

THE OPPORTUNITY AGENDA, INC.



**FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)
YEARS ENDED DECEMBER 31, 2021 AND 2020**

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

**THE OPPORTUNITY AGENDA, INC.
FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
The Opportunity Agenda, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Opportunity Agenda, Inc. ("TOA"), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 accompanying financial statements present fairly, in all material respects, the financial position of TOA 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 *Auditors' Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of TOA 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 TOA's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 audits.
- 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 TOA'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 TOA'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 audits.

Marks Paneth LLP

New York, NY
June 22, 2022

THE OPPORTUNITY AGENDA, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
Cash and cash equivalents (Notes 2C, 3 and 8D)	\$ 9,388,340	\$ 3,980,188
Accounts receivable (Notes 2H, 3 and 8B)	403,963	-
Contributions receivable (Notes 2D, 2H, 3, 4 and 8C)	2,250,000	-
TOTAL ASSETS	\$ 12,042,303	\$ 3,980,188
LIABILITIES		
Accounts payable and accrued expenses	\$ 390,028	\$ 14,500
TOTAL LIABILITIES	390,028	14,500
COMMITMENTS AND CONTINGENCIES (Note 7)		
NET ASSETS (Note 2B)		
Without donor restrictions	7,435,945	3,965,688
With donor restrictions (Note 5)	4,216,330	-
TOTAL NET ASSETS	11,652,275	3,965,688
TOTAL LIABILITIES AND NET ASSETS	\$ 12,042,303	\$ 3,980,188

THE OPPORTUNITY AGENDA, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>For the Year Ended December 31, 2021</u>			<u>For the Year Ended December 31, 2020</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE						
Support						
Contributions (Notes 2D and 8A)	\$ 5,830,615	\$ 5,083,047	\$ 10,913,662	\$ 4,000,000	\$ -	\$ 4,000,000
Donated services (Note 2E)	-	-	-	4,085	-	4,085
Interest	-	-	-	761	-	761
Net assets released from restrictions (Note 5)	<u>866,717</u>	<u>(866,717)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>6,697,332</u>	<u>4,216,330</u>	<u>10,913,662</u>	<u>4,004,846</u>	<u>-</u>	<u>4,004,846</u>
EXPENSES (Note 2F)						
Program services	2,286,092	-	2,286,092	-	-	-
Management and general	572,409	-	572,409	39,158	-	39,158
Fundraising	<u>368,574</u>	<u>-</u>	<u>368,574</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENSES	<u>3,227,075</u>	<u>-</u>	<u>3,227,075</u>	<u>39,158</u>	<u>-</u>	<u>39,158</u>
CHANGE IN NET ASSETS	3,470,257	4,216,330	7,686,587	3,965,688	-	3,965,688
Net assets - beginning of year	<u>3,965,688</u>	<u>-</u>	<u>3,965,688</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS - END OF YEAR	<u>\$ 7,435,945</u>	<u>\$ 4,216,330</u>	<u>\$ 11,652,275</u>	<u>\$ 3,965,688</u>	<u>\$ -</u>	<u>\$ 3,965,688</u>

THE OPPORTUNITY AGENDA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Year Ended December 31, 2021				Year Ended December 31, 2020			
	Program Services	Management and General	Fundraising	2021 Total	Program Services	Management and General	Fundraising	2020 Total
Salaries	\$ 1,144,379	\$ 222,702	\$ 216,406	\$ 1,583,487	\$ -	\$ -	\$ -	\$ -
Fringe benefits and payroll taxes (Note 6)	283,373	53,689	69,209	406,271	-	-	-	-
Professional fees	597,142	175,954	55,403	828,499	-	31,145	-	31,145
Insurance	11,014	7,397	1,581	19,992	-	3,823	-	3,823
Occupancy (Note 7B)	149,929	83,900	17,929	251,758	-	-	-	-
Travel and Meeting	15,592	6,137	2,883	24,612	-	-	-	-
Computer supplies and expenses	23,920	1,538	913	26,371	-	-	-	-
Office supplies	15,622	9,878	2,364	27,864	-	-	-	-
Donated services (Note 2E)	-	-	-	-	-	4,085	-	4,085
Miscellaneous	45,121	11,214	1,886	58,221	-	105	-	105
TOTAL EXPENSES	\$ 2,286,092	\$ 572,409	\$ 368,574	\$ 3,227,075	\$ -	\$ 39,158	\$ -	\$ 39,158

THE OPPORTUNITY AGENDA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 7,686,587	\$ 3,965,688
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	(403,963)	-
Contributions receivable	(2,250,000)	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	<u>375,528</u>	<u>14,500</u>
Net Cash Provided by Operating Activities	<u>5,408,152</u>	<u>3,980,188</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,408,152	3,980,188
Cash and cash equivalents - beginning of year	<u>3,980,188</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 9,388,340</u>	<u>\$ 3,980,188</u>

**THE OPPORTUNITY AGENDA, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The Opportunity Agenda, Inc. (“TOA”), Inc. is a social justice communication lab that works to advance the impact of the social justice in the community. TOA uses a unique combination of communication expertise and creative engagement to help social justice leaders tell a better story, move hearts and minds, and drive lasting policy and culture change. Using research to craft compelling narratives and effective messages, TOA builds the communication capacity of social justice leaders through training and resources. TOA engages with artists, creatives, and culture makers as powerful storytellers to inspire mass audiences and activism.

TOA is a not-for-profit corporation incorporated in the State of Delaware and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Prior to the formation of the 501(c)(3), TOA operated as a project of the Tides Center. On May 1, 2021, TOA officially stepped out [“spun”] from Tides and began operating as an independent non-profit with 501(c)(3) status. While the statements contained herein represent a full year of operations, substantial activities commenced on May 1, 2021 following organizational independence.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. **Basis of Accounting** – TOA’s financial statements have been prepared on the accrual basis of accounting. TOA adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”).
- B. **Basis of Presentation** – TOA maintains their net assets under the following two classes:
- Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.
 - Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that will be met either by actions of TOA or the passage of time.
- C. **Cash and Cash Equivalents** – Cash and cash equivalents consist of all liquid cash instruments with maturities of 90 days or less, when acquired.
- D. **Contributions** – Contributions are accounted for under Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2018-08. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.
- E. **In-Kind Contributions** – In-kind contributions are recorded at their fair value on the date of receipt. Donated services are reported as contributions when the services create or enhance nonfinancial assets, would be purchased if they had not been provided by contribution, require specialized skills and are provided by individuals possessing those skills. For the years ended December 31, 2021 and 2020, TOA recorded income and expense for contributed services of \$0 and \$4,085, respectively.
- F. **Functional Allocation of Expenses** – The cost of providing the various program and supporting services has been summarized on a functional basis in the statements of functional expenses. Costs that are shared or are administrative in nature are allocated across all program areas based on pre-determined allocations which are reviewed and revised annually. Salaries and employee related expenses are excluded from this shared cost allocation since individual employee costs are allocated based on actual work being performed.
- G. **Use of Estimates** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the financial statements. Actual results could differ from those estimates.

**THE OPPORTUNITY AGENDA, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. **Allowance for Doubtful Accounts** – TOA bases its allowance for doubtful contributions and accounts on the age of the receivables, and an evaluation of the creditworthiness of the donor. Contributions and accounts receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. TOA has determined that no allowance was necessary as of December 31, 2021, and 2020 for contributions and accounts receivable.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES FOR OPERATING EXPENDITURES

The financial assets available for general expenditures, over the next 12 months are as follows as of December 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 9,388,340	\$ 3,980,188
Accounts receivable	403,963	-
Contributions receivable	<u>2,250,000</u>	<u>-</u>
Less: Net assets with donor restrictions	<u>(4,216,330)</u>	<u>-</u>
Total	<u>\$ 7,825,973</u>	<u>\$ 3,980,188</u>

TOA regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, TOA considers all expenditures related to its ongoing activities, as well as the conduct of services undertaken to support those activities to be general expenditures. Net assets with donor restriction includes contributions receivable due in one to five years.

NOTE 4 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Collectible in:		
Less than one year	\$ 1,200,000	\$ -
One to five years	<u>1,050,000</u>	<u>-</u>
	<u>\$ 2,250,000</u>	<u>\$ -</u>

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the purposes listed below as of December 31:

	<u>2021</u>	<u>2020</u>
Criminal Justice	\$ 70,000	\$ -
Democracy	787,542	-
Economic Opportunity	419,225	-
Time Restricted	300,000	-
Immigrants and Opportunity	<u>2,639,563</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 4,216,330</u>	<u>\$ -</u>

THE OPPORTUNITY AGENDA, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions as of December 31, 2021, and 2020 were \$4,216,330 and \$0, respectively. Net assets of \$866,717 and \$0 were released from restrictions during the years ended December 31, 2021, and 2020, respectively, by incurring expenses or the passage of time, thus satisfying the restricted purposes.

NOTE 6 – PENSION PLAN

TOA has a 401(k) defined contribution pension plan for all non-union employees. TOA matches contributions based on the amount of the employee's pre-tax or Roth contributions of eligible employees to the plan on the first day of employment. The total expense under the plan for the years ended December 31, 2021, and 2020 amounted to \$29,855 and \$0, respectively.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

- A. TOA believes it has no uncertain tax positions as of December 31, 2021 and 2020 in accordance with FASB Accounting Standards Codification (“ASC”) Topic 740, “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- B. TOA has a lease agreement for the rental of its New York office. Minimum annual rent related to the lease is as follows for each of the five years subsequent to December 31, 2021 and thereafter:

2022	\$ 343,185
2023	350,774
2024	360,420
2025	370,331
2026	380,515
Thereafter	<u>1,274,595</u>
	<u>\$ 3,079,820</u>

Rent expense amounts to approximately \$252,000 and \$0 for the years ended December 31, 2021 and 2020, respectively.

NOTE 8 – CONCENTRATIONS

- A. TOA received 33% of its contributions revenue from one contributor for the year ended December 31, 2021, and 100% of its revenue from one contributor for the year ended December 31, 2020.
- B. TOA derived 100% of its accounts receivable from one organization as of December 31, 2021.
- C. TOA derived 53% of its contributions receivable from one contributor as of December 31, 2021.
- D. Cash accounts that potentially subject TOA to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Cash accounts are insured up to \$250,000 per depositor, per insured financial institution. As of December 31, 2021 and 2020, there was approximately \$5,360,000 and \$0, respectively, of cash and cash equivalents held by a bank that exceeded FDIC limits.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through June 22, 2022, the date the financial statements were available to be issued.