

**EVANGELICAL COUNCIL FOR  
FINANCIAL ACCOUNTABILITY**

**Winchester, Virginia**

**FINANCIAL REPORT**

**DECEMBER 31, 2023**

## **C O N T E N T S**

	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1 and 2
<b>FINANCIAL STATEMENTS</b>	
Statements of financial position	3
Statements of activities	4 and 5
Statements of functional expenses	6 and 7
Statements of cash flows	8
Notes to financial statements	9-15



50 S. Cameron St,  
Winchester, VA 22601

540.662.3417

YHBcpa.com

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Evangelical Council for Financial Accountability  
Winchester, Virginia

### **Opinion**

We have audited the financial statements of the Evangelical Council for Financial Accountability ("ECFA"), which comprise the statements of financial position as of December 31, 2023 and 2022, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ECFA as of December 31, 2023 and 2022, and the change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ECFA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ECFA'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.

*Yount, Hyde & Barbour, P.C.*

Winchester, Virginia  
February 14, 2024

**EVANGELICAL COUNCIL FOR FINANCIAL ACCOUNTABILITY**

**Statements of Financial Position**

December 31, 2023 and 2022

<b>Assets</b>	<b>2023</b>	<b>2022</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 4,183,800	\$ 3,840,610
Certificates of deposit	760,336	753,121
Grant and pledge receivable	2,235,628	360,628
Other assets	<u>63,066</u>	<u>46,374</u>
Total current assets	<u>7,242,830</u>	<u>5,000,733</u>
<b>Long-Term Assets</b>		
Deferred compensation trust	291,702	337,197
Property, furniture, and equipment, net	<u>1,259,793</u>	<u>1,213,022</u>
Total long-term assets	<u>1,551,495</u>	<u>1,550,219</u>
Total assets	<u><u>\$ 8,794,325</u></u>	<u><u>\$ 6,550,952</u></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 194,521	\$ 195,574
Deferred membership fees	<u>580,900</u>	<u>506,658</u>
Total current liabilities	<u>775,421</u>	<u>702,232</u>
<b>Long-Term Liabilities,</b>		
Liability for deferred compensation	<u>291,702</u>	<u>337,197</u>
Total liabilities	<u>1,067,123</u>	<u>1,039,429</u>
<b>Net Assets</b>		
<b>Net Assets Without Donor Restrictions</b>		
Net investment in property, furniture, and equipment	1,259,793	1,213,022
Board designated cash reserve	1,850,000	1,850,000
Other	<u>2,298,448</u>	<u>1,921,207</u>
	<u>5,408,241</u>	<u>4,984,229</u>
<b>Net Assets With Donor Restrictions</b>	<u>2,318,961</u>	<u>527,294</u>
Total net assets	<u>7,727,202</u>	<u>5,511,523</u>
Total liabilities and net assets	<u><u>\$ 8,794,325</u></u>	<u><u>\$ 6,550,952</u></u>

See Notes to Financial Statements.

**EVANGELICAL COUNCIL FOR FINANCIAL ACCOUNTABILITY**

**Statement of Activities**

For the Year Ended December 31, 2023

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue</b>			
Membership fees	\$ 5,495,346	\$ --	\$ 5,495,346
Contributions	17,430	2,000,000	2,017,430
Publications	22,432	--	22,432
Application fees	32,070	--	32,070
Workshops and webinars	21,767	--	21,767
Interest	156,055	--	156,055
Other revenue and gains	10,991	--	10,991
Net assets released from restriction	208,333	(208,333)	--
Total revenue	5,964,424	1,791,667	7,756,091
<b>Expenses</b>			
Program services:			
Accreditation and education	4,431,200	--	4,431,200
Member services	369,902	--	369,902
	4,801,102	--	4,801,102
Management and general	712,693	--	712,693
Fundraising	26,617	--	26,617
Total expenses	5,540,412	--	5,540,412
Change in net assets	424,012	1,791,667	2,215,679
<b>Net Assets, beginning of year</b>	4,984,229	527,294	5,511,523
<b>Net Assets, end of year</b>	\$ 5,408,241	\$ 2,318,961	\$ 7,727,202

See Notes to Financial Statements.

**EVANGELICAL COUNCIL FOR FINANCIAL ACCOUNTABILITY**

**Statement of Activities**

For the Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue</b>			
Membership fees	\$ 5,143,167	\$ --	\$ 5,143,167
Contributions	15,112	363,442	378,554
Publications	18,276	--	18,276
Application fees	33,750	--	33,750
Workshops and webinars	18,927	--	18,927
Interest	44,367	--	44,367
Other revenue and gains	11,682	--	11,682
Net assets released from restriction	<u>86,148</u>	<u>(86,148)</u>	<u>--</u>
Total revenue	<u>5,371,429</u>	<u>277,294</u>	<u>5,648,723</u>
<b>Expenses</b>			
Program services:			
Accreditation and education	3,599,495	--	3,599,495
Member services	<u>326,204</u>	<u>--</u>	<u>326,204</u>
	3,925,700	--	3,925,700
Management and general	636,774	--	636,774
Fundraising	<u>39,444</u>	<u>--</u>	<u>39,444</u>
Total expenses	<u>4,601,917</u>	<u>--</u>	<u>4,601,917</u>
Change in net assets	769,512	277,294	1,046,806
<b>Net Assets, beginning of year</b>	<u>4,214,717</u>	<u>250,000</u>	<u>4,464,717</u>
<b>Net Assets, end of year</b>	<u>\$ 4,984,229</u>	<u>\$ 527,294</u>	<u>\$ 5,511,523</u>

See Notes to Financial Statements.

**EVANGELICAL COUNCIL FOR FINANCIAL ACCOUNTABILITY**

**Statement of Functional Expenses**  
For the Year Ended December 31, 2023

	<b>Program Services</b>		<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
	<b>Accreditation and Education</b>	<b>Member Services</b>			
Employee costs	\$ 3,247,067	\$ 192,135	\$ 384,268	\$ 19,214	\$ 3,842,684
Fees for service	25,473	--	196,273	--	221,746
Advertising and promotion	359,858	21,353	--	--	381,211
Office expenses	194,584	11,583	23,165	2,316	231,648
Information technology	322,884	19,220	38,439	3,843	384,386
Occupancy	57,259	3,408	6,816	682	68,165
Travel	44,363	21,443	35,411	--	101,217
Conferences, conventions, and meetings	97,950	97,949	--	--	195,899
Depreciation and amortization	47,215	2,811	5,620	562	56,208
Insurance	--	--	22,701	--	22,701
Grants to other organizations	34,000	--	--	--	34,000
Cost of goods sold	547	--	--	--	547
Total	<u>\$ 4,431,200</u>	<u>\$ 369,902</u>	<u>\$ 712,693</u>	<u>\$ 26,617</u>	<u>\$ 5,540,412</u>

See Notes to Financial Statements.



**EVANGELICAL COUNCIL FOR FINANCIAL ACCOUNTABILITY**

**Statement of Functional Expenses**  
For the Year Ended December 31, 2022

	<u>Program Services</u>		<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
	<u>Accreditation and Education</u>	<u>Member Services</u>			
Employee costs	\$ 2,785,319	\$ 165,793	\$ 331,585	\$ 33,159	\$ 3,315,856
Fees for service	42,389	--	191,798	--	234,187
Advertising and promotion	60,624	13,417	--	--	74,041
Office expenses	130,209	7,751	15,501	1,550	155,011
Information technology	295,765	17,606	35,210	3,520	352,101
Occupancy	59,359	3,533	7,067	707	70,666
Travel	63,004	26,657	28,749	--	118,410
Conferences, conventions, and meetings	88,907	88,906	--	--	177,813
Depreciation and amortization	42,680	2,541	5,081	508	50,810
Insurance	--	--	21,783	--	21,783
Grants to other organizations	28,500	--	--	--	28,500
Other expenses	1,399	--	--	--	1,399
Cost of goods sold	1,340	--	--	--	1,340
Total	<u>\$ 3,599,495</u>	<u>\$ 326,204</u>	<u>\$ 636,774</u>	<u>\$ 39,444</u>	<u>\$ 4,601,917</u>

See Notes to Financial Statements.

**EVANGELICAL COUNCIL FOR FINANCIAL ACCOUNTABILITY**

**Statements of Cash Flows**

For the Years Ended December 31, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 2,215,679	\$ 1,046,806
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	56,208	50,810
(Increase) decrease in:		
Grant and pledge receivable	(1,875,000)	(346,183)
Other assets	(16,692)	(4,779)
Deferred compensation trust	45,495	113,220
Increase (decrease) in:		
Accounts payable and accrued expenses	(1,053)	7,378
Deferred membership fees	74,242	45,673
Liability for deferred compensation	(45,495)	(113,220)
Net cash provided by operating activities	453,384	799,705
<b>Cash Flows from Investing Activities</b>		
Purchases of certificate of deposit	(760,336)	(753,121)
Proceeds from redemption of certificate of deposit	753,121	752,630
Purchases of property, furniture, and equipment	(102,979)	(6,442)
Net cash (used in) investing activities	(110,194)	(6,933)
Net change in cash and cash equivalents	343,190	792,772
<b>Cash and Cash Equivalents, beginning of year</b>	3,840,610	3,047,838
<b>Cash and Cash Equivalents, end of year</b>	\$ 4,183,800	\$ 3,840,610

See Notes to Financial Statements.

# EVANGELICAL COUNCIL FOR FINANCIAL ACCOUNTABILITY

## Notes to Financial Statements

### Note 1. Organization and Significant Accounting Policies

#### Organization

Evangelical Council for Financial Accountability ("ECFA") is an association of evangelical, non-profit organizations and churches requiring the highest standards of financial accountability and disclosure to the government, donors, and the world. ECFA issues a seal of membership to each qualifying organization, as well as providing continuing services and information to its members and other like-minded churches and nonprofit organizations. These activities are funded primarily by membership fees.

#### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America applicable to not-for-profit organizations.

#### Basis of Presentation

Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions and reported as follows:

**Net Assets Without Donor Restrictions** - net assets that are not subject to donor-imposed stipulations.

**Net Assets With Donor Restrictions** - net assets subject to donor-imposed stipulations that will be met either by actions of ECFA or the passage of time, or maintained in perpetuity.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of financial instruments with original maturities of 90 days or less. At times, ECFA's cash balances may exceed federally insured limits. ECFA has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

#### Certificates of Deposit

Certificates of deposit are carried at cost plus accrued interest which approximates fair value. The certificates had interest rates of .03% to 3.63% and had maturities from January 25, 2024 to June 27, 2024 as of December 31, 2023.

## Notes to Financial Statements

### Fair Value

ECFA values certain assets at fair value in accordance with a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 - Observable inputs such as quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3 - Unobservable inputs in which there is little or no market data, which require the entity to develop its own assumptions.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no changes in the fair value methodologies used at December 31, 2023 or 2022.

Deferred compensation trust investments consist of mutual funds which fall under Level 1 of the fair value hierarchy.

### Grant and Pledge Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount is computed using risk-free interest rates applicable to the years in which the promises are received (4.04%) and were \$14,372 as of December 31, 2023 and 2022. As of December 31, 2023 and 2022, the grant and pledge receivable balance is \$2,235,628 and \$360,628, respectively. There is no allowance as of December 31, 2023 and 2022.

Amounts due in:

	<u>2023</u>	<u>2022</u>
Less than one year	\$ 2,125,000	\$ 125,000
One to five years	<u>125,000</u>	<u>250,000</u>
	2,250,000	375,000
Less discount	<u>(14,372)</u>	<u>(14,372)</u>
	<u>\$ 2,235,628</u>	<u>\$ 360,628</u>

## Notes to Financial Statements

### Deferred Compensation Trust

ECFA established a Rabbi Trust in 2000 for certain officers of ECFA. The sum of the deferred payments to the trust for a calendar year may not exceed the maximum deferred amount authorized under IRC Section 457(b), adjusted for the calendar year to reflect increases in cost-of-living in accordance with IRC Section 457(e)(15) and 415(d). There were no contributions by ECFA to the trust during the years ended December 31, 2023 and 2022.

### Property, Furniture, and Equipment

Furniture and equipment purchases over \$5,000 are recorded at the original cost and depreciated on a straight-line basis over estimated lives of three to seven years. Software is amortized over a three-year period. The building is depreciated over a period of approximately forty years.

#### *Internal-Use Software Costs*

ECFA capitalizes costs to develop software for internal use incurred during the application development stage. Costs related to preliminary project activities and post implementation activities are expensed as incurred. Once an application has reached the development state, management has authorized and committed to the funding of the software project, it is probable the project will be completed and the software will be used to perform the function intended, internal and external costs, if direct and incremental, are capitalized until the application is substantially complete and ready for its intended use. Internal use software costs are reported with property, furniture, and equipment.

### Revenue Recognition

**Membership Fees** - ECFA membership is voluntary. Fees are based on amounts received by the individual member organizations. Membership fees are recognized as revenue for the calendar year when the accreditation has been approved for renewal subject to the payment of the fee. Membership fees collected in advance are included in deferred revenue.

**Publications** - Publication revenue is recognized when the publication is shipped.

**Contributions** - ECFA recognizes all unconditional contributions received as income in the period received or pledged. Unconditional contributions are reported as with or without donor restriction depending on the absence or existence of donor stipulations that limit the use of the contributions.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

**Application Fees** - Application fees are nonrefundable and are paid by all applicants when applying for membership. Revenue is recognized when an application fee is received.

## Notes to Financial Statements

### Functional Expenses

The costs of providing program services and other activities are summarized on a functional basis in the statements of functional expenses. Certain costs have been allocated among program services, management and general and fundraising. Such allocations have been made by management on an equitable basis. The allocation methodology for each natural classification is as follows:

<u>Expense</u>	<u>Method of Allocation</u>
Employee costs	Time and Effort
Fees for service	Direct Allocation
Advertising and promotion	Direct Allocation
Office expenses	Time and Effort
Information technology	Time and Effort
Occupancy	Time and Effort
Travel	Direct Allocation; Time and Effort
Conferences, conventions, and meetings	Time and Effort
Depreciation and amortization	Time and Effort
Insurance	Direct Allocation
Grants to other organizations	Direct Allocation
Other expenses	Direct Allocation
Cost of goods sold	Direct Allocation

### Advertising Costs

ECFA expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2023 and 2022 was \$381,211 and \$74,041, respectively.

### Income Taxes

ECFA is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, and is classified as an organization that is not a private foundation.

ECFA evaluates uncertainty in income tax positions based on a more-likely-than-not recognition standard. If that threshold is met, the tax position is then measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement. As of December 31, 2023 and 2022, there are no accruals for uncertain tax positions. If applicable, ECFA records interest and penalties as a component of income tax expense. Tax years from 2020 through the current year remain open for examination by tax authorities.

## Notes to Financial Statements

### Use of Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Subsequent Events

Management has evaluated subsequent events for disclosure in these financial statements through February 14, 2024, which is the date the financial statements are available to be issued. ECFA determined that there were no subsequent events that require recognition or disclosure.

### Note 2. Retirement Plan

ECFA sponsors a tax deferred retirement plan pursuant to Section 403(b) of the Internal Revenue Code to provide retirement benefits for all eligible employees. Participating employees may voluntarily contribute up to limits provided by Internal Revenue Service regulations. Annual non-elective contributions are made by ECFA equivalent to 6% of the covered payroll of the participants. Contributions made by ECFA on behalf of the employees for the years ending December 31, 2023 and 2022 were \$145,363 and \$123,425, respectively.

### Note 3. Property, Furniture, and Equipment

Property, furniture and equipment consisted of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land	\$ 277,871	\$ 277,871
Building and improvements	1,527,010	1,436,360
Furniture, equipment, and software	<u>339,482</u>	<u>365,792</u>
Total	2,144,363	2,080,023
Less: Accumulated depreciation and amortization	<u>(884,570)</u>	<u>(867,001)</u>
Total	<u>\$ 1,259,793</u>	<u>\$ 1,213,022</u>

Depreciation and amortization of furniture, equipment and software, for the years ended December 31, 2023 and 2022 was \$16,943 and \$13,190, respectively. Depreciation and amortization of building and improvements was \$39,265 and \$37,620 for the years ended December 31, 2023 and 2022, respectively.

## Notes to Financial Statements

### Note 4. Liquidity and Funds Available

The following reflects ECFA's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	<b>2023</b>	<b>2022</b>
Financial assets:		
Cash and cash equivalents	\$ 4,183,800	\$ 3,840,610
Certificates of deposit	760,336	753,121
Accounts receivable (included in other assets)	16,029	--
Grant and pledge receivable	2,235,628	360,628
Financial assets, at year-end	7,195,793	4,954,359
Less net assets with donor restrictions	2,318,961	527,294
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,876,832	\$ 4,427,065

ECFA's liquidity management structures financial assets to be available as general expenditures, liabilities, and other obligations come due. Financial assets without donor restrictions are considered available to meet needs for general expenditures within one year.

ECFA invests cash in excess of monthly requirements in certificates of deposit.

In 2020, the ECFA Board of Directors approved a board-designated cash reserve equivalent to approximately five months of operating expenses, totaling \$1,850,000. The cash reserve is available for general expenditure upon approval by the Board.

### Note 5. Net Assets With Donor Restrictions

As of December 31, 2023 and 2022, net assets with donor restriction consisted of:

	<b>December 31, 2023</b>			
	<b>With Donor Restrictions at January 1</b>	<b>Contributions</b>	<b>Satisfaction of Donor Restrictions</b>	<b>With Donor Restrictions at December 31</b>
Leadership integrity initiative	\$ --	\$ 2,000,000	\$ --	\$ 2,000,000
Membership growth initiative	360,627	--	125,000	235,627
Church initiative	166,667	--	83,333	83,334
Total	\$ 527,294	\$ 2,000,000	\$ 208,333	\$ 2,318,961



## Notes to Financial Statements

	December 31, 2022			
	With Donor Restrictions at January 1	Contributions	Satisfaction of Donor Restrictions	With Donor Restrictions at December 31
Membership growth initiative	\$ --	\$ 360,627	\$ --	\$ 360,627
Capitol Hill	--	2,815	2,815	--
Church initiative	250,000	--	83,333	166,667
Total	\$ 250,000	\$ 363,442	\$ 86,148	\$ 527,294

The Leadership Integrity Initiative consists of a grant received in 2023 that will be released over several years for the purpose of releasing a new standard to ECFA’s membership and providing leadership resources to serve current members. The membership growth initiative consists of a grant received in 2022 that will be released over several years for the purpose of expanding ECFA’s membership and resources to serve current members. Church initiative funds consist of a grant that will be released over several years for services ECFA offers to those pastoral leaders who are most harshly affected by the pandemic and are underrepresented in ECFA’s programs.

### Note 6. New Accounting Pronouncement

Effective January 1, 2023, ECFA adopted Accounting Standards Update (ASU) No. 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The ASU replaces the incurred loss impairment methodology with a current expected credit losses model for all financial assets measured at amortized cost. Financial assets held by ECFA that are subject to the ASU include accounts receivable. ECFA adopted the standard using a modified retrospective approach as of the effective date. No cumulative-effect adjustment to net assets was required. The adoption of the standard did not have a material impact on the financial statements.

### Note 7. Revenue Concentration

During 2023, ECFA received a significant amount of support from one donor. Support received from this donor amounted to \$2,000,000. There was no concentration of revenue in 2022.