



# Charities Aid Foundation America and Subsidiaries

Consolidated Financial Statements with  
Supplemental Schedules  
Year Ended April 30, 2021

# **Charities Aid Foundation America and Subsidiaries**

---

Consolidated Financial Statements with Supplemental Schedules  
Year Ended April 30, 2021

# Charities Aid Foundation America and Subsidiaries

## Contents

---

<b>Independent Auditor's Report</b>	1-3
<b>Consolidated Financial Statements</b>	
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities and Changes in Net Assets	5
Consolidated Statement of Functional Expenses	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8-18
<b>Supplemental Schedules</b>	
Consolidating Schedule of Financial Position as of April 30, 2021	19
Consolidating Schedule of Activities and Changes in Net Assets for the year ended April 30, 2021	20



Tel: 703-893-0600  
Fax: 703-893-2766  
www.bdo.com

8401 Greensboro Drive  
Suite 800  
McLean, VA 22102

## Independent Auditor's Report

To the Board of Directors  
**Charities Aid Foundation America**

### *Opinion*

We have audited the consolidated financial statements of **Charities Aid Foundation America and its subsidiaries (the "Foundation")**, which comprise the consolidated statement of financial position as of April 30, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of **Charities Aid Foundation America and its subsidiaries** as of April 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

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

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements are issued or available to be issued.



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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.



*Other Matter*

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*BDO USA, LLP*

February 4, 2022

## **Consolidated Financial Statements**

---

# Charities Aid Foundation America and Subsidiaries

## Consolidated Statement of Financial Position

April 30,	2021
<b>Assets</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 153,742,074
Short-term investments	5,035,982
Accrued interest	48,891
Accounts receivable	2,672,674
Prepaid expenses	331,004
<b>Total current assets</b>	<b>161,830,625</b>
<b>Other assets</b>	
Deposits	39,106
Long-term investments	76,952,625
Fixed assets, net	159,359
<b>Total other assets</b>	<b>77,151,090</b>
<b>Total assets</b>	<b>\$ 238,981,715</b>
<b>Liabilities and Net Assets</b>	
<b>Current liabilities</b>	
Grants payable	\$ 2,016,935
Accounts payable and accrued expenses	2,674,609
Deferred revenue	415,000
<b>Total current liabilities</b>	<b>5,106,544</b>
Long-term liability - deferred rent	224,554
<b>Total liabilities</b>	<b>5,331,098</b>
<b>Commitments and contingencies</b>	
<b>Net assets</b>	
Net assets without donor restrictions	
Designated donor-advised funds	218,208,369
Designated donor-advised gifts	1,195,856
Other	4,595,848
<b>Total net assets without donor restrictions</b>	<b>224,000,073</b>
Net assets with donor restrictions	9,650,544
<b>Total net assets</b>	<b>233,650,617</b>
<b>Total liabilities and net assets</b>	<b>\$ 238,981,715</b>

*See accompanying notes to the consolidated financial statements.*

**Charities Aid Foundation America and Subsidiaries**  
**Consolidated Statement of Activities and Changes in Net Assets**

<i>Year Ended April 30,</i>	<b>2021</b>
<b>Changes in net assets without donor restrictions</b>	
Contributions, fees and other support:	
Contributions	
Donor advised	\$ 548,735,590
Other	16,112,181
<hr/>	
Total contributions	564,847,771
Investment return	13,912,489
Other income	13,091
Program service fees	2,181,328
<hr/>	
Total contributions, fees and other support without donor restrictions	580,954,679
Net assets released from restrictions	54,871,889
<hr/>	
Total revenues without donor restrictions	635,826,568
<hr/>	
Expenses	
Program Services	
Grants to third parties	511,292,003
Other grant program expenses	7,702,116
<hr/>	
Total program services	518,994,119
Management and general	4,267,072
Fundraising	99,027,071
<hr/>	
Total expenses	622,288,262
Change in net assets without donor restrictions before foreign currency translation gain	13,538,306
Foreign currency translation gain	12,641,854
<hr/>	
<b>Change in net assets without donor restrictions</b>	<b>26,180,160</b>
<hr/>	
<b>Changes in net assets with donor restrictions</b>	
Contributions	57,699,468
Net assets released from restrictions	(54,871,889)
Foreign currency translation loss	(3,485,504)
<hr/>	
<b>Decrease in net assets with donor restrictions</b>	<b>(657,925)</b>
<hr/>	
Increase in net assets	25,522,235
Net assets, beginning of year	208,128,382
<hr/>	
<b>Net assets, end of year</b>	<b>\$ 233,650,617</b>

*See accompanying notes to the consolidated financial statements.*

# Charities Aid Foundation America and Subsidiaries

## Consolidated Statement of Functional Expenses

<i>Year Ended April 30, 2021</i>	Program Services	Management and General	Fundraising	Total
Grants to third parties	\$ 511,292,003	\$ -	\$ -	\$ 511,292,003
Salaries and benefits	3,344,173	2,121,082	701,793	6,167,048
Occupancy and office expenses	285,501	185,363	69,160	540,024
Professional services	3,141,309	817,472	97,591,806	101,550,587
Information technology	251,102	156,583	46,902	454,587
Travel and meetings	162,944	664,125	520,825	1,347,894
Depreciation and amortization	29,881	18,633	5,581	54,095
Other expenses	487,206	303,814	91,004	882,024
<b>Total expenses</b>	<b>\$ 518,994,119</b>	<b>\$ 4,267,072</b>	<b>\$ 99,027,071</b>	<b>\$ 622,288,262</b>

*See accompanying notes to the consolidated financial statements.*

# Charities Aid Foundation America and Subsidiaries

## Consolidated Statement of Cash Flows

<i>Year Ended April 30,</i>	<b>2021</b>
<b>Cash flows from operating activities:</b>	
Changes in net assets	\$ 25,522,235
<b>Adjustments to reconcile change in net assets to net cash used in operating activities:</b>	
Foreign currency translation, net	(9,156,350)
Depreciation and amortization	54,095
Unrealized gain on investments	(9,010,123)
Noncash contributions received	(11,626,981)
Amortization of deferred rent	(214)
<b>Changes in operating assets and liabilities:</b>	
<b>(Increase) decrease in:</b>	
Accounts receivable	(274,616)
Prepaid expenses	7,085
Accrued interest	143,609
<b>Increase (decrease) in:</b>	
Grants payable	1,134,692
Accounts payable and accrued expenses	1,457,381
Deferred revenue	(837,752)
<b>Net cash used in operating activities</b>	<b>(2,586,939)</b>
<b>Cash flows from investing activities:</b>	
Purchases of fixed assets	(8,090)
Proceeds from sales of investments	51,560,257
Purchases of investments	(28,372,983)
<b>Net cash provided by investing activities</b>	<b>23,179,184</b>
Increase in cash and cash equivalents	20,592,245
Effect of exchange rate fluctuation on cash and cash equivalents	8,386,565
Increase in cash and cash equivalents	28,978,810
Cash and cash equivalents, beginning of the year	124,763,264
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 153,742,074</b>
<b>Noncash operating activity - noncash contributions received</b>	<b>\$ 11,626,981</b>

*See accompanying notes to the consolidated financial statements.*

# Charities Aid Foundation America and Subsidiaries

## Notes to the Consolidated Financial Statements

---

### 1. Nature of Activities

Charities Aid Foundation America (the “Foundation”) is a public charity whose purpose is to help donors create thoughtful and effective philanthropy throughout the world.

Individuals, corporations, charities, and their advisors rely on the Foundation to develop, manage, and monitor their philanthropy: from goals to grants, from research to results. The Foundation works with other Charities Aid Foundation (CAF) offices in the United Kingdom, India, Russia, Brazil, and South Africa, and its affiliate partners in Australia and Bulgaria.

### 2. Summary of Significant Accounting Policies

#### *Principles of Consolidation*

The consolidated financial statements include the accounts of the Foundation and its subsidiaries, CAF American Donor Fund (CADF) and Charities Aid Foundation Canada (CAFC). All intercompany transactions and balances have been eliminated.

CADF is a registered charity in England and Wales, incorporated on December 22, 1999, under the name of Southampton Row Trust Limited, doing business as CADF. CADF was created as a giving solution for individuals paying income tax both in the United States and the United Kingdom. Individuals making donations to CADF are eligible to receive the appropriate tax benefits in both countries, as allowed by law.

The Foundation’s board has the power to appoint and remove trustees of CADF giving control to the Foundation. As such, the Foundation’s consolidated financial statements reflect the consolidation of CADF.

CAFC is a registered charity incorporated without share capital under the laws of Canada on November 13, 2013. CAFC was created as a giving solution for Canadians interested in funding charitable projects outside of Canada. As a registered charitable organization, CAFC is exempt from income taxes under the Income Tax Act (Canada) and is able to issue donation tax receipts for income tax purposes in Canada.

The Foundation is one of two members of CAFC that elects the board of directors. In addition to having control on the board, the Foundation manages all operations at CAF Canada and provides substantial funding, giving control to the Foundation. As such, the Foundation’s consolidated statements reflect the consolidation of CAFC.

#### *Basis of Accounting*

The accompanying consolidated financial statements of the Foundation are presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and have been prepared on the accrual basis of accounting.

#### *Accounting Estimates*

The preparation of consolidated financial statements in conformity with U.S. GAAP 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 consolidated financial

# Charities Aid Foundation America and Subsidiaries

## Notes to the Consolidated Financial Statements

---

statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

### ***Cash and Cash Equivalents***

Money market funds and all highly liquid investments available for current use with original maturities of three months or less at the time of acquisition are considered cash equivalents.

The Foundation maintains accounts at several banks insured by the Federal Deposit Insurance Corporation (FDIC). Accounts are insured up to \$250,000 at each bank. As of April 30, 2021, domestic cash in excess of the FDIC limit totaled \$71,740,584.

The Foundation also maintains accounts at several banks in the United Kingdom. As of April 30, 2021, the accounts totaled \$75,991,581. Under United Kingdom banking regulations, such accounts are not insured.

The Foundation also maintains accounts at one bank in Canada insured by the Canadian Deposit Insurance Corporation (CDIC). Accounts are insured up to \$100,000 at the bank. As of April 30, 2021, cash in excess of the CDIC limit totaled \$5,021,795.

### ***Investments***

Investments are measured and reported at fair value in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements* (ASC 820). Dividends and interest are reflected as income when earned. Investments in money market funds are measured and reported at fair value.

The Foundation has the following investments:

#### ***Short-Term Investments***

Short-term investments include certificates of deposit with maturities of less than one year, consistent with the investment policy of the Foundation.

#### ***Long-Term Investments***

Long-term investments include certificates of deposit with maturities of greater than one year and open-ended mutual funds consistent with the investment policy of the Foundation and investments held by CADF in the United Kingdom, primarily pooled investments (similar to a mutual fund in the United States). The pooled investments are valued using quoted market prices multiplied by the number of shares owned.

### ***Fixed Assets***

Fixed assets are recorded at cost. The Foundation capitalizes all expenditures for fixed assets and capitalized software that exceed \$2,500. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets, generally four years. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the remaining applicable lease term.

# Charities Aid Foundation America and Subsidiaries

## Notes to the Consolidated Financial Statements

---

### **Net Assets**

Net assets without donor restrictions are the portion of net assets that consist of the following types of internally designated funds:

**Designated Donor-Advised Funds:** The Foundation maintains donor-advised funds in which contributions from the donors are held by the Foundation for an indefinite period of time. The donors are given the opportunity to make recommendations for grants to charities to be paid from the fund. The Foundation keeps control over these funds and makes grants at its sole discretion.

**Designated Donor-Advised Gifts:** The Foundation offers donors, who do not have a fund opened with the Foundation, the ability to make one-time gifts with a recommendation for a grant to a charity. The Foundation keeps control over these gifts and makes grants at its sole discretion.

**Other:** Net assets not designated as donor-advised funds or donor-advised gifts are reported as other net assets. As of April 30, 2021 the balance is \$3,964,194 which includes a reserve of \$1,000,644 for discretionary purposes as directed by the Foundation's board of directors.

Net assets with donor restrictions are the portion of net assets resulting from contributions or other inflows of assets whose use is limited by donor-imposed stipulations that can be removed by the passage of time or action of the organization pursuant to those stipulations. If a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the contribution as released from restrictions.

### **Revenue Recognition**

#### *Revenue Accounted for as Contributions*

Donor-advised and other contributions, including unconditional promises to give, are recorded in the period received. All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and change in net assets as net assets released from restrictions. Conditional contributions, if any, are recorded when the conditions have been met. There were no conditional contributions as of April 30, 2021.

During the year ended April 30, 2021, three contributors represented approximately 56% of total contributions.

#### *Revenue Accounted for as Contracts*

The Foundation recognizes revenue when it satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration the Foundation expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, the Foundation combines it with other performance obligations until a distinct bundle of goods or services exists. The Foundation's management expects that the period between when the Organization transfers goods and services to their customers and when the customers pay for those goods and services will be one year or less. Therefore, the Foundation has elected the practical

# Charities Aid Foundation America and Subsidiaries

## Notes to the Consolidated Financial Statements

---

expedient not to adjust the promised amount of consideration for the effect of a significant financing component. Amounts received in advance of services performed, but not yet earned, are held and recorded as deferred revenue.

### *Program service fees*

Program service fees include revenue received from grant management service and due diligence review service that the Foundation provides to the customers. Performance obligations are satisfied at the time when services are provided, and revenues are recognized at a point in time.

### *Grants*

Grants to other parties are recognized as expenses and liabilities when the Foundation makes an unconditional promise, with no future barriers, to fund an individual or another organization. As of April 30, 2021, the Foundation had grants awarded but not paid in the amount of \$2,016,935. This amount is included in the consolidated statements of financial position as grants payable.

### *Foreign Currency*

The functional currency for U.S. activities is the U.S. dollar. The functional currency for foreign activities is the respective local currency. Gains and losses resulting from transactions of local (foreign) currency amounts to the functional currency are included in foreign currency translation gains in the consolidated statement of activities. Additionally, gains and losses resulting from translating assets and liabilities from the functional currency to U.S. dollars are included as a component of net assets without donor restrictions except where the impact is of the foreign exchange relates directly to net assets with donor restrictions held in foreign countries.

All elements of the consolidated financial statements reflecting the Foundation's operations in foreign countries are translated into U.S. dollars using applicable exchange rates. For assets and liabilities, this is the rate in effect at the date of the consolidated statements of financial position. For the revenues and expenses, this is the average exchange rate for the corresponding fiscal year.

During the year ended April 30, 2021, the effective year-end exchange rate used to translate CADF balances increased by 9.8%. During the year ended April 30, 2021, the effective year-end exchange rate used to translate CAF Canada balances increased by 13.3%.

### *Functional Expenses*

The costs of providing program and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Costs have been allocated on an equitable basis according to the functional grouping of the Foundation's staff. Program, management/administrative, and business development/fundraising staff salaries are separately accounted for by the payroll system, and other costs are either directly incurred by the staff or allocated as a percentage based on the staff allocation.

### *Concentrations of Credit Risk*

The Foundation's assets that are exposed to credit risk consist primarily of cash and cash equivalents, investments, and accounts receivable, net. Cash and cash equivalents balances are maintained at financial institutions and, at times, balances may exceed federally insured limits.

# Charities Aid Foundation America and Subsidiaries

## Notes to the Consolidated Financial Statements

---

The Foundation has never historically experienced any losses related to these balances. Accounts receivable, net consist primarily of amounts due from various entities and individuals. Historically, the Foundation has not experienced significant losses related to accounts receivable, net and, therefore, believes that the credit risk related to accounts receivable, net is minimal. Investment securities are exposed to risks, such as interest rate, market volatility and credit fluctuations. It is at least reasonably possible that changes in the values of the investments will occur in the near term and such changes could materially affect the fair value of investments reported in the consolidated statement of financial position. Investments are diversified across different asset classes whose performance is monitored by management and the CAF America Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

### ***Recently Adopted Authoritative Guidance***

In May 2014, the FASB issued *Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers* (Topic 606). This update supersedes previously issued guidance on revenue recognition and will apply to virtually all industries. The core principle of this new guidance is built on the contract between a vendor and a customer for the provision of goods and services. It attempts to depict the exchange of rights and obligations between the parties in the pattern of revenue recognition based on the consideration to which the vendor is entitled. To accomplish this objective, the standard requires five basic steps: (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies the performance obligation. The Foundation adopted this update, along with all subsequent amendments (collectively, “Topic 606”), for the year ended April 30, 2021 under the modified retrospective method. This initial application was applied to all contracts as of May 1, 2020. The adoption of this update did not materially impact the consolidated financial statements.

### ***Recent Accounting Pronouncements to be Adopted***

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). This update, along with related ASU’s establishes a comprehensive leasing standard. These updates require the recognition of lease assets and lease liabilities on the statement of financial position and disclosure of key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The guidance also expands the required quantitative and qualitative lease disclosures as well as provides entities with an additional (and optional) transition method to adopt the new standard. The ASU is effective for the Foundation’s fiscal year 2023. Management is currently evaluating the impact of these ASUs on the consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*. This ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets and requires additional disclosures related to contributed nonfinancial assets. This ASU must be applied on a retrospective basis and is effective for the Foundation’s year ending April 30, 2022. Management is currently evaluating the impact of this ASU on the consolidated financial statements.

# Charities Aid Foundation America and Subsidiaries

## Notes to the Consolidated Financial Statements

---

The Foundation has assessed other accounting pronouncements issued or effecting the year ended April 30, 2021, and deemed they were not applicable to the Foundation and are not anticipated to have a material effect on the consolidated financial statements.

### 3. Availability and Liquidity

The Foundation's financial assets available within one year of April 30, 2021, to meet general expenditures include:

Financial assets at year-end:		
Cash and cash equivalents	\$	153,742,074
Short-term investments		5,035,982
Contributions receivable		2,672,674
<hr/>		
Total financial assets <sup>(a)</sup>	\$	161,450,730
<hr/>		
Adjustment for amounts not available for general expenditures within one year:		
Net assets with donor restrictions		(9,650,544)
Board designated net assets		(3,964,194)
<hr/>		
Financial assets not available for general expenditures within one year		(13,614,738)
<hr/>		
Financial assets available for general expenditures within one year	\$	147,835,992

(a) The Foundation has approximately \$148 million of financial assets available within one year of the consolidated statement of financial position date to meet cash needs for expenditures. Additionally, the Foundation has donor advised funds totaling approximately \$220 million that are subject to donor intent which the Foundation intends to uphold.

The Foundation has an investment policy that requires most funds without restrictions be invested in cash or readily marketable investments to maintain sufficient liquidity to meet operating needs and possible fluctuations in revenue or disbursements. It is expected that the level of reserves and cash assets will allow the Foundation to continue to operate for at least 12 months.

### 4. Investments and Fair Value Measurements

The Foundation follows accounting guidance for measuring and reporting financial assets and liabilities at fair value. Accounting guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Foundation maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value, which enables a reader of the consolidated financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the

# Charities Aid Foundation America and Subsidiaries

## Notes to the Consolidated Financial Statements

quality and reliability of the information used to determine fair values. Assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

- **Level 1** - Unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date.
- **Level 2** - Quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and inputs other than quoted prices (such as interest rate and yield curves).
- **Level 3** - Uses inputs that are unobservable, supported by little or no market activity, and reflect significant management judgment.

Financial assets, including short-term and long-term investments, reported at fair value on a recurring basis as of April 30, 2021, is as follows:

Description	As of April 30, 2021			
	Total	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Short-term investments				
Certificates of deposit	\$ 1,889,335	\$ 1,889,335	\$ -	\$ -
Other short-term investments	3,146,647	3,146,647	-	-
<b>Total short-term investments</b>	<b>\$ 5,035,982</b>	<b>\$ 5,035,982</b>	<b>\$ -</b>	<b>\$ -</b>
Long-term investments				
CAD equities	\$ 7,904,392	\$ 7,904,392	\$ -	\$ -
CAD debt securities	411,424	411,424	-	-
U.K. equities	377,340	377,340	-	-
Pooled investments				
International equity funds	9,107,707	9,107,707	-	-
Canadian funds	435,672	435,672	-	-
U.K. funds	33,720,151	33,720,151	-	-
United States funds	24,995,939	24,995,939	-	-
<b>Total long-term investments</b>	<b>\$ 76,952,625</b>	<b>\$ 76,952,625</b>	<b>\$ -</b>	<b>\$ -</b>

# Charities Aid Foundation America and Subsidiaries

## Notes to the Consolidated Financial Statements

---

Investment return for the year ended April 30, 2021 was as follows:

Interest and dividends	\$ 1,607,846
Realized gain on investments	3,294,520
Unrealized gain on investments	9,010,123
	<hr/>
	\$ 13,912,489

---

### 5. Accounts Receivable

The Foundation's accounts receivable as of April 30, 2021 consist of the following:

Administration fees and other miscellaneous receivables	\$ 817,838
Canadian harmonized sales tax rebate receivable	18,536
U.K. income tax receivable	1,632,964
Charitable loan receivable	203,336
	<hr/>
	\$ 2,672,674

---

The Canadian harmonized sales tax rebate receivable represents the current receivable due from the Canadian government relating to taxes paid on qualifying purchases of goods and services.

The UK income tax receivable represents the current receivable due from the UK government resulting from donations from donors. Donations made to CADF by individuals subject to UK income tax are eligible for recovery from the UK government based on the individual's income tax paid on the value of the donation.

During the year ended April 30, 2021, CAF Canada entered into a sponsorship agreement with Merrill Lynch Canada, to establish a charitable loan program. Under the program, CAF Canada will make one or more loans received from Merrill Lynch to registered charities under the program based on funds received from Merrill Lynch Canada. The charitable loan receivable represents the outstanding amount to be received from Merrill Lynch Canada as of April 30, 2021.

### 6. Fixed Assets

Fixed assets as of April 30, 2021 consist of the following:

Furniture and fixtures	\$ 119,435
Computer equipment and software	62,982
Leasehold improvements	149,887
	<hr/>
	332,304
Less: accumulated depreciation and amortization	(172,945)
	<hr/>
	\$ 159,359

---

Depreciation and amortization expense was \$54,095 for the year ended April 30, 2021.

# Charities Aid Foundation America and Subsidiaries

## Notes to the Consolidated Financial Statements

---

### 7. Related Party Transactions

#### CAF

The Foundation fulfills its mission through its affiliation with CAF, a registered charity in England and Wales, and its network of international offices.

During the year ended April 30, 2021, CADF paid CAF \$53,244 for the provision of administrative services. The amounts are included in the consolidated statement of activities as part of management and general expenses.

### 8. Retirement Plan

The Foundation offers a defined contribution 401(k) retirement plan for its eligible employees (the Plan). Full-time, permanent employees become eligible to participate in the Plan after three months of employment. Participants can contribute up to 15% of pretax salary, subject to annual IRS contribution limits, to the Plan. The Foundation matches 100% of employees' contributions. Employees are vested 100% for both their contributions and the Foundation's matching contribution immediately at the time of contribution. Retirement plan contributions recorded related to the 401(k) were \$299,155 for the year ended April 30, 2021.

### 9. Commitments and Contingencies

The Foundation leases office space under the terms of a noncancelable operating lease for a term of 130 months which expires on December 31, 2027. Under the terms of the lease, no rent was due or payable for the first 10 months of the lease term, although rent payments increase annually upon the anniversary of the lease commencement date.

The Foundation recognizes rent payments over the term of the lease on a straight-line basis, with any difference between the expense recognized and amounts paid being charged to deferred rent. As of April 30, 2021, deferred rent liability was \$224,554.

Minimum future rent payments due under the lease are as follows:

*Years Ending April 30,*

---

2022	\$	274,248
2023		281,791
2024		289,530
2025		297,476
2026		305,673
Thereafter		528,249
	\$	1,976,967

---

The Foundation also leases certain equipment under month-to-month operating leases.

Rent expense for the year ended April 30, 2021 was \$314,093.

# Charities Aid Foundation America and Subsidiaries

## Notes to the Consolidated Financial Statements

---

### 10. Income Tax Status

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except for taxes on unrelated business income. During the year ended April 30, 2021, the Foundation had no unrelated business income.

CADF meets the definition of a charitable company for UK corporation tax purposes under the Finance Act 2010. Accordingly, CADF is exempt from taxation in respect of income or capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

CAFC was incorporated under the Canada Corporations Act as a nonprofit organization without share capital on November 13, 2013. Under the Income Tax Act (Canada), CAFC is registered as a public foundation for charitable purposes and, accordingly, is exempt from income taxes.

U.S. GAAP requires management to evaluate tax positions taken by the Foundation and recognize a tax liability (or asset) if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service or other taxing authorities. Management has analyzed the tax positions taken by the Foundation and its subsidiaries, and has concluded that as of April 30, 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements. The Foundation and its subsidiaries are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

### 11. Net Assets with Donor Restrictions

The Foundation classifies net assets into two categories: net assets with donor restrictions and net assets without donor restrictions. All contributions are considered to be without donor restrictions unless their use is specifically restricted by the donor or by law.

Net assets with donor restrictions include contributions which are temporary, donor-imposed time or purpose restrictions. Net assets with donor restrictions become without donor restrictions when the time restrictions expire or the contributions are used for their restricted purpose, at which time they are reported in the consolidated statement of activities as net assets released from restrictions.

Net asset balances at April 30, 2021 with donor restrictions of the Foundation consist of the following:

<b>Subject to expenditure for specific purpose:</b>	
Donor specified stipulations regarding purpose	\$ 9,650,544
<hr/>	
<b>Total</b>	<b>\$ 9,650,544</b>

During the year ended April 30, 2021, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donor as follows:

Donor specified stipulations regarding purpose	\$ 54,871,889
<hr/>	
<b>Total net assets released from restrictions</b>	<b>\$ 54,871,889</b>

# Charities Aid Foundation America and Subsidiaries

## Notes to the Consolidated Financial Statements

---

### 12. Risks and Uncertainties

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 virus). On March 11, 2020, the WHO declared the novel coronavirus a global pandemic.

While there has been progress in developing and distributing a COVID-19 vaccine, there continues to be uncertainty around the breadth and duration of the business disruption, as well as its impact on the global economy. Nonetheless, the Foundation will continue to monitor the financial and business implications of the pandemic on its operations and will implement new strategies as appropriate. See Note 3 for information regarding the Foundation's liquidity and availability of resources.

### 13. Subsequent Events

The Foundation evaluated its April 30, 2021 consolidated financial statements for subsequent events through February 4, 2022, the date the consolidated financial statements were available to be issued. There were no events noted that required adjustment to or disclosure in these consolidated financial statements.

## Supplemental Schedules

---

# Charities Aid Foundation America and Subsidiaries

## Consolidating Schedule of Financial Position at April 30, 2021

	CAF America	CADF	CAF Canada	Eliminations	Consolidated
<b>Assets</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 72,490,584	\$ 76,034,392	\$ 5,217,098	\$ -	\$ 153,742,074
Short-term investments	1,889,335	2,898,114	248,533	-	5,035,982
Accrued interest	3,413	45,478	-	-	48,891
Accounts receivable	817,676	1,632,964	222,034	-	2,672,674
Related-party receivables	178,595	-	-	(178,595)	-
Prepaid expenses	331,004	-	-	-	331,004
<b>Total current assets</b>	<b>75,710,607</b>	<b>80,610,948</b>	<b>5,687,665</b>	<b>(178,595)</b>	<b>161,830,625</b>
<b>Other assets:</b>					
Deposits	39,106	-	-	-	39,106
Long-term investments	24,995,939	41,789,374	10,167,312	-	76,952,625
Fixed assets - net	159,359	-	-	-	159,359
Investment in CADF	143	-	-	(143)	-
<b>Total other assets</b>	<b>25,194,547</b>	<b>41,789,374</b>	<b>10,167,312</b>	<b>(143)</b>	<b>77,151,090</b>
<b>Total assets</b>	<b>\$ 100,905,154</b>	<b>\$ 122,400,322</b>	<b>\$ 15,854,977</b>	<b>\$ (178,738)</b>	<b>\$ 238,981,715</b>
<b>Liabilities and Net Assets</b>					
<b>Current liabilities:</b>					
Grants payable	\$ 2,016,885	\$ 100,000	\$ 50	\$ (100,000)	\$ 2,016,935
Accounts payable and accrued expenses	2,535,042	142,659	75,503	(78,595)	2,674,609
Deferred revenue	415,000	-	-	-	415,000
<b>Total current liabilities</b>	<b>4,966,927</b>	<b>242,659</b>	<b>75,553</b>	<b>(178,595)</b>	<b>5,106,544</b>
Long-term liability - deferred rent	224,554	-	-	-	224,554
<b>Total liabilities</b>	<b>5,191,481</b>	<b>242,659</b>	<b>75,553</b>	<b>(178,595)</b>	<b>5,331,098</b>
<b>Net assets:</b>					
Designated donor-advised funds	82,991,205	122,157,520	13,059,644	-	218,208,369
Designated donor-advised gifts	1,195,856	-	-	-	1,195,856
Other	3,964,194	-	631,654	-	4,595,848
<b>Total net assets with donor restrictions</b>	<b>88,151,255</b>	<b>122,157,520</b>	<b>13,691,298</b>	<b>-</b>	<b>224,000,073</b>
Net assets with donor restrictions	7,562,418	-	2,088,126	-	9,650,544
Share capital	-	143	-	(143)	-
<b>Total net assets</b>	<b>95,713,673</b>	<b>122,157,663</b>	<b>15,779,424</b>	<b>(143)</b>	<b>233,650,617</b>
<b>Total liabilities and net assets</b>	<b>\$ 100,905,154</b>	<b>\$ 122,400,322</b>	<b>\$ 15,854,977</b>	<b>\$ (178,738)</b>	<b>\$ 238,981,715</b>

**Charities Aid Foundation America and Subsidiaries**  
**Consolidating Schedule of Activities and Changes in Net Assets**  
**Year Ended April 30, 2021**

	CAF America	CADF	CAF Canada	Eliminations	Consolidated
<b>Changes in unrestricted net assets:</b>					
Revenues and support:					
Contributions:					
Donor advised	\$ 443,266,612	\$ 94,630,628	\$ 12,541,060	\$ (1,702,710)	\$ 548,735,590
Other	753,914	15,458,267	-	(100,000)	16,112,181
<b>Total contributions</b>	<b>444,020,526</b>	<b>110,088,895</b>	<b>12,541,060</b>	<b>(1,802,710)</b>	<b>564,847,771</b>
Investment return	6,389,824	6,387,430	1,135,235	-	13,912,489
Other income	8,689	-	4,402	-	13,091
Program service fees	2,364,023	50,976	27,604	(261,275)	2,181,328
<b>Total revenues and support</b>	<b>452,783,062</b>	<b>116,527,301</b>	<b>13,708,301</b>	<b>(2,063,985)</b>	<b>580,954,679</b>
Net assets released from restrictions	47,569,287	-	7,302,602	-	54,871,889
<b>Total revenues and released assets</b>	<b>500,352,349</b>	<b>116,527,301</b>	<b>21,010,903</b>	<b>(2,063,985)</b>	<b>635,826,568</b>
Expenses:					
Program Services:					
Grants to third parties	394,550,821	97,360,256	21,183,635	(1,802,709)	511,292,003
Other grant program services	7,266,559	214,976	237,608	(17,027)	7,702,116
<b>Total program services</b>	<b>401,817,380</b>	<b>97,575,232</b>	<b>21,421,243</b>	<b>(1,819,736)</b>	<b>518,994,119</b>
Management and general	4,076,047	164,000	271,273	(244,248)	4,267,072
Fundraising	98,763,288	214,976	48,807	-	99,027,071
<b>Total expenses</b>	<b>504,656,715</b>	<b>97,954,208</b>	<b>21,741,323</b>	<b>(2,063,984)</b>	<b>622,288,262</b>
Foreign currency translation	-	7,526,149	5,115,705	-	12,641,854
<b>Total expenses and gains</b>	<b>504,656,715</b>	<b>90,428,059</b>	<b>16,625,618</b>	<b>(2,063,984)</b>	<b>609,646,408</b>
(Decrease) increase in net assets without <b>donor restrictions</b>	<b>(4,304,366)</b>	<b>26,099,242</b>	<b>4,385,285</b>	<b>(1)</b>	<b>26,180,160</b>
<b>Changes in net assets with donor restrictions</b>					
Contributions	49,550,192	-	8,149,276	-	57,699,468
Net assets released from restrictions	(47,569,287)	-	(7,302,602)	-	(54,871,889)
Foreign currency translation	-	-	(3,485,504)	-	(3,485,504)
Increase (decrease) in net assets with donor restrictions	<b>1,980,905</b>	<b>-</b>	<b>(2,638,830)</b>	<b>-</b>	<b>(657,925)</b>
<b>(Decrease) increase in net assets</b>	<b>(2,323,461)</b>	<b>26,099,242</b>	<b>1,746,455</b>	<b>(1)</b>	<b>25,522,235</b>
<b>Net assets - beginning of year</b>	<b>98,037,134</b>	<b>96,058,421</b>	<b>14,032,969</b>	<b>(142)</b>	<b>208,128,382</b>
<b>Net assets - end of year</b>	<b>\$ 95,713,673</b>	<b>\$ 122,157,663</b>	<b>\$ 15,779,424</b>	<b>\$ (143)</b>	<b>\$ 233,650,617</b>