$ 11,142,750</u></u>	<u><u>\$ 8,548,001</u></u>

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
STATEMENT OF ACTIVITIES  
For the year ended December 31, 2022**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue, Support, Gains and Losses</b>			
Contributions and grants	\$ 3,171,279	\$ 7,975,751	\$ 11,147,030
Net investment return	(214,458)	-	(214,458)
Losses from receivables uncollected	(72,659)	-	(72,659)
Net assets released from restrictions	4,647,280	(4,647,280)	-
	<u>7,531,442</u>	<u>3,328,471</u>	<u>10,859,913</u>
Total revenue, support, gains and losses			
<b>Expenses</b>			
Program services:			
Campaign for Inclusive Care and Mental Health Pilot	908,959	-	908,959
Caregiver Fellows	473,380	-	473,380
Hidden Heroes Campaign and Respite	3,907,762	-	3,907,762
Heroes and History Makers gala	847,969	-	847,969
Research and innovation	735,593	-	735,593
Financial Wellness	624,743	-	624,743
	<u>7,498,406</u>	<u>-</u>	<u>7,498,406</u>
Total program services			
Supporting services:			
General and administrative	1,373,727	-	1,373,727
Fundraising	626,530	-	626,530
	<u>2,000,257</u>	<u>-</u>	<u>2,000,257</u>
Total supporting services			
Total expenses	<u>9,498,663</u>	<u>-</u>	<u>9,498,663</u>
<b>Change in Net Assets</b>	(1,967,221)	3,328,471	1,361,250
<b>Net assets, beginning of year</b>	<u>3,337,840</u>	<u>4,546,733</u>	<u>7,884,573</u>
<b>Net assets, end of year</b>	<u>\$ 1,370,619</u>	<u>\$ 7,875,204</u>	<u>\$ 9,245,823</u>

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
STATEMENT OF ACTIVITIES  
For the year ended December 31, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue, Support, Gains and Losses</b>			
Contributions and grants	\$ 1,106,208	\$ 6,121,030	\$ 7,227,238
In-kind contributions	25,000	-	25,000
Net investment return	172,768	-	172,768
Losses from receivables uncollected	(66,000)	-	(66,000)
Gain on extinguishment of debt - Paycheck Protection Program loan	177,095	-	177,095
Net assets released from restrictions	3,443,633	(3,443,633)	-
	<u>4,858,704</u>	<u>2,677,397</u>	<u>7,536,101</u>
Total revenue, support, gains and losses			
<b>Expenses</b>			
Program services:			
Campaign for Inclusive Care	738,596	-	738,596
Caregiver Fellows	331,846	-	331,846
Hidden Heroes Campaign and Respite	3,443,735	-	3,443,735
Heroes and History Makers gala	355,215	-	355,215
Children's research	305,312	-	305,312
Financial Wellness	38,503	-	38,503
	<u>5,213,207</u>	<u>-</u>	<u>5,213,207</u>
Total program services			
Supporting services:			
General and administrative	982,671	-	982,671
Fundraising	578,272	-	578,272
	<u>1,560,943</u>	<u>-</u>	<u>1,560,943</u>
Total supporting services			
Total expenses	<u>6,774,150</u>	<u>-</u>	<u>6,774,150</u>
<b>Change in net assets</b>	(1,915,446)	2,677,397	761,951
<b>Net assets, beginning of year</b>	<u>5,253,286</u>	<u>1,869,336</u>	<u>7,122,622</u>
<b>Net assets, end of year</b>	<u>\$ 3,337,840</u>	<u>\$ 4,546,733</u>	<u>\$ 7,884,573</u>

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended December 31, 2022**

	Program Services						Supporting Services				Total
	Campaign for Inclusive Care and Mental Health Pilot	Caregiver Fellows	Hidden Heroes and Respite	Heroes and History Makers Gala	Research and Innovation	Financial Wellness	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Salaries, benefits and taxes	\$ 364,926	\$ 270,282	\$ 1,459,757	\$ 71,844	\$ 46,022	\$ 141,332	\$ 2,354,163	\$ 259,759	\$ 233,930	\$ 493,689	\$ 2,847,852
Advertising	863	3,188	136,073	8,281	-	-	148,405	2,043	52,391	54,434	202,839
Bank fees	-	-	-	-	-	-	-	2,192	-	2,192	2,192
Communications	74,029	-	338,046	30,122	-	-	442,197	90,518	4,597	95,115	537,312
Computer supplies	-	-	1,609	-	-	-	1,609	6,834	-	6,834	8,443
Consulting	368,100	698	875,592	75,000	665,813	4,970	1,990,173	89,439	254,200	343,639	2,333,812
Content creation	-	3,414	316,845	116,934	-	-	437,193	30,100	81	30,181	467,374
Depreciation and amortization	-	-	-	-	-	-	-	28,213	-	28,213	28,213
Dues and subscriptions	11,075	155	27,340	-	-	-	38,570	75,836	12,360	88,196	126,766
Gifts	991	22,169	12,525	44	-	-	35,729	62,974	1,957	64,931	100,660
Grants	-	20,190	383,685	-	-	453,718	857,593	14,000	-	14,000	871,593
Internet and website	21	1,208	75,593	-	-	1,209	78,031	12,095	-	12,095	90,126
Meetings and conferences	-	35,053	139,945	246,940	-	-	421,938	8,535	-	8,535	430,473
Occupancy	47,028	26,853	43,037	145,326	23,514	23,514	309,272	275,951	23,514	299,465	608,737
Online donation fees	-	-	-	-	-	-	-	-	22,568	22,568	22,568
Payroll processing fees	-	-	-	-	-	-	-	19,576	-	19,576	19,576
Postage	527	3,984	6,242	4,644	-	-	15,397	11,821	4,387	16,208	31,605
Printing	1,233	3,933	31,666	10	-	-	36,842	5,077	9,223	14,300	51,142
Professional fees	3,264	-	2,650	-	-	-	5,914	235,564	-	235,564	241,478
Seminars and training	31,725	-	3,271	-	-	-	34,996	10,975	-	10,975	45,971
Special events	-	-	-	116,569	-	-	116,569	-	-	-	116,569
Supplies	24	20,789	22,370	11,919	163	-	55,265	42,232	4,327	46,559	101,824
Travel	5,153	61,464	31,516	20,336	81	-	118,550	89,993	2,995	92,988	211,538
	<u>\$ 908,959</u>	<u>\$ 473,380</u>	<u>\$ 3,907,762</u>	<u>\$ 847,969</u>	<u>\$ 735,593</u>	<u>\$ 624,743</u>	<u>\$ 7,498,406</u>	<u>\$ 1,373,727</u>	<u>\$ 626,530</u>	<u>\$ 2,000,257</u>	<u>\$ 9,498,663</u>



**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended December 31, 2021**

	Program Services						Supporting Services			Total	
	Campaign for Inclusive Care	Caregiver Fellows	Hidden Heroes and Respite	Heroes and History Makers Gala	Research and Innovation	Financial Wellness	Total Program Services	General and Administrative	Fundraising		Total Supporting Services
Salaries, benefits and taxes	\$ 411,639	\$ 171,754	\$ 1,194,020	\$ -	\$ 212,600	\$ 2,461	\$ 1,992,474	\$ 200,668	\$ 247,532	\$ 448,200	\$ 2,440,674
Advertising	11,681	9,388	211,155	318	-	-	232,542	17,863	65,375	83,238	315,780
Bank fees	1,461	-	-	-	-	-	1,461	1,364	-	1,364	2,825
Communications	163,514	-	269,672	-	-	-	433,186	77,663	7,752	85,415	518,601
Computer supplies	-	-	90	-	-	-	90	14,035	-	14,035	14,125
Consulting	-	-	1,002,659	105,000	91,566	-	1,199,225	45,744	225,345	271,089	1,470,314
Content creation	-	-	130,179	249,427	-	-	379,606	22,000	80	22,080	401,686
Depreciation and amortization	-	-	63	-	-	-	63	20,496	-	20,496	20,559
Dues and subscriptions	46,725	259	20,495	-	-	-	67,479	16,979	6,726	23,705	91,184
Gifts	360	59,754	36,373	-	1,146	-	97,633	7,426	85	7,511	105,144
Grants	-	9,930	318,786	-	-	30,000	358,716	10,350	-	10,350	369,066
Interest expense	-	-	-	-	-	-	-	1,015	-	1,015	1,015
Internet and website	-	11,967	141,917	-	-	6,042	159,926	2,709	-	2,709	162,635
Meetings and conferences	1,902	5,904	26,006	241	-	-	34,053	13,590	99	13,689	47,742
Occupancy	47,999	-	27,077	-	-	-	75,076	218,661	-	218,661	293,737
Online donation fees	-	-	-	-	-	-	-	-	10,263	10,263	10,263
Payroll processing fees	3,167	-	-	-	-	-	3,167	16,089	-	16,089	19,256
Postage	1,149	10,444	14,653	-	-	-	26,246	5,972	7,675	13,647	39,893
Printing	-	-	13,537	-	-	-	13,537	2,864	5,802	8,666	22,203
Professional fees	40,789	-	50	-	-	-	40,839	164,494	-	164,494	205,333
Seminars and training	8,000	-	2,622	-	-	-	10,622	87,866	-	87,866	98,488
Special events	-	-	729	-	-	-	729	-	-	-	729
Supplies	-	13,431	7,493	125	-	-	21,049	10,850	1,344	12,194	33,243
Travel	151	28,136	18,865	75	-	-	47,227	17,288	140	17,428	64,655
Travel - in-kind	59	10,879	7,294	29	-	-	18,261	6,685	54	6,739	25,000
	<u>\$ 738,596</u>	<u>\$ 331,846</u>	<u>\$ 3,443,735</u>	<u>\$ 355,215</u>	<u>\$ 305,312</u>	<u>\$ 38,503</u>	<u>\$ 5,213,207</u>	<u>\$ 982,671</u>	<u>\$ 578,272</u>	<u>\$ 1,560,943</u>	<u>\$ 6,774,150</u>

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 1,361,250	\$ 761,951
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Non-cash activities:		
Depreciation and amortization	28,213	20,559
Bad debt	72,659	61,000
Extinguishment of debt (PPP loan)	-	(176,080)
Non-cash contributions received	(571,379)	(120,967)
Realized and unrealized gains (losses) on investments	246,109	(136,627)
Change in discount on contributions receivable	168,666	6,744
Amortization of right-of-use asset - operating	(164,361)	-
Contributions restricted for long-term use	-	(395,101)
Decrease (increase) in assets:		
Contributions and grants receivable, net	(2,837,203)	(1,588,200)
Due from related party	102,889	(102,889)
Prepaid expenses	33,048	1,228
Prepaid contractual services	18,413	(538,434)
Deposits	-	(47,231)
Increase (decrease) in liabilities:		
Accounts payable	81,921	292,921
Accrued expenses	116,120	97,901
Grants payable	75,000	-
Payments on lease liability - operating	179,046	-
Deferred rent	-	(6,223)
	<u>(1,089,609)</u>	<u>(1,869,448)</u>
Net cash used in operating activities		
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	1,054,198	723,506
Purchases of investments	(339,740)	(895,590)
Purchases of property and equipment	(58,480)	(11,064)
	<u>655,978</u>	<u>(183,148)</u>
Net cash provided by (used in) investing activities		
<b>Cash Flows from financing activities</b>		
Contributions restricted for long-term use	-	395,101
	<u>(433,631)</u>	<u>(1,657,495)</u>
<b>Net decrease in cash and cash equivalents</b>		
<b>Cash and cash equivalents, beginning of year</b>	<u>4,218,102</u>	<u>5,875,597</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 3,784,471</u>	<u>\$ 4,218,102</u>
<b>Supplemental Information</b>		
Cash and cash equivalents	\$ 3,784,471	\$ 3,141,920
Cash held for endowment	-	1,076,182
	<u>\$ 3,784,471</u>	<u>\$ 4,218,102</u>
<b>Supplemental disclosure of cash flow information:</b>		

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021**

**NOTE 1 - NATURE OF ORGANIZATION AND PROGRAMS**

Caring for Military Families: The Elizabeth Dole Foundation (the Foundation) was formed on February 23, 2012 as a nonprofit organization incorporated in Virginia. The purpose of the Foundation is to uplift American military caregivers by strengthening the services afforded to them through innovation, evidence-based research, and collaboration.

The Foundation provides the following programs:

**Campaign for Inclusive Care and Mental Wellness Pilot Program**

The Foundation partnered with the Department of Veteran Affairs to create the Campaign for Inclusive Care program, a national initiative to integrate military and veteran caregivers into their veteran's care team from day one of the care process.

Recently, the Foundation began a caregiver mental wellness pilot program, creating a module within the Academy for Inclusive Care to equip healthcare providers with the skills they need to understand the signs of mental health distress.

**Caregiver Fellows**

The Caregiver Fellows program was created to engage active military and veteran caregivers directly in the Foundation's initiatives. The caregivers provide input to a study performed by the RAND Corporation, a global policy think tank, which allows them an opportunity to advise on other Foundation programs and to play a leading role in raising awareness.

**Hidden Heroes and Respite**

With the leadership of Hidden Heroes Chair, Tom Hanks, and the support of our National Coalition Partners and donors, the Foundation launched the Hidden Heroes Campaign in the fall of 2016 to drive awareness to the contributions, challenges, and needs of military caregivers and their families. The launch of the Hidden Heroes Campaign included the creation of HiddenHeroes.org, a first-of-its-kind online destination for military caregivers to access a directory of vetted resources, connect with a community of their peers, and find and share caregiver stories.

The Foundation offers family caregivers of veterans or service members access to free, short-term relief with the help of in-home care professionals. Thanks to generous contributions from multiple partners, the Respite Relief Program is available nationwide.

**Heroes and History Makers Gala**

The Foundation's annual Gala, titled Heroes and History Makers, focuses on the stories of our nation's military and veteran caregivers. This national event also features successes from the broad scope of the Foundation's annual programming and creates opportunities for caregivers to build connections with one another.

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021**

**NOTE 1 - NATURE OF ORGANIZATION AND PROGRAMS (Continued)**

**Research and Innovation**

The Foundation developed the first comprehensive, evidence-based national study of military and veteran caregivers in 2014. A follow-up 2017 research blueprint, commissioned by the Foundation, and conducted by the RAND Corporation, revealed a societal crisis requiring a national response. The RAND blueprint ranked research on the impact of caregiving on children as one of the highest priorities for improving military caregiver support going forward. This blueprint serves as a guide for the military caregiver support community to use in prioritizing and facilitating future research for America's hidden heroes. The Foundation is currently commissioning a second, national study with the RAND Corporation.

The subject of military children - and the impact of caregiving on their development and growth - has revealed itself to be a pressing issue on the minds of support organizations, military leaders, policy makers, and military families themselves. The Foundation is working to fill this gap through research and programming on (1) how military children are affected by a family member with a combat injury or illness, (2) how military children are affected by taking on caregiving duties themselves, and (3) what interventions or programs can best support the children of caregivers.

**Financial Wellness**

The Hope Fund for Critical Financial Assistance provides financial relief to all areas of military and veteran caregivers through grants that aim to put military families on the path to financial wellness. These grants provide high-impact financial assistance to prevent or address a significant crisis or to improve the quality of life of the caregiver family. This financial relief fills the gaps that other programs may not cover, such as medical bills, natural disaster assistance, emergency transportation for appointments, or loss of income.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis of accounting, which is in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents**

The Foundation considers all bank accounts and highly liquid investments with original maturities of three months or less at acquisition to be cash equivalents.

**Contributions and Grants Receivables**

Contributions and grants receivables are reported at the amount management expects to collect from outstanding principal balances. In reviewing the receivables, management considers the knowledge of the accounts and historical activity in establishing an allowance for doubtful accounts. No allowance for doubtful accounts is provided as of December 31, 2022 and 2021.

Contributions and grants receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. The discount will be recognized as contribution revenue in future fiscal years as the discount is amortized over the duration of the contributions.

**Property and Equipment**

Property and equipment are recorded at cost, or if donated, the assets are capitalized at the estimated fair value at the date of receipt. Depreciation is calculated using the straight-line method over the estimated useful lives of 3 - 7 years for the office equipment, furniture and fixtures, and the website. The Foundation capitalizes all expenditures for property and equipment over \$2,500. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed from the accounts, and any remaining gain or loss is included in the statements of activities.

**Investments**

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Donated securities are recorded at fair value on the date the securities are received.

Interest income is recognized when received. Dividend income is recognized on the ex-dividend date. Realized gains and losses on sales of investments are recognized as specific investments sold. Unrealized gains and losses are recognized as there is a change in the investment value. Investment income, which includes the realized and unrealized gains and losses, capital gains, interest and dividends, is reported net of the investment fees in the statements of activities.

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fair Value Measurements**

The FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value for assets subject to fair value measurement. The framework provides a fair value hierarchy that prioritizes to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- |         |   |
|---------|---|
| Level 1 | Inputs to valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.   |
| Level 2 | Quoted prices in markets that are not considered to be active for identical or similar assets or liabilities, quoted prices in active markets of similar assets or liabilities, and inputs other than quoted prices that are observable or can be corroborated by observable market data. |
| Level 3 | Inputs to valuation methodology are unobservable and significant to the fair value measurement.   |

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable input and minimize the use of unobservable inputs.

A description of the valuation methodology used for assets measured at fair value is noted below. There have been no changes in the methodology used as of December 31, 2022 and 2021.

*Common Stocks, Mutual Funds and Exchange-Traded Funds* - Valued at quoted market prices in an exchange and active market.

*Alternative Investments in Hedge Funds* - These assets include hedge funds measured at fair value utilizing the net asset value (NAV) per unit multiplied by the total number of units held or its equivalent as a practical expedient. Investing in these funds involves a high degree of risk. These funds are valued on a continuous basis at the NAV plus any applicable sales loads. The Foundation reviews and evaluates the values provided by the external investment managers and agrees with the valuation methods and assumptions used in determining the NAV of those investments. In accordance with ASC 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fair Value Measurements (Continued)**

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Long-lived Assets - The Foundation reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. As of December 31, 2022 and 2021, the Foundation has not identified any long-lived assets requiring impairment.

**Cash Held for Endowment**

Cash held for endowment includes a large donation that has been restricted by the donor that stipulates the resources be maintained in perpetuity which was reinvested in 2022. See Note 10 for more information.

**Basis of Presentation**

Net assets, revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation are classified in the following two classes:

**Net assets without donor restrictions** represents funds that are available to support the operations of the Foundation and are not subject to donor restrictions.

**Net assets with donor restrictions** consist of contributions that have been restricted by the donor for specific purposes or are time restricted, including contributions that have been restricted by the donor that stipulate the resources be maintained in perpetuity, but permit the Foundation to use or expend a portion or all of the income derived from the donated assets for either specified or unspecified purposes.

Revenue is 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. See Note 9 and 10 for more information on the composition of net assets with donor restrictions.

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition**

Contributions and grants are recognized as revenue when they are received or unconditionally promised (pledged). The Foundation reports gifts of cash and other assets as donor restricted support if they are received with donor stipulations that limit the use of the donated assets as to a particular purpose or to future periods. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions. Restrictions expire when a stipulated time restriction ends, or a purpose restriction is accomplished.

Conditional promises to give, that is, those contributions with a measurable performance barrier and right of return, are only recognized when the conditions on which they depend are substantially met. As of December 31, 2022, there was no conditional promises to give. As of December 31, 2021, conditional promises to give totaled \$100,000.

Conditional contributions, for which the conditions have been substantially met or explicitly waived by the donor, are recorded as contribution revenue. Contributions that are restricted by the donor are reported as a refundable advance until all conditions are substantially met to remove the restriction.

Stock contributions are recognized as revenue when they are received or unconditionally promised.

**In-Kind Contributions**

Contributed goods and services are recorded at their fair value at the date of receipt. For the years ended December 31, 2022 and 2021, in-kind contributions, including consulting services and donated travel expenses, totaled \$0 and \$25,000, respectively. All donated services were utilized by the Foundation's programs and supporting services.

**Functional Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited on the basis of time records and other support, or by estimates made by management. The financial statements report certain categories of expenses that are attributable to one or more programs or supporting services of the Foundation.

Those expenses include salaries, internet and website, communications, depreciation and amortization, supplies, and payroll processing fees. As such, costs are allocated based on estimates of time and specific utilization.



**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Advertising**

The Foundation expenses advertising and promotional costs as they are incurred. Advertising expense for the years ended December 31, 2022 and 2021 totaled \$202,839 and \$315,780, respectively.

**Income Taxes**

The Foundation is a nonprofit organization and is exempt from the payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code. The Foundation has been determined by the Internal Revenue Service (IRS) not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code and is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. No provision for income taxes is required for the years ended December 31, 2022 and 2021, as the Foundation had no net unrelated business income.

**Accounting for Uncertain Tax Positions**

The income tax positions taken by the Foundation for any years open under the various statutes of limitations are that the Foundation continues to be exempt from income taxes. The Foundation believes that there are no tax positions taken or expected to be taken that would significantly increase unrecognized tax liabilities within 12 months of the reporting date. The Foundation evaluated its uncertainty in income taxes and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. None of the Foundation's federal tax returns are currently under examination.

**Accounting Pronouncements Adopted for Leases**

Effective January 1, 2022, the Foundation adopted the requirements of FASB ASC 842, *Leases*. This new standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases are classified as finance leases when the Foundation expects to consume a major part of the economic benefits of the leased assets over the remaining lease term. Conversely, if the Foundation is not expected to consume a major part of the economic benefits of the leased assets, then they are classified as operating leases. The lease classification affects both the pattern and presentation of expense recognized in the statements of activities, the categorization of assets and liabilities in the statements of financial position, and classification of cash flows in the statements of cash flows. Leases with a term of less than 12 months will not be recorded as the ROU asset and lease liability, and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Accounting Pronouncements Adopted for Leases (Continued)**

The Foundation elected to adopt FASB ASC 842, *Leases*, by applying the optional transition method, which allows the Foundation to initially apply the new lease standard at the adoption date and recognize a cumulative effect adjustment to the opening balance of net assets in the period of adoption. As a result, the Foundation's reporting for leases in the prior year (2021) is presented in accordance with the prior historical accounting treatment.

The Foundation elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Foundation also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the ROU assets.

The adoption of the new standards had no impact on net assets. As of January 1, 2022, the Foundation recorded an operating lease right-of-use asset, net of accumulated amortization, of \$781,412 and an operating lease liability of \$844,788.

Total lease cost consists of two components; amortization expense related to the write-off of the ROU assets and interest expense from lease liabilities. For operating leases, total lease cost is measured and recorded on a straight-line basis over the lease term. Lease liabilities are measured and recorded at the present value of future lease payments using a discount rate. Because the Foundation generally does not have access to the rate implicit in each lease, lease liabilities are measured using the risk-free rate as the discount rate. ROU assets are generally measured and recorded at the sum of the lease liability, any initial direct costs to consummate the lease, and any lease payments made on or before the commencement date.

**Reclassifications**

Certain amounts from 2021 financial statements have been reclassified to conform to the 2022 presentation. There was no effect on the 2021 change in net assets as a result of these reclassifications.

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021**

**NOTE 3 - CONTRIBUTIONS AND GRANTS RECEIVABLE**

Contributions and grants receivable as of December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Receivable in less than one year	\$ 1,665,500	\$ 1,607,700
Receivable in one to five years	<u>3,000,000</u>	<u>300,000</u>
Total contributions and grants receivable	4,665,500	1,907,700
Less: discounts to net present value	<u>(168,666)</u>	<u>(6,744)</u>
Net contributions and grants receivable	<u>\$ 4,496,834</u>	<u>\$ 1,900,956</u>

Contributions and grants receivable as of December 31, 2022 and 2021 are reported in the statements of financial position as follows:

	<u>2022</u>	<u>2021</u>
Contributions and receivable - current	\$ 1,665,500	\$ 1,607,700
Contributions and receivable - non-current	<u>2,831,334</u>	<u>293,256</u>
Net contributions and grants receivable	<u>\$ 4,496,834</u>	<u>\$ 1,900,956</u>

Contributions and grants due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 5.62% and 2.25% as of December 31, 2022 and 2021.

**NOTE 4 - DUE FROM RELATED PARTY**

During the year ended December 31, 2021, the Foundation made payments on behalf of a party who is related to one of the Board of Directors for memorial costs. As of December 31, 2021, the Foundation recorded a receivable of \$102,889 due from that party. The Foundation collected the entire receivable during the year ended December 31, 2022.

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021**

**NOTE 5 - INVESTMENTS AND FAIR VALUE MEASUREMENTS**

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Investments by level:					
Common stocks	\$ 4,419	\$ -	\$ -	\$ -	\$ 4,419
Mutual funds	588,201	-	-	-	588,201
Exchange-traded funds	406,118	-	-	-	406,118
Cash and cash equivalents	140,329	-	-	-	140,329
Accrued interest	1,086	-	-	-	1,086
Alternative investments:					
Hedge funds (a)	-	-	-	<u>52,989</u>	<u>52,989</u>
Total investments	<u>\$ 1,140,153</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,989</u>	<u>\$ 1,193,142</u>

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Investments by level:					
Common stocks	\$ 19,856	\$ -	\$ -	\$ -	\$ 19,856
Mutual funds	889,866	-	-	-	889,866
Exchange-traded funds	559,495	-	-	-	559,495
Cash and cash equivalents	37,373	-	-	-	37,373
Accrued interest	812	-	-	-	812
Alternative investments:					
Hedge funds (a)	-	-	-	<u>75,928</u>	<u>75,928</u>
Total investments	<u>\$ 1,507,402</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,928</u>	<u>\$ 1,583,330</u>

Information with respect to redemption terms, strategies, risks and funding commitments for alternative investments based on NAV, are as follows:

	<u>2022</u>	<u>2021</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>	<u>Redemption Restrictions</u>
Hedge funds:						
Blackrock Large Cap Srs Fds	\$ 10,753	\$ 15,525	\$ -	Daily (T+1 liquidity)	Same day	N/A
Blackstone Alt Multi-Strategy Fund	21,868	29,984	-	Daily (T+1 liquidity)	Same day	N/A
Neuberger Berman Long Short Fund	10,103	15,391	-	Daily (T+1 liquidity)	Same day	N/A
PIMCO Mortgage Opportunities and Bond Fund	<u>10,265</u>	<u>15,028</u>	-	Daily (T+1 liquidity)	Same day	N/A
	<u>\$ 52,989</u>	<u>\$ 75,928</u>				

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021**

**NOTE 5 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

For the years ended December 31, 2022 and 2021, net investment return included the following:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 39,186	\$ 41,160
Unrealized losses	(234,802)	(12,373)
Realized gains (losses)	(11,307)	149,000
Less, management fees	<u>(7,535)</u>	<u>(5,019)</u>
Total investment return, net	<u>\$ (214,458)</u>	<u>\$ 172,768</u>

**NOTE 6 - PROPERTY AND EQUIPMENT**

The Foundation held the following property and equipment as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Office equipment	\$ 36,026	\$ 27,638
Furniture and fixtures	166,905	116,813
Website	<u>313,602</u>	<u>313,602</u>
	516,533	458,053
Less: accumulated depreciation and amortization	<u>(401,708)</u>	<u>(373,495)</u>
Property and equipment, net	<u>\$ 114,825</u>	<u>\$ 84,558</u>

For the years ended December 31, 2022 and 2021, depreciation and amortization related to property and equipment totaled \$28,213 and \$20,559, respectively.

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021**

**NOTE 7 - PAYCHECK PROTECTION PROGRAM (PPP) LOAN**

On April 8, 2020, the Foundation entered into a U.S. Small Business Administration (SBA) PPP Loan in the principal amount of \$174,825 evidencing a PPP Loan from the JPMorgan Chase Bank. The PPP Loan will bear interest at a rate of 1.0% per annum. No payments will be due on the PPP Loan until either (1) the date that the SBA remits the loan forgiveness amount to the lender or (2) if the Foundation does not apply for loan forgiveness, 10 months after the end of the Foundation's loan forgiveness covered period.

On August 6, 2021, the loan was fully forgiven by the SBA and the bank. The Foundation recognized extinguishment of debt, Paycheck Protection Program Loan revenue for \$174,825, and the associated interest expenses of \$2,270, during the year ended December 31, 2021.

According to the rules of the SBA, the Foundation is required to retain PPP Loan documentation for six years after the date the loan is forgiven or repaid in full, and permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request. Should the SBA conduct such a review and reject all or some of the Foundation's judgments pertaining to satisfying PPP Loan eligibility or forgiveness conditions, the Foundation may be required to adjust previously reported amounts and disclosures in the financial statements.

**NOTE 8 - CONCENTRATION RISKS**

***Financial Institutions and Market Risk***

The Foundation maintains its cash and investment balances at financial institutions and at times, these balances may exceed federally insured limits. Non-interest and interest-bearing accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Foundation has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk.

Investments are exposed to various risks, such as changes in interest rates or credit ratings and market fluctuations. The Foundation is exposed to equity securities price risk in quoted shares classified at fair value. The Foundation diversifies its portfolio for the purposes of minimizing exposure in this area. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near-term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

***Major Contributors***

During the year ended December 31, 2022, the Foundation received 89% of its total pledges' receivables from one contributor. During the year ended December 31, 2021, approximately 26% of revenue and support was received from two contributors. The Foundation relies on the support of contributors to ensure the continuing programs and operations of the Foundation. Any significant reduction in funding from contributors may impact the Foundation's ability to carry out its programs and other activities.

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021**

**NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at December 31, 2022:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Released from restrictions</u>	<u>Ending balance</u>
Purpose restrictions:				
Hidden Heroes and Respite Campaign for Inclusive Care and Mental Health Pilot	\$ 119,297	\$ 150,000	\$ (269,297)	\$ -
Annual gala	984,034	850,000	(908,359)	925,675
Caregiver Fellows professional development training program	-	1,385,909	(1,335,909)	50,000
Research and innovation	83,779	875,000	(473,379)	485,400
Financial Wellness	1,194,688	301,764	(735,593)	760,859
	495,497	225,000	(624,743)	95,754
Time restricted	<u>593,256</u>	<u>4,188,078</u>	<u>(300,000)</u>	<u>4,481,334</u>
Total purpose and time restricted	3,470,551	7,975,751	(4,647,280)	6,799,022
Endowments to be invested in perpetuity	<u>1,076,182</u>	<u>-</u>	<u>-</u>	<u>1,076,182</u>
Total	<u>\$ 4,546,733</u>	<u>\$ 7,975,751</u>	<u>\$ (4,647,280)</u>	<u>\$ 7,875,204</u>

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021**

**NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

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

	<u>Beginning balance</u>	<u>Additions</u>	<u>Released from restrictions</u>	<u>Ending balance</u>
Purpose restrictions:				
Hidden Heroes and Respite	\$ 50,000	\$ 767,201	\$ (697,904)	\$ 119,297
Campaign for Inclusive Care	972,630	750,000	(738,596)	984,034
Annual gala	-	1,331,472	(1,331,472)	-
Caregiver Fellows professional development training program	165,625	250,000	(331,846)	83,779
Research and innovation	-	1,500,000	(305,312)	1,194,688
Financial Wellness	-	534,000	(38,503)	495,497
Time restricted	<u>-</u>	<u>593,256</u>	<u>-</u>	<u>593,256</u>
Total purpose and restricted	1,188,255	5,725,929	(3,443,633)	3,470,551
Endowments to be invested in perpetuity	<u>681,081</u>	<u>395,101</u>	<u>-</u>	<u>1,076,182</u>
Total	<u>\$ 1,869,336</u>	<u>\$ 6,121,030</u>	<u>\$ (3,443,633)</u>	<u>\$ 4,546,733</u>

**NOTE 10 - ENDOWMENT**

The Foundation's endowment consists of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has interpreted the District of Columbia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.



**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021**

**NOTE 10 - ENDOWMENT (Continued)**

The Foundation's endowment fund was donor-created to provide income to support the Foundation's mission and purposes. The board chairperson and board treasurer are endowment trustees responsible for the management of the funds and for regular reporting to the board. The trustees evaluate any potential investments based on return, risk, liquidity and the Foundation's mission. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the Foundation and the donor-restricted endowment fund;
- General economic conditions and the possible effect on inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the Foundation.

The use of income generated from such funds is subject to board approval through the normal budgeting process. The Foundation has adopted investment and spending policies that seek to maintain the purchasing power of the endowment assets. The spending rate is up to 7% of the endowment annually. As of December 31, 2022 and 2021, the donor-restricted endowment net asset balance was \$1,076,182. The interest earned was immaterial and was classified as net assets without donor restrictions. There were no distributions or releases from restriction during the years ended December 31, 2022 or 2021.

In accordance with the Foundation's objective to maintain the purchasing power of the endowment assets, spending from donor-restricted funds is suspended when the fair market value of the endowment is less than the original gift until the asset market value exceeds the value of the original gift. As of December 31, 2022, the endowment portion was underwater by \$1,656.

**NOTE 11 - OPERATING LEASE COMMITMENTS**

On October 12, 2018, the Foundation entered into an agreement to rent office space in Washington, D.C. The lease commenced on April 1, 2019 and the lease agreement calls for monthly rent payments of \$17,543. The lease provides for annual rent escalations. On October 21, 2021, the lease agreement was amended for additional office space adjacent to the existing premises, starting June 1, 2022 through May 31, 2025. The amended lease includes additional monthly rent payments of \$16,401.

The amendment also provides for annual rent escalations.

The weighted-average remaining lease term for the operating lease as of December 31, 2022 was 2.17 years. The Foundation used the weighted-average borrowing rate, which was 1.04%, as the discount rate to calculate the present value of future lease payments. The Foundation amortizes the ROU asset on a straight-line basis over the individual lease terms.

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021**

**NOTE 11 - OPERATING LEASE COMMITMENTS (Continued)**

The following table summarizes the classification of the ROU lease asset and the related lease liability as of December 31, 2022:

Right-of-use asset - operating:	
Cost	\$ 1,344,007
Less: accumulated amortization	<u>(398,234)</u>
Right-of-use asset, net	<u>\$ 945,773</u>
Lease liability - operating:	
Lease liability - operating - current portion	\$ 463,105
Lease liability - operating - noncurrent portion	<u>560,729</u>
Lease liability - operating	<u>\$ 1,023,834</u>

Future minimum payments are as follows for the office lease for the years ending December 31:

	<u>Amount</u>
2023	\$ 471,119
2024	482,914
2025	<u>80,980</u>
Total undiscounted cash flows	1,035,013
Less: present value discount	<u>(11,179)</u>
Total undiscounted cash flows	<u>\$ 1,023,834</u>

The Foundation records occupancy expense on the straight-line method over the term of the lease and includes cash paid for rent plus amortization of the operating lease liability. During the years ended December 31, 2022 and 2021, occupancy expense totaled \$411,498 and \$254,722, respectively.

**CARING FOR MILITARY FAMILIES:  
THE ELIZABETH DOLE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021**

**NOTE 12 - RETIREMENT PLAN**

The Foundation sponsors a 401(k) plan for eligible employees who completed one month of service. Employees are fully vested in salary deferrals and employer nonelective contributions. The Foundation's contributions for the years ended December 31, 2022 and 2021 totaled \$71,798 and \$115,503, respectively.

**NOTE 13 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following reflects the Foundation's financial assets available within one year for general operations from December 31:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 3,784,471	\$ 3,141,920
Contributions and grants receivable	4,496,834	1,900,956
Due from related party	-	102,889
Investments	<u>1,193,142</u>	<u>1,582,330</u>
Total financial assets	9,474,447	6,728,095
Less those unavailable for general expenditure within one year due to:		
Donor purpose and time restrictions	<u>(7,875,204)</u>	<u>(3,470,551)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,599,243</u>	<u>\$ 3,257,544</u>

As part of the Foundation's liquidity management, the Foundation has a policy to structure its financial assets to be available and liquid as its obligations become due. The Foundation typically pays its obligations using cash.

**NOTE 14 - SUBSEQUENT EVENTS**

Management has evaluated events and transactions subsequent to the statement of financial position date for potential recognition or disclosure through September 6, 2023, which is the date the financial statements were available to be issued.