

**THE THOMAS B. FORDHAM FOUNDATION, INC.  
AND THE THOMAS B. FORDHAM INSTITUTE, INC.**

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**Consolidated Financial Statements  
For the Years Ended December 31, 2019  
and December 31, 2018**

**and  
Report Thereon**

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**LANE & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Trustees of  
The Thomas B. Fordham Foundation, Inc. and  
The Thomas B. Fordham Institute, Inc.

We have audited the accompanying consolidated financial statements of The Thomas B. Fordham Foundation, Inc. (the Foundation), an Ohio nonprofit supporting organization, and The Thomas B. Fordham Institute, Inc. (the Institute), an Ohio publicly supported nonprofit corporation (together, the Organization), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

*Management's Responsibility for the Consolidated Financial Statements*

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

*Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

*Opinion*

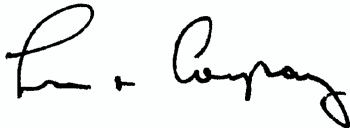
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Emphasis of Matter*

As explained in Note 3, the consolidated financial statements include investments valued at \$28,900,104 and \$25,581,309 at December 31, 2019 and 2018, respectively (forty-eight and forty-seven percent of net assets, respectively), whose fair values have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or the general partners. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been used had a ready market value for such investment existed, and the differences could be material. Our opinion is not modified with respect to this matter emphasized.

*Report on Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidated schedules of financial position, activities, and functional expenses of the Foundation (excluding the Institute) and of the Institute (excluding the Foundation) are presented for purposes of additional analysis and are 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 audits 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.



Washington, D.C.  
August 31, 2020

**THE THOMAS B. FORDHAM FOUNDATION, INC. AND  
THE THOMAS B. FORDHAM INSTITUTE, INC.  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
December 31, 2019 and 2018**

|   | <u>2019</u>              | <u>2018</u>              |
|---|--------------------------|--------------------------|
| <u>ASSETS</u>   |                          |                          |
| Current Assets  |                          |                          |
| Cash  | \$ 809,878               | \$ 1,412,296             |
| Short-term investments  | 332,943                  | 741,593                  |
| Grants receivable   | 448,431                  | 500,000                  |
| Accounts receivable   | 83,750                   | 178,546                  |
| Other assets  | <u>15,572</u>            | <u>15,572</u>            |
| <br>Total Current Assets  | <br>1,690,574            | <br>2,848,007            |
| Long-term investments   | 61,840,733               | 54,674,727               |
| Building and improvements, net of accumulated depreciation of \$1,278,475 and \$1,216,104 | 2,334,487                | 2,396,858                |
| Bond issuance costs, net of accumulated amortization of \$52,261 and \$26,484             | 257,068                  | 282,845                  |
| Furniture and equipment, net of accumulated depreciation of \$224,879 and \$219,732       | 36,593                   | 12,606                   |
| Assets held for sale  | <u>--</u>                | <u>2,600,000</u>         |
| <br>Total Assets  | <br><u>\$ 66,159,455</u> | <br><u>\$ 62,815,043</u> |
| <u>LIABILITIES AND NET ASSETS</u>   |                          |                          |
| Current Liabilities   |                          |                          |
| Accounts payable  | \$ 207,763               | \$ 232,864               |
| Bonds payable, current portion  | <u>322,644</u>           | <u>322,644</u>           |
| <br>Total Current Liabilities   | <br>530,407              | <br>555,508              |
| Obligation due to interest rate swap  | 2,561,843                | 1,996,296                |
| Bonds payable, long-term portion  | <u>2,883,955</u>         | <u>5,807,599</u>         |
| <br>Total Liabilities   | <br>5,976,205            | <br>8,359,403            |
| Net Assets - Without Donor Restrictions   | 59,226,279               | 52,806,796               |
| Net Assets - With Donor Restrictions  | <u>956,971</u>           | <u>1,648,844</u>         |
| <br>Total Net Assets  | <br><u>60,183,250</u>    | <br><u>54,455,640</u>    |
| <br>Total Liabilities and Net Assets  | <br><u>\$ 66,159,455</u> | <br><u>\$ 62,815,043</u> |

**The accompanying notes are an integral part of these financial statements.**

**THE THOMAS B. FORDHAM FOUNDATION, INC. AND  
THE THOMAS B. FORDHAM INSTITUTE, INC.  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
For the Years Ended December 31, 2019 and 2018**

|   | <u>2019</u>          | <u>2018</u>          |
|---|----------------------|----------------------|
| Change in net assets without donor restrictions   |                      |                      |
| Revenue   |                      |                      |
| Investment income/(loss), net of investment expenses  | \$ 9,135,775         | \$ (2,731,056)       |
| Grants and contributions  | 577,559              | 645,500              |
| Program service fees  | 721,244              | 706,838              |
| Other income  | 9,877                | 2,337                |
| Total revenue without donor restrictions  | <u>10,444,455</u>    | <u>(1,376,381)</u>   |
| Net assets released from restrictions   |                      |                      |
| Satisfaction of program restrictions  | <u>2,120,502</u>     | <u>1,659,418</u>     |
| Total support without donor restrictions  | 12,564,957           | 283,037              |
| Expenses  |                      |                      |
| Program Services  |                      |                      |
| National  | 2,885,636            | 3,080,249            |
| Ohio  | 1,663,974            | 1,563,600            |
| Management and general  | 792,107              | 471,014              |
| Fund-raising  | <u>238,210</u>       | <u>256,636</u>       |
| Total Expenses  | <u>5,579,927</u>     | <u>5,371,499</u>     |
| Change in net assets without donor restrictions before<br>gain on interest rate swap and assets held for sale | 6,985,030            | (5,088,462)          |
| Gain (loss) on interest rate swap   | (565,547)            | 342,727              |
| Gain on assets held for sale  | <u>--</u>            | <u>341,038</u>       |
| Total change in net assets without donor restrictions   | <u>6,419,483</u>     | <u>(4,404,697)</u>   |
| Change in net assets with donor restrictions  |                      |                      |
| Grants and contributions  | 1,428,629            | 1,821,600            |
| Net assets released from restriction  | <u>(2,120,502)</u>   | <u>(1,659,418)</u>   |
| Change in net assets with donor restrictions  | <u>(691,873)</u>     | <u>162,182</u>       |
| Change in net assets  | 5,727,610            | (4,242,515)          |
| Net assets, beginning of year   | <u>54,455,640</u>    | <u>58,698,155</u>    |
| Net assets, end of year   | <u>\$ 60,183,250</u> | <u>\$ 54,455,640</u> |

**The accompanying notes are an integral  
part of these financial statements.**

**THE THOMAS B. FORDHAM FOUNDATION, INC. AND  
THE THOMAS B. FORDHAM INSTITUTE, INC.  
CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2019**

|                                    | Program             |                     |                     | Management<br>& General | Fund-<br>raising  | Total<br>Expenses   |
|------------------------------------|---------------------|---------------------|---------------------|-------------------------|-------------------|---------------------|
|                                    | National            | Ohio                | Total               |                         |                   |                     |
| Salaries                           | \$ 1,362,169        | \$ 812,671          | \$ 2,174,840        | \$ 273,958              | \$ 147,151        | \$ 2,595,949        |
| Occupancy                          | 355,362             | 126,951             | 482,313             | 47,706                  | 33,252            | 563,271             |
| Contracts                          | 349,697             | 149,272             | 498,969             | 3,800                   | 210               | 502,979             |
| Pension plan contributions         | 167,209             | 84,368              | 251,577             | 18,972                  | 16,817            | 287,366             |
| Grants                             | 105,250             | 168,667             | 273,917             | -                       | -                 | 273,917             |
| Other employee benefits            | 125,218             | 76,199              | 201,417             | 14,560                  | 11,450            | 227,427             |
| Moving expenses                    | --                  | --                  | --                  | 216,409                 | -                 | 216,409             |
| Payroll taxes                      | 92,760              | 54,372              | 147,132             | 17,893                  | 10,007            | 175,032             |
| Travel                             | 80,186              | 32,391              | 112,577             | 16,573                  | 3,202             | 132,352             |
| Legal fees                         | 33,039              | 16,359              | 49,398              | 53,050                  | -                 | 102,448             |
| Website and IT                     | 60,625              | 32,757              | 93,382              | 3,014                   | -                 | 96,396              |
| Depreciation and amortization      | 35,452              | 30,321              | 65,773              | 27,522                  | -                 | 93,295              |
| Insurance                          | 37,994              | 24,910              | 62,904              | 528                     | 4,222             | 67,654              |
| Miscellaneous                      | 11,875              | 8,636               | 20,511              | 18,065                  | 2,089             | 40,665              |
| Accounting fees                    | --                  | --                  | --                  | 39,779                  | -                 | 39,779              |
| Supplies                           | 7,468               | 6,420               | 13,888              | 19,585                  | 159               | 33,632              |
| Equipment rental and maintenance   | 16,391              | 7,492               | 23,883              | 5,133                   | -                 | 29,016              |
| Conferences, conventions, meetings | 18,077              | 6,594               | 24,671              | -                       | 3,859             | 28,530              |
| Printing and publications          | 5,937               | 16,016              | 21,953              | 777                     | 4,273             | 27,003              |
| Telephone                          | 15,261              | 4,970               | 20,231              | 1,427                   | 1,519             | 23,177              |
| Temps/Interns                      | 5,660               | 3,131               | 8,791               | 2,842                   | -                 | 11,633              |
| Other professional fees            | --                  | --                  | --                  | 8,110                   | -                 | 8,110               |
| Postage and shipping               | 6                   | 1,477               | 1,483               | 2,404                   | -                 | 3,887               |
| <b>Total</b>                       | <b>\$ 2,885,636</b> | <b>\$ 1,663,974</b> | <b>\$ 4,549,610</b> | <b>\$ 792,107</b>       | <b>\$ 238,210</b> | <b>\$ 5,579,927</b> |

The accompanying notes are an integral  
part of these financial statements.

**THE THOMAS B. FORDHAM FOUNDATION, INC. AND  
THE THOMAS B. FORDHAM INSTITUTE, INC.  
CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2018**

|                                    | Program             |                     |                     | Management<br>& General | Fund-<br>raising  | Total<br>Expenses   |
|------------------------------------|---------------------|---------------------|---------------------|-------------------------|-------------------|---------------------|
|                                    | National            | Ohio                | Total               |                         |                   |                     |
| Salaries                           | \$ 1,631,378        | \$ 612,629          | \$ 2,244,008        | \$ 105,573              | \$ 163,433        | \$ 2,513,015        |
| Occupancy                          | 417,284             | 149,536             | 566,820             | 56,617                  | 38,959            | 662,396             |
| Contracts                          | 344,891             | 274,569             | 619,459             | 5,282                   | --                | 624,741             |
| Pension plan contributions         | 183,323             | 65,641              | 248,963             | 11,614                  | 18,757            | 279,334             |
| Other employee benefits            | 115,651             | 87,421              | 203,072             | 10,911                  | 6,211             | 220,194             |
| Payroll taxes                      | 108,106             | 40,747              | 148,853             | 7,008                   | 10,812            | 166,673             |
| Depreciation and amortization      | 67,275              | 51,646              | 118,921             | 47,077                  | 573               | 166,571             |
| Grants                             | 11,395              | 125,500             | 136,895             | 780                     | -                 | 137,675             |
| Travel                             | 55,064              | 39,842              | 94,907              | 31,422                  | 3,487             | 129,815             |
| Legal fees                         | 5,148               | 18,316              | 23,464              | 64,761                  | --                | 88,225              |
| Insurance                          | 33,144              | 29,738              | 62,882              | 4,809                   | 3,057             | 70,747              |
| Website and IT                     | 32,681              | 31,768              | 64,448              | 2,832                   | 1,589             | 68,869              |
| Conferences, conventions, meetings | 19,722              | 4,180               | 23,902              | 16,186                  | 1,800             | 41,888              |
| Equipment rental and maintenance   | 22,810              | 645                 | 23,454              | 15,441                  | --                | 38,895              |
| Accounting fees                    | --                  | --                  | --                  | 37,000                  | --                | 37,000              |
| Supplies                           | 4,119               | 4,836               | 8,955               | 16,887                  | 34                | 25,876              |
| Telephone                          | 17,082              | 5,514               | 22,597              | 1,535                   | 1,709             | 25,841              |
| Other professional fees            | --                  | 75                  | 75                  | 21,157                  | --                | 21,232              |
| Miscellaneous                      | 578                 | 10,135              | 10,713              | 9,508                   | 897               | 21,118              |
| Printing and publications          | 4,978               | 4,688               | 9,666               | 441                     | 4,799             | 14,907              |
| Temps/Interns                      | 5,585               | 3,066               | 8,651               | 2,783                   | --                | 11,434              |
| Postage and shipping               | 35                  | 3,108               | 3,143               | 1,390                   | 520               | 5,054               |
| <b>Total</b>                       | <b>\$ 3,080,249</b> | <b>\$ 1,563,600</b> | <b>\$ 4,643,849</b> | <b>\$ 471,014</b>       | <b>\$ 256,636</b> | <b>\$ 5,371,499</b> |

The accompanying notes are an integral  
part of these financial statements.

**THE THOMAS B. FORDHAM FOUNDATION INC. AND  
THE THOMAS B. FORDHAM INSTITUTE, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2019 and 2018**

|  | <u>2019</u>        | <u>2018</u>         |
|--|--------------------|---------------------|
| Cash Flows from Operating Activities   |                    |                     |
| Change in net assets   | \$ 5,727,610       | \$ (4,242,515)      |
| Adjustment to reconcile change in net assets to<br>net cash used in operating activities |                    |                     |
| Depreciation and amortization  | 93,295             | 166,571             |
| Realized and unrealized losses/(gains) on investments                                    | (8,802,990)        | 3,373,403           |
| Loss/(gain) on interest rate swap  | 565,547            | (342,727)           |
| Gain on assets held for sale   | --                 | (341,038)           |
| Changes in assets and liabilities  |                    |                     |
| Grants receivable  | 51,569             | 424,000             |
| Accounts receivable  | 94,796             | (92,807)            |
| Accounts payable   | <u>(25,101)</u>    | <u>(13,969)</u>     |
| Net Cash Used in Operating Activities  | (2,295,274)        | (1,069,082)         |
| Cash Flows from Investing Activities   |                    |                     |
| Acquisition of fixed assets and capital improvements                                     | (29,134)           | (160,963)           |
| Sale of assets held for sale   | 2,600,000          | --                  |
| Purchase of investments  | (4,023,602)        | (9,635,134)         |
| Sale of investments  | <u>6,069,235</u>   | <u>10,842,787</u>   |
| Net Cash Provided by Investing Activities  | <u>4,616,499</u>   | <u>1,046,690</u>    |
| Cash Flows from Financing Activities   |                    |                     |
| Bonds redeemed/Principal payments on bonds   | <u>(2,923,643)</u> | <u>(295,757)</u>    |
| Net Cash Used in Financing Activities  | <u>(2,923,643)</u> | <u>(295,757)</u>    |
| Net change in Cash   | (602,418)          | (318,149)           |
| Cash, beginning of year  | <u>1,412,296</u>   | <u>1,730,445</u>    |
| Cash, end of year  | <u>\$ 809,878</u>  | <u>\$ 1,412,296</u> |
| Supplemental disclosure  |                    |                     |
| Amounts expended for interest  | <u>\$ 302,192</u>  | <u>\$ 338,972</u>   |

**The accompanying notes are an integral  
part of these financial statements.**



**THE THOMAS B. FORDHAM FOUNDATION, INC. AND  
THE THOMAS B. FORDHAM INSTITUTE, INC.  
Notes to Financial Statements**

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1. Organization

The Thomas B. Fordham Foundation, Inc. (the Foundation), was incorporated in 1959 as an Ohio private foundation. As of January 1, 2007, the Foundation operates as a public charity and is exempt from Federal income taxes under section 501(c)(3) of the U.S. Internal Revenue Code (see note 14 for further explanation).

The Fordham Institute, Inc. (the Institute), was incorporated in 2001 as an Ohio publicly supported not-for-profit corporation and is exempt from Federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code.

The Thomas B. Fordham Institute and Foundation promote educational excellence for every child in America via quality research, analysis, and commentary, as well as advocacy and charter school authorizing in Ohio.

We advance:

- high standards, strong assessments of student learning, and common-sense accountability for schools and children across the achievement spectrum;
- quality education options and high-quality school-performance information for every family; and
- a student-centered system that provides clear pathways to upward mobility, good citizenship, and successful participation in adult society.

We promote education reform by:

- producing relevant, rigorous policy research and analysis;
- providing “thought leadership” to policy makers, philanthropists, advocacy groups, and others through timely and persuasive commentary;
- advocating sound education policies in Ohio related to standards, assessments, school choice, and other promising reforms;
- serving as a model charter school authorizer and sharing our lessons throughout and beyond Ohio; and
- incubating new ideas, innovations, organizations, school models, and visionary leaders to advance education excellence.

Continued

**THE THOMAS B. FORDHAM FOUNDATION, INC. AND  
THE THOMAS B. FORDHAM INSTITUTE, INC.**  
**Notes to Financial Statements**

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2. Summary of Significant Accounting Policies

Basis of Accounting

The consolidated financial statements include the accounts of the Foundation and the Institute (together, the Organization). All significant inter-company transactions have been eliminated in the consolidation. The Organization maintains its accounts on the accrual basis of accounting.

Basis of Presentation

Net assets, revenue, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

*net assets without donor restrictions* – net assets without donor restrictions result from revenues and other inflows of assets whose use by the Organization is not limited by donor-imposed restrictions.

*net assets with donor restrictions* - net assets with donor restrictions result from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Cash

Cash includes cash in checking accounts. Accounts at each institution are insured up to \$250,000 by the Federal Deposit Insurance Corporation. Account balances may at times exceed the insured limit. Management believes these amounts are not subject to any significant credit risk.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis on the consolidated statement of activities. Certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Continued

**THE THOMAS B. FORDHAM FOUNDATION, INC. AND  
THE THOMAS B. FORDHAM INSTITUTE, INC.**  
**Notes to Financial Statements**

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2. Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in the Organization's fiscal year 2021.

The Organization is currently evaluating the effects that the updated standards will have on the financial statements and plans to adopt the new ASUs at the required implementation date.

Change in Accounting Principle

The Foundation and Institute adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). This standard was issued by FASB to clarify the principles for recognizing revenue for any entity that enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets within the scope of this standard. ASU 2014-09 establishes a five-step process to identify, allocate, and recognize exchange transactions derived from contracts with customers. The Organizations' revenue recognition policies were not impacted by this standard as none of the revenue contain exchange transaction components.

The Foundation and Institute adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional.

**THE THOMAS B. FORDHAM FOUNDATION, INC. AND  
THE THOMAS B. FORDHAM INSTITUTE, INC.  
Notes to Financial Statements**

3. Investments

Securities with readily determinable fair value are recorded at fair value in the consolidated statement of financial position. Investments without readily determinable values, such as private equity, venture capital, and partnerships, are valued using current estimates of fair value obtained from the investment manager. Such valuations generally reflect discounts for liquidity and consider variables such as financial performance of investments, including comparison of comparable companies' earning multiples, cash flow analysis, recent sales prices of investments, and other pertinent information.

Because of the inherent uncertainty of valuation for these investments (referred to as "Other investments" in the schedule below) the investment manager's estimate may differ from the values that would have been used had a ready market existed.

| <u>2019</u>             | <u>Foundation</u>    | <u>Institute</u>    | <u>Total</u>         |
|-------------------------|----------------------|---------------------|----------------------|
| Equity securities       | \$ 23,593,647        | \$ 5,870,491        | \$ 29,464,138        |
| Fixed income securities | 2,481,195            | 995,297             | 3,476,492            |
| Other investments       | 28,171,365           | 728,739             | 28,900,104           |
| Money market accounts   | 297,206              | 35,736              | 332,942              |
| Total                   | <u>\$ 54,543,413</u> | <u>\$ 7,630,263</u> | <u>\$ 62,173,676</u> |

| <u>2018</u>             | <u>Foundation</u>    | <u>Institute</u>    | <u>Total</u>         |
|-------------------------|----------------------|---------------------|----------------------|
| Equity securities       | \$ 20,726,766        | \$ 5,155,198        | \$ 25,881,964        |
| Fixed income securities | 2,301,675            | 909,779             | 3,211,454            |
| Other investments       | 24,929,275           | 652,034             | 25,581,309           |
| Money market accounts   | 703,145              | 38,448              | 741,593              |
| Total                   | <u>\$ 48,660,861</u> | <u>\$ 6,755,459</u> | <u>\$ 55,416,320</u> |

Investment income consisted of the following:

| <u>2019</u>                          | <u>Foundation</u>   | <u>Institute</u>    | <u>Total</u>        |
|--------------------------------------|---------------------|---------------------|---------------------|
| Dividends and interest               | \$ 673,025          | \$ 157,194          | \$ 830,219          |
| Net realized and<br>unrealized gains | 7,774,754           | 1,028,236           | 8,802,990           |
| Less: Investment expenses            | <u>(484,086)</u>    | <u>(13,348)</u>     | <u>(497,434)</u>    |
| Total                                | <u>\$ 7,963,693</u> | <u>\$ 1,172,082</u> | <u>\$ 9,135,775</u> |

| <u>2018</u>                           | <u>Foundation</u>     | <u>Institute</u>    | <u>Total</u>          |
|---------------------------------------|-----------------------|---------------------|-----------------------|
| Dividends and interest                | \$ 918,886            | \$ 266,806          | \$ 1,185,692          |
| Net realized and<br>unrealized losses | (2,353,492)           | (1,019,911)         | (3,373,403)           |
| Less: Investment expenses             | <u>(533,411)</u>      | <u>(9,934)</u>      | <u>(543,345)</u>      |
| Total                                 | <u>\$ (1,968,017)</u> | <u>\$ (763,039)</u> | <u>\$ (2,731,056)</u> |

**THE THOMAS B. FORDHAM FOUNDATION, INC. AND  
THE THOMAS B. FORDHAM INSTITUTE, INC.  
Notes to Financial Statements**

4. Fair Value Measurement

Financial Accounting Standards Board Accounting Standards Codification 820, Fair Value Measurements, requires disclosure of a fair-value hierarchy of inputs the Organization uses to value an asset or liability. The three levels of the fair-value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities;

Level 2: Inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace;

Level 3: Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

Investments, recorded at fair value, consist of the following at December 31:

| <u>2019</u>             | <u>Level 1</u>       | <u>Level 2</u> | <u>Level 3</u>       | <u>Total</u>         |
|-------------------------|----------------------|----------------|----------------------|----------------------|
| Equity securities       | \$ 29,464,138        | \$ --          | \$ --                | \$ 29,464,138        |
| Fixed income securities | 3,476,492            | --             | --                   | 3,476,492            |
| Other investments       | --                   | --             | 28,900,104           | 28,900,104           |
| Money market accounts   | <u>332,942</u>       | <u>--</u>      | <u>--</u>            | <u>332,942</u>       |
| Total                   | <u>\$ 33,273,572</u> | <u>\$ --</u>   | <u>\$ 28,900,104</u> | <u>\$ 62,173,676</u> |

| <u>2018</u>             | <u>Level 1</u>       | <u>Level 2</u> | <u>Level 3</u>       | <u>Total</u>         |
|-------------------------|----------------------|----------------|----------------------|----------------------|
| Equity securities       | \$ 25,881,964        | \$ --          | \$ --                | \$ 25,881,964        |
| Fixed income securities | 3,211,454            | --             | --                   | 3,211,454            |
| Other investments       | --                   | --             | 25,581,309           | 25,581,309           |
| Money market accounts   | <u>741,593</u>       | <u>--</u>      | <u>--</u>            | <u>741,593</u>       |
| Total                   | <u>\$ 29,835,011</u> | <u>\$ --</u>   | <u>\$ 25,581,309</u> | <u>\$ 55,416,320</u> |

The change in value of investments measured at fair value using significant unobservable inputs (Level 3 inputs) consisted of the following:

|                               |                      |
|-------------------------------|----------------------|
| Value as of December 31, 2018 | \$ 25,581,309        |
| Appreciation in value         | 3,743,470            |
| Purchases and sales, net      | <u>(424,675)</u>     |
| Value as of December 31, 2019 | <u>\$ 28,900,104</u> |

The appreciation in value of Level 3 investments is included in investment income on the consolidated statement of activities.

**THE THOMAS B. FORDHAM FOUNDATION, INC. AND  
THE THOMAS B. FORDHAM INSTITUTE, INC.  
Notes to Financial Statements**

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5. Grants Receivable

At December 31, 2019 and 2018, Grants receivable consisted of the following:

|                          | <u>2019</u>       | <u>2018</u>       |
|--------------------------|-------------------|-------------------|
| Due in one year or less: |                   |                   |
| Louis Calder Foundation  | \$ --             | \$ 200,000        |
| Kovner Foundation        | 100,000           | 200,000           |
| Joseph Klein             | 17,500            | --                |
| Schusterman Foundation   | --                | 100,000           |
| Gates Foundation         | <u>250,000</u>    | <u>--</u>         |
| Total                    | <u>\$ 367,500</u> | <u>\$ 500,000</u> |

6. Property and Equipment

Building and Improvements

The Foundation owns one floor of an office building in Washington, DC used primarily as office space for the Foundation and the Institute. They also own an alleyway next to the building for parking. In 2019, the Foundation sold one of its floors that was previously held for sale during the year ended December 31, 2018.

Improvements are recorded at cost and are amortized using the straight-line method over the estimated life of the improvement.

At December 31, 2019 and 2018, building and improvements consisted of the following:

|  | <u>2019</u>         | <u>2018</u>         |
|--|---------------------|---------------------|
| Building   | \$ 1,742,281        | \$ 1,742,281        |
| Land   | 843,776             | 843,776             |
| Capital Improvements                               | <u>1,026,905</u>    | <u>1,026,905</u>    |
| Total, building and improvements                   | 3,612,962           | 3,612,962           |
| Less: Accumulated amortization<br>and depreciation | <u>(1,278,475)</u>  | <u>(1,216,104)</u>  |
| Net, building and improvements                     | <u>\$ 2,334,487</u> | <u>\$ 2,396,858</u> |

Total amortization and depreciation expense was \$62,371 and \$132,962 in 2019 and 2018, respectively.

**THE THOMAS B. FORDHAM FOUNDATION, INC. AND  
THE THOMAS B. FORDHAM INSTITUTE, INC.  
Notes to Financial Statements**

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6. Property and Equipment (continued)

Furniture and Equipment

Furniture and equipment are recorded at cost when purchased and are depreciated using the straight-line method over the estimated useful life of the asset. Upon disposal, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is reflected in the statement of activities.

At December 31, 2019 and 2018, furniture and equipment consisted of the following:

|                                | <u>2019</u>      | <u>2018</u>      |
|--------------------------------|------------------|------------------|
| Furniture and Equipment        | \$ 261,472       | \$ 232,338       |
| Less: Accumulated Depreciation | <u>(224,879)</u> | <u>(219,732)</u> |
| Total, Furniture and Equipment | <u>\$ 36,593</u> | <u>\$ 12,606</u> |

Total depreciation expense was \$5,147 and \$4,733 in 2019 and 2018, respectively.

7. Bonds Payable and Bond Issuance Costs

In 2007, the Foundation participated in the District of Columbia's tax-exempt bond program to help with the financing of its building purchase. The original amount financed through a letter of credit with a financial institution was \$6,300,000, which expired on April 13, 2018. The Foundation redeemed the 2007 bond issuance in December 2017 and issued \$6,426,000 of District of Columbia Revenue Bonds (Thomas B Fordham Foundation Issue) Series 2017. Effective December 1, 2017, the Foundation entered into a letter of credit agreement with SunTrust Bank for \$6,426,000. Under the agreement, the bank purchased the 2017 bonds and agreed to hold them as non-bank qualified tax-exempt debt. The bonds have a twelve year term and carry a variable interest rate. The costs associated with the original bond issuance were fully amortized in 2017. The costs associated with the new bond issuance have been classified as bond issuance costs on the consolidated statement of financial position and are being amortized over twelve years. As part of the terms of the letter of credit, the Foundation is required to make principal payments of \$26,887 per month beginning February 1, 2018 along with the required interest.

**THE THOMAS B. FORDHAM FOUNDATION, INC. AND  
THE THOMAS B. FORDHAM INSTITUTE, INC.  
Notes to Financial Statements**

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7. Bonds Payable and Bond Issuance Costs (continued)

The principal payments under the letter of credit are as follows:

|                     |                         |
|---------------------|-------------------------|
| 2020                | 322,644                 |
| 2021                | 322,644                 |
| 2022                | 322,644                 |
| 2023                | 322,644                 |
| 2024 and thereafter | <u>1,917,023</u>        |
| <br>Total           | <br><u>\$ 3,207,599</u> |

In a separate agreement with SunTrust Bank dated September 1, 2007, the Foundation arranged to fix its monthly interest payments with an “interest rate swap” at a base rate of 3.89% per annum. This agreement resulted in a loss of \$565,547 in 2019 and a gain of \$342,727 in 2018, respectively. At December 31, 2019 and 2018, the liability associated with the swap agreement was valued at \$2,561,843 and \$1,996,296, respectively. The value of this interest rate swap is based on an estimate from SunTrust and is treated as a derivative instrument in accordance with Accounting Standards Codification 815. The liability reported by SunTrust does not necessarily reflect Fordham’s true cost should it wish to terminate the swap agreement.

The Foundation’s interest expense for 2019 and 2018 was \$302,192 and \$338,972, respectively.

There are a number of financial and operating covenants associated with the bonds and with the Bank’s participation in the project. The Foundation was in compliance with all material terms and conditions of the debt instruments as of December 31, 2019. During 2019, the Foundation sold one of the floors in the office building. From the sales proceeds, the Foundation paid off \$2,600,000 of the outstanding bonds payable.

8. Commitments

The organization leases office space in Dayton and Columbus, Ohio, expiring in 2024 and 2021 respectively. The organization has operating leases for office equipment expiring in 2022.

The future minimum lease payments under these leases are as follows:

|                     |                       |
|---------------------|-----------------------|
| 2020                | 85,338                |
| 2021                | 60,765                |
| 2022                | 52,837                |
| 2023                | 37,015                |
| 2024 and thereafter | <u>24,922</u>         |
| <br>Total           | <br><u>\$ 260,877</u> |



**THE THOMAS B. FORDHAM FOUNDATION, INC. AND  
THE THOMAS B. FORDHAM INSTITUTE, INC.  
Notes to Financial Statements**

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8. Commitments (continued)

Occupancy expense consisted primarily of mortgage interest, small purchases of equipment, condominium association fees, real estate taxes, and rent expense on the organization's previous office location. Total occupancy expense was \$563,271 and \$662,396 in 2019 and 2018, respectively.

The organization has capital call commitments in connection to their alternative investments. As of December 31, 2019, total capital commitments are \$9,750,750 for the Foundation with none existing for the Institute.

9. Net Assets with donor restrictions

At December 31, net assets with donor restrictions were available for the following purposes:

|  | <u>2019</u> | <u>2018</u> |
|--|-------------|-------------|
| Catholic Schools and Noncognitive Skills | \$ 20,899   | \$ 23,315   |
| Choice Support                           | --          | (16,104)    |
| Civics & History SoSS                    | 130,411     | --          |
| College Wage Premium                     | 83,599      | 147,862     |
| Common Core Commentary                   | --          | 74,000      |
| Core Knowledge Event                     | 3,577       | 3,577       |
| CTE Labor Market Demand                  | --          | 110,319     |
| CTE Commentary                           | --          | 18,433      |
| Dayton Area School Reform                | 20,000      | 20,000      |
| Discipline Policy – NYC                  | --          | 97,113      |
| Education 2020                           | 80,498      | --          |
| EEPS                                     | 27,555      | 18,631      |
| ELA Curriculum                           | 2,945       | 173,544     |
| EOCs Student Accountability              | 14,374      | 96,475      |
| FL Standards Review                      | 23,272      | --          |
| Gifted Education Policies                | 11,694      | 11,694      |
| Grade Inflation                          | 25,594      | 25,594      |
| High-Achieving Elementary Schools        | 159,976     | 390,041     |
| International Frameworks                 | 40,771      | 40,771      |
| Knowledge Matters Campaign               | 60          | 60          |
| Learning Science Commentary              | --          | 60,000      |
| Leveraging ESSA                          | 16,098      | 16,098      |
| Moonshot for Kids                        | 35,744      | --          |
| Ohio Charter School<br>Implementation    | 5,000       | 5,000       |

**THE THOMAS B. FORDHAM FOUNDATION, INC. AND  
THE THOMAS B. FORDHAM INSTITUTE, INC.  
Notes to Financial Statements**

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9. Net Assets with donor restrictions (continued)

|                                 |                   |                     |
|---------------------------------|-------------------|---------------------|
| Ohio Public Conferences         | 2,294             | 2,294               |
| Ohio School Choice              | 104,478           | 117,465             |
| Ohio School Closures            | 8,960             | 8,960               |
| Ohio Speakers                   | 566               | 566                 |
| Ohio Standards Coalition        | (8)               | (8)                 |
| Parent Segmenting               | 16,623            | 16,623              |
| Personalized Pacing Commentary  | 2,650             | 60,000              |
| Red Tape, Fear or Fallacy       | 28,743            | 28,743              |
| Research ED                     | 5,910             | --                  |
| Rochester Charter Schools       | 10,175            | --                  |
| School Quality in Cincinnati    | 8,000             | --                  |
| State Pensions                  | 395               | 395                 |
| Stretching the School Dollar II | 55,711            | 97,383              |
| Tough Graders                   | <u>10,407</u>     | <u>--</u>           |
| Total                           | <u>\$ 956,971</u> | <u>\$ 1,648,844</u> |

10. Conditional Promises to Give

At December 31, 2019 and 2018, the Organization had \$436,069 and \$927,500, respectively, of promises to give that were made to the Organization, which were conditional on the Organization achieving certain goals. These promises will not be recognized as receivables or revenue until the conditions on which they depend are substantially satisfied.

11. Pension Plan

The Organization has a defined contribution retirement savings plan, which covers all employees who have at least six months of service. Effective November 15, 2011, all new employees will be subject to a revised vesting schedule with contributions fully vesting after three years of service. The Organization contributes, on behalf of each eligible employee, an amount equal to 12% of that employee's salary. In 2019 and 2018, contributions to the retirement plan were \$287,366 and \$279,334, respectively.

12. Related Parties

The Organization retains a law firm affiliated with a member of the Organization's Board of Trustees. The Organization paid \$34,543 and \$59,181 in fees to this firm in 2019 and 2018, respectively.

**THE THOMAS B. FORDHAM FOUNDATION, INC. AND  
THE THOMAS B. FORDHAM INSTITUTE, INC.  
Notes to Financial Statements**

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13. Liquidity

The Organization monitors liquidity required to meet its operating needs and other contractual commitments. The Organization's primary source of liquidity at its disposal consists of cash, short-term investments, receivables, equity securities and fixed income securities.

The following table reflects the Organization's financial assets as of December 31, 2018, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date.

|   |                     |
|---|---------------------|
| Cash  | \$ 809,878          |
| Short-term investments  | 332,943             |
| Grants and accounts receivable                                | 532,181             |
| Equity securities   | 29,464,138          |
| Fixed income securities                                       | <u>3,476,492</u>    |
| Total financial assets  | 34,615,632          |
| Less: Accounts payable  | (207,763)           |
| Bonds payable, current portion                                | <u>(322,644)</u>    |
| Financial assets available to meet cash needs within one year | <u>\$34,085,225</u> |

14. Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Foundation and the Institute are exempt from federal income taxes other than on unrelated business income. At December 31, 2019 and 2018, no provision for income taxes was made as the Organization had no net unrelated business income. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition on the financial statements.

15. Subsequent Events

In preparing these financial statements, the Thomas B. Fordham Foundation and Institute have evaluated events and transactions for potential recognition or disclosure through August 31, 2020, the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further disclosure.

SUPPLEMENTAL INFORMATION

**THE THOMAS B. FORDHAM FOUNDATION, INC.**  
**SCHEDULE OF FINANCIAL POSITION**  
**December 31, 2019 and 2018**  
**(EXCLUDING THE THOMAS B. FORDHAM INSTITUTE, INC.)**

|   | <u>ASSETS</u>        |                      |
|---|----------------------|----------------------|
|   | <u>2019</u>          | <u>2018</u>          |
| Current Assets  |                      |                      |
| Cash  | \$ 450,077           | \$ 302,093           |
| Short-term investments  | 297,207              | 703,145              |
| Accounts receivable from Fordham Institute  | 840,947              | 224,723              |
| Other accounts receivable   | 83,750               | 178,546              |
| Other assets  | <u>12,918</u>        | <u>12,918</u>        |
| Total Current Assets  | 1,684,899            | 1,421,425            |
| Long-term investments   | 54,246,207           | 47,957,716           |
| Building and improvements, net of accumulated depreciation of \$1,216,104 and \$1,717,277 | 2,334,487            | 2,396,858            |
| Bond issuance costs, net of accumulated amortization of \$26,484 and \$706                | 257,068              | 282,845              |
| Furniture and equipment, net of accumulated depreciation of \$219,732 and \$219,061       | 36,593               | 12,606               |
| Assets held for sale  | <u>--</u>            | <u>2,600,000</u>     |
| Total Assets  | <u>\$ 58,559,254</u> | <u>\$ 54,671,450</u> |
| <u>LIABILITIES AND NET ASSETS</u>   |                      |                      |
| Current Liabilities   |                      |                      |
| Accounts payable  | \$ 195,177           | \$ 219,054           |
| Bonds payable, current portion  | <u>322,644</u>       | <u>322,644</u>       |
| Total Current Liabilities   | 517,821              | 541,698              |
| Obligation due to interest rate swap  | 2,561,843            | 1,996,296            |
| Bonds payable, long-term portion  | <u>2,883,955</u>     | <u>5,807,599</u>     |
| Total Liabilities   | 5,963,619            | 8,345,593            |
| Net Assets - Without Donor Restrictions   | <u>52,595,635</u>    | <u>46,325,857</u>    |
| Total Net Assets  | <u>52,595,635</u>    | <u>46,325,857</u>    |
| Total Liabilities and Net Assets  | <u>\$ 58,559,254</u> | <u>\$ 54,671,450</u> |

See accompanying independent auditor's report.

**THE THOMAS B. FORDHAM FOUNDATION, INC.**  
**SCHEDULE OF ACTIVITIES**  
**For the Years Ended December 31, 2019 and 2018**  
**(EXCLUDING THE THOMAS B. FORDHAM INSTITUTE, INC.)**

|   | <u>2019</u>          | <u>2018</u>          |
|---|----------------------|----------------------|
| Change in net assets without donor restrictions   |                      |                      |
| Revenue   |                      |                      |
| Investment income/(loss), net of investment expenses  | \$ 7,963,693         | \$ (1,968,017)       |
| Grants and contributions  | 60                   | --                   |
| Program service fees  | 721,244              | 706,838              |
| Other income  | 4,061                | 78                   |
| Total revenue without donor restrictions  | <u>8,689,058</u>     | <u>(1,261,101)</u>   |
| Expenses  |                      |                      |
| Program Services  |                      |                      |
| National  | 319,287              | 604,212              |
| Ohio  | 869,403              | 821,070              |
| Management and general  | <u>665,043</u>       | <u>314,361</u>       |
| Total Expenses  | <u>1,853,733</u>     | <u>1,739,643</u>     |
| Change in net assets without donor restrictions before<br>gain on interest rate swap and assets held for sale | 6,835,325            | (3,000,744)          |
| Gain/(loss) on interest rate swap   | (565,547)            | 342,727              |
| Gain on assets held for sale  | <u>--</u>            | <u>382,698</u>       |
| Total change in net assets without donor restrictions   | 6,269,778            | (2,275,319)          |
| Net assets, beginning of year   | <u>46,325,857</u>    | <u>48,601,176</u>    |
| Net assets, end of year   | <u>\$ 52,595,635</u> | <u>\$ 46,325,857</u> |

See accompanying independent auditor's report.

**THE THOMAS B. FORDHAM FOUNDATION, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2019  
**(EXCLUDING THE THOMAS B. FORDHAM INSTITUTE, INC.)**

|                                    | Program           |                   |                     | Management<br>& General | Total<br>Expenses   |
|------------------------------------|-------------------|-------------------|---------------------|-------------------------|---------------------|
|                                    | National          | Ohio              | Total               |                         |                     |
| Salaries                           | \$ 144,169        | \$ 390,506        | \$ 534,675          | \$ 231,429              | \$ 766,104          |
| Moving expenses                    | --                | --                | --                  | 216,409                 | 216,409             |
| Grants                             | 5,250             | 166,667           | 171,917             | -                       | 171,917             |
| Depreciation and amortization      | 35,452            | 30,321            | 65,773              | 27,522                  | 93,295              |
| Occupancy                          | 56,098            | 47,979            | 104,077             | 43,550                  | 147,627             |
| Other employee benefits            | 30,443            | 43,349            | 73,792              | 11,251                  | 85,043              |
| Pension plan contributions         | 28,008            | 36,120            | 64,128              | 14,111                  | 78,239              |
| Travel                             | --                | 20,454            | 20,454              | --                      | 20,454              |
| Legal fees                         | --                | 16,359            | 16,359              | 49,180                  | 65,539              |
| Payroll taxes                      | 9,928             | 25,662            | 35,590              | 15,001                  | 50,591              |
| Accounting fees                    | --                | --                | --                  | 39,779                  | 39,779              |
| Contracts                          | --                | 29,004            | 29,004              | 836                     | 29,840              |
| Website and IT                     | 850               | 24,148            | 24,998              | --                      | 24,998              |
| Insurance                          | --                | 14,884            | 14,884              | --                      | 14,884              |
| Supplies                           | --                | 4,746             | 4,746               | 5,059                   | 9,805               |
| Miscellaneous                      | 1,898             | 4,567             | 6,465               | 3,222                   | 9,687               |
| Temps/Interns                      | 3,660             | 3,131             | 6,791               | 2,842                   | 9,633               |
| Equipment rental and maintenance   | --                | 5,959             | 5,959               | 195                     | 6,154               |
| Conferences, conventions, meetings | 1,938             | 3,053             | 4,991               | --                      | 4,991               |
| Telephone                          | 1,593             | 1,363             | 2,956               | 1,237                   | 4,193               |
| Other professional fees            | --                | --                | --                  | 2,720                   | 2,720               |
| Postage and shipping               | --                | 961               | 961                 | 529                     | 1,490               |
| Printing and publications          | --                | 170               | 170                 | 171                     | 341                 |
|                                    |                   |                   |                     |                         |                     |
| <b>Total</b>                       | <b>\$ 319,287</b> | <b>\$ 869,403</b> | <b>\$ 1,188,690</b> | <b>\$ 665,043</b>       | <b>\$ 1,853,733</b> |

See accompanying independent auditor's report.

**THE THOMAS B. FORDHAM FOUNDATION, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2018  
**(EXCLUDING THE THOMAS B. FORDHAM INSTITUTE, INC.)**

|                                    | <u>Program</u>    |                   |                     | <u>Management<br/>&amp; General</u> | <u>Total<br/>Expenses</u> |
|------------------------------------|-------------------|-------------------|---------------------|-------------------------------------|---------------------------|
|                                    | <u>National</u>   | <u>Ohio</u>       | <u>Total</u>        |                                     |                           |
| Salaries                           | \$ 326,632        | \$ 390,484        | \$ 717,116          | \$ 42,000                           | \$ 759,116                |
| Occupancy                          | 66,657            | 57,010            | 123,667             | 51,747                              | 175,414                   |
| Depreciation and amortization      | 62,120            | 50,286            | 112,405             | 47,005                              | 159,411                   |
| Other employee benefits            | 66,064            | 78,979            | 145,043             | 8,495                               | 153,538                   |
| Legal fees                         | 2,719             | 14,287            | 17,006              | 63,933                              | 80,939                    |
| Pension plan contributions         | 33,581            | 40,146            | 73,727              | 4,318                               | 78,045                    |
| Payroll taxes                      | 21,792            | 26,052            | 47,843              | 2,802                               | 50,645                    |
| Grants                             | 11,395            | 33,500            | 44,895              | -                                   | 44,895                    |
| Contracts                          | --                | 42,690            | 42,690              | 1,162                               | 43,852                    |
| Travel                             | --                | 24,790            | 24,790              | 18,237                              | 43,027                    |
| Accounting fees                    | --                | --                | --                  | 37,000                              | 37,000                    |
| Insurance                          | 5,634             | 22,478            | 28,112              | 4,427                               | 32,539                    |
| Website and IT                     | 518               | 25,774            | 26,292              | 407                                 | 26,699                    |
| Other professional fees            | --                | --                | --                  | 16,097                              | 16,097                    |
| Temps/Interns                      | 3,585             | 3,066             | 6,651               | 2,783                               | 9,434                     |
| Miscellaneous                      | 250               | 3,946             | 4,196               | 4,761                               | 8,956                     |
| Supplies                           | --                | 2,228             | 2,228               | 4,504                               | 6,732                     |
| Conferences, conventions, meetings | 1,537             | 497               | 2,034               | 3,149                               | 5,183                     |
| Telephone                          | 1,702             | 1,456             | 3,158               | 1,321                               | 4,479                     |
| Postage and shipping               | 27                | 3,034             | 3,061               | 280                                 | 3,341                     |
| Printing and publications          | --                | 313               | 313                 | 97                                  | 410                       |
| Equipment rental and maintenance   | --                | 57                | 57                  | (165)                               | (108)                     |
| <b>Total</b>                       | <b>\$ 604,212</b> | <b>\$ 821,070</b> | <b>\$ 1,425,282</b> | <b>\$ 314,361</b>                   | <b>\$ 1,739,643</b>       |

See accompanying independent auditor's report.



**THE THOMAS B. FORDHAM INSTITUTE, INC.**  
**SCHEDULE OF FINANCIAL POSITION**  
**December 31, 2019 and 2018**  
**(EXCLUDING THE THOMAS B. FORDHAM FOUNDATION, INC.)**

|                        | <u>ASSETS</u>       |                     |
|------------------------|---------------------|---------------------|
|                        | <u>2019</u>         | <u>2018</u>         |
| Current Assets         |                     |                     |
| Cash                   | \$ 359,801          | \$ 1,110,203        |
| Short-term investments | 35,736              | 38,448              |
| Grants receivable      | 448,431             | 500,000             |
| Other assets           | <u>2,654</u>        | <u>2,654</u>        |
| Total Current Assets   | 846,622             | 1,651,305           |
| Long-term investments  | <u>7,594,526</u>    | <u>6,717,011</u>    |
| Total Assets           | <u>\$ 8,441,148</u> | <u>\$ 8,368,316</u> |

| <u>LIABILITIES AND NET ASSETS</u>       |                     |                     |
|---|---------------------|---------------------|
| Total Liabilities                       |                     |                     |
| Accounts payable to Fordham Foundation  | \$ 840,947          | \$ 224,723          |
| Other accounts payable                  | <u>12,586</u>       | <u>13,810</u>       |
| Total Liabilities                       | 853,533             | 238,533             |
| Net Assets                              |                     |                     |
| Net Assets - Without Donor Restrictions | 6,630,644           | 6,480,939           |
| Net Assets - With Donor Restrictions    | <u>956,971</u>      | <u>1,648,844</u>    |
| Total Net Assets                        | <u>7,587,615</u>    | <u>8,129,783</u>    |
| Total Liabilities and Net Assets        | <u>\$ 8,441,148</u> | <u>\$ 8,368,316</u> |

See accompanying independent auditor's report.

**THE THOMAS B. FORDHAM INSTITUTE, INC.**  
**SCHEDULE OF ACTIVITIES**  
**For the Years Ended December 31, 2019 and 2018**  
**(EXCLUDING THE THOMAS B. FORDHAM FOUNDATION, INC.)**

|  | <u>2019</u>         | <u>2018</u>         |
|--|---------------------|---------------------|
| Change in net assets without donor restrictions  |                     |                     |
| Revenue  |                     |                     |
| Investment income/(loss), net of investment expenses                                   | \$ 1,172,082        | \$ (763,039)        |
| Grants and contributions   | 577,499             | 645,500             |
| Other income   | 5,816               | 2,259               |
| Total revenue without donor restrictions   | <u>1,755,397</u>    | <u>(115,280)</u>    |
| Net assets released from restrictions  |                     |                     |
| Satisfaction of program restrictions   | <u>2,120,502</u>    | <u>1,659,418</u>    |
| Total support without donor restrictions   | 3,875,899           | 1,544,138           |
| Expenses   |                     |                     |
| Program Services   |                     |                     |
| National   | 2,566,349           | 2,476,037           |
| Ohio   | 794,571             | 742,530             |
| Management and general   | 127,064             | 156,653             |
| Fund-raising   | <u>238,210</u>      | <u>256,636</u>      |
| Total Expenses   | <u>3,726,194</u>    | <u>3,631,856</u>    |
| Change in net assets without donor restrictions<br>before loss assets on held for sale | 149,705             | (2,087,718)         |
| Loss on assets held for sale   | <u>--</u>           | <u>(41,660)</u>     |
| Total change in net assets without donor restrictions                                  | <u>149,705</u>      | <u>(2,129,378)</u>  |
| Change in net assets with donor restrictions   |                     |                     |
| Grants and contributions   | 1,428,629           | 1,821,600           |
| Net assets released from restriction   | <u>(2,120,502)</u>  | <u>(1,659,418)</u>  |
| Change in net assets with donor restrictions   | <u>(691,873)</u>    | <u>162,182</u>      |
| Change in net assets   | (542,168)           | (1,967,196)         |
| Net assets, beginning of year  | <u>8,129,783</u>    | <u>10,096,979</u>   |
| Net assets, end of year  | <u>\$ 7,587,615</u> | <u>\$ 8,129,783</u> |

**See accompanying independent auditor's report.**

**THE THOMAS B. FORDHAM INSTITUTE, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2019**  
**(EXCLUDING THE THOMAS B. FORDHAM FOUNDATION, INC.)**

|  | Program             |                   |                     | Management<br>& General | Fund-<br>raising  | Total<br>Expenses   |
|--|---------------------|-------------------|---------------------|-------------------------|-------------------|---------------------|
|  | National            | Ohio              | Total               |                         |                   |                     |
| Salaries                                 | \$ 1,218,001        | \$ 422,166        | \$ 1,640,167        | \$ 42,527               | \$ 147,151        | \$ 1,829,845        |
| Contracts                                | 349,697             | 120,268           | 469,965             | 2,964                   | 210               | 473,139             |
| Occupancy                                | 299,264             | 78,972            | 378,236             | 4,156                   | 33,252            | 415,644             |
| Pension plan contributions               | 139,201             | 48,248            | 187,449             | 4,860                   | 16,817            | 209,126             |
| Other employee benefits                  | 94,775              | 32,849            | 127,624             | 3,309                   | 11,450            | 142,383             |
| Payroll taxes                            | 82,832              | 28,710            | 111,542             | 2,892                   | 10,007            | 124,441             |
| Travel                                   | 80,186              | 11,937            | 92,123              | 16,573                  | 3,202             | 111,898             |
| Grants                                   | 100,000             | 2,000             | 102,000             | -                       | -                 | 102,000             |
| Website and IT                           | 59,775              | 8,609             | 68,384              | 3,014                   | --                | 71,398              |
| Insurance                                | 37,994              | 10,026            | 48,020              | 528                     | 4,222             | 52,770              |
| Legal fees                               | 33,039              | --                | 33,039              | 3,871                   | --                | 36,910              |
| Miscellaneous                            | 9,976               | 4,069             | 14,045              | 14,844                  | 2,089             | 30,978              |
| Printing and publications                | 5,937               | 15,845            | 21,782              | 606                     | 4,273             | 26,661              |
| Supplies                                 | 7,468               | 1,674             | 9,142               | 14,526                  | 159               | 23,827              |
| Telephone                                | 16,139              | 3,541             | 19,680              | --                      | 3,859             | 23,539              |
| Equipment rental and maintenance         | 16,391              | 1,534             | 17,925              | 4,938                   | --                | 22,863              |
| TelephoneConferences, conventions, meeti | 13,668              | 3,607             | 17,275              | 190                     | 1,519             | 18,984              |
| Other professional fees                  | --                  | --                | --                  | 5,391                   | --                | 5,391               |
| Postage and shipping                     | 6                   | 516               | 522                 | 1,875                   | --                | 2,397               |
| Temps/Interns                            | 2,000               | --                | 2,000               | --                      | --                | 2,000               |
| <b>Total</b>                             | <b>\$ 2,566,349</b> | <b>\$ 794,571</b> | <b>\$ 3,360,920</b> | <b>\$ 127,064</b>       | <b>\$ 238,210</b> | <b>\$ 3,726,194</b> |

See accompanying independent auditor's report.

**THE THOMAS B. FORDHAM INSTITUTE, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2018**  
**(EXCLUDING THE THOMAS B. FORDHAM FOUNDATION, INC.)**

|                                    | Program             |                   |                     | Management<br>& General | Fund-<br>raising  | Total<br>Expenses   |
|------------------------------------|---------------------|-------------------|---------------------|-------------------------|-------------------|---------------------|
|                                    | National            | Ohio              | Total               |                         |                   |                     |
| Salaries                           | \$ 1,304,746        | \$ 222,146        | \$ 1,526,892        | \$ 63,573               | \$ 163,433        | \$ 1,753,899        |
| Contracts                          | 344,891             | 231,879           | 576,769             | 4,120                   | --                | 580,889             |
| Occupancy                          | 350,627             | 92,527            | 443,153             | 4,870                   | 38,959            | 486,982             |
| Pension plan contributions         | 149,742             | 25,495            | 175,236             | 7,296                   | 18,757            | 201,289             |
| Payroll taxes                      | 86,314              | 14,696            | 101,010             | 4,206                   | 10,812            | 116,028             |
| Grants                             | -                   | 92,000            | 92,000              | 780                     | -                 | 92,780              |
| Travel                             | 55,064              | 15,053            | 70,117              | 13,185                  | 3,487             | 86,788              |
| Other employee benefits            | 49,587              | 8,443             | 58,029              | 2,416                   | 6,211             | 66,657              |
| Website and IT                     | 32,163              | 5,994             | 38,156              | 2,425                   | 1,589             | 42,170              |
| Equipment rental and maintenance   | 22,810              | 588               | 23,398              | 15,605                  | --                | 39,003              |
| Insurance                          | 27,510              | 7,260             | 34,770              | 382                     | 3,057             | 38,208              |
| Conferences, conventions, meetings | 18,185              | 3,682             | 21,867              | 13,037                  | 1,800             | 36,705              |
| Telephone                          | 15,380              | 4,059             | 19,439              | 214                     | 1,709             | 21,362              |
| Supplies                           | 4,119               | 2,608             | 6,727               | 12,383                  | 34                | 19,144              |
| Printing and publications          | 4,978               | 4,376             | 9,354               | 344                     | 4,799             | 14,497              |
| Miscellaneous                      | 328                 | 6,189             | 6,518               | 4,747                   | 897               | 12,162              |
| Legal fees                         | 2,430               | 4,029             | 6,458               | 828                     | --                | 7,286               |
| Depreciation and amortization      | 5,155               | 1,360             | 6,516               | 72                      | 573               | 7,160               |
| Other professional fees            | --                  | 75                | 75                  | 5,060                   | --                | 5,135               |
| Temps/Interns                      | 2,000               | --                | 2,000               | --                      | --                | 2,000               |
| Postage and shipping               | 9                   | 74                | 82                  | 1,110                   | 520               | 1,713               |
| <b>Total</b>                       | <b>\$ 2,476,037</b> | <b>\$ 742,530</b> | <b>\$ 3,218,567</b> | <b>\$ 156,652</b>       | <b>\$ 256,636</b> | <b>\$ 3,631,856</b> |

See accompanying independent auditor's report.