



ISSUE ONE

FINANCIAL STATEMENTS

JUNE 30, 2024





ISSUE ONE

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Issue One

Opinion

We have audited the accompanying financial statements of Issue One (the Organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Auditor's Responsibilities for the Audits of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

Calibre CPA Group, PLLC

Bethesda, MD
February 26, 2025



ISSUE ONE

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 4,254,162	\$ 2,890,229
Contributions receivable	6,385,719	897,641
Due from affiliate	7,135	1,796
Prepaid expenses	<u>39,575</u>	<u>44,450</u>
Total current assets	10,686,591	3,834,116
Noncurrent assets		
Contributions receivable, net of current portion	-	150,000
Property and equipment, net	127,353	132,819
Right-of-use asset - operating lease	1,200,356	1,365,342
Security deposit	<u>29,424</u>	<u>29,424</u>
Total assets	<u>\$ 12,043,724</u>	<u>\$ 5,511,701</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 357,704	\$ 259,396
Accrued vacation	90,935	87,366
Operating lease liability, current portion	<u>188,851</u>	<u>177,953</u>
Total current liabilities	<u>637,490</u>	<u>524,715</u>
Noncurrent liabilities		
Operating lease liability, net of current portion	<u>1,232,749</u>	<u>1,421,600</u>
Total noncurrent liabilities	<u>1,232,749</u>	<u>1,421,600</u>
Total liabilities	<u>1,870,239</u>	<u>1,946,315</u>
Net assets		
Without donor restrictions		
Designated	800,000	800,000
Undesignated	<u>6,142,903</u>	<u>1,505,077</u>
Total without donor restrictions	6,942,903	2,305,077
With donor restrictions	<u>3,230,582</u>	<u>1,260,309</u>
Total net assets	<u>10,173,485</u>	<u>3,565,386</u>
Total liabilities and net assets	<u>\$ 12,043,724</u>	<u>\$ 5,511,701</u>

See accompanying notes to financial statements.

ISSUE ONE

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Foundations and major donors	\$ 8,458,642	\$ 6,066,440	\$ 14,525,082	\$ 1,474,342	\$ 6,307,209	\$ 7,781,551
Contributed nonfinancial assets	-	-	-	2,645	-	2,645
Other income	302,328	-	302,328	86,738	-	86,738
Net assets released from restrictions	<u>4,096,167</u>	<u>(4,096,167)</u>	<u>-</u>	<u>6,295,135</u>	<u>(6,295,135)</u>	<u>-</u>
Total support and revenue	<u>12,857,137</u>	<u>1,970,273</u>	<u>14,827,410</u>	<u>7,858,860</u>	<u>12,074</u>	<u>7,870,934</u>
Expenses						
Program services						
Public Education and Advocacy	4,912,121	-	4,912,121	5,455,512	-	5,455,512
Congressional Leadership and Engagement	1,135,973	-	1,135,973	923,830	-	923,830
Field Capacity Building	<u>68,493</u>	<u>-</u>	<u>68,493</u>	<u>98,018</u>	<u>-</u>	<u>98,018</u>
Total program services	<u>6,116,587</u>	<u>-</u>	<u>6,116,587</u>	<u>6,477,360</u>	<u>-</u>	<u>6,477,360</u>
Supporting services						
Management and general	1,141,484	-	1,141,484	1,021,923	-	1,021,923
Fund raising	<u>961,240</u>	<u>-</u>	<u>961,240</u>	<u>664,466</u>	<u>-</u>	<u>664,466</u>
Total supporting services	<u>2,102,724</u>	<u>-</u>	<u>2,102,724</u>	<u>1,686,389</u>	<u>-</u>	<u>1,686,389</u>
Total expenses	<u>8,219,311</u>	<u>-</u>	<u>8,219,311</u>	<u>8,163,749</u>	<u>-</u>	<u>8,163,749</u>
Change in net assets	4,637,826	1,970,273	6,608,099	(304,889)	12,074	(292,815)
Fiscal sponsor transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,014,200)</u>	<u>-</u>	<u>(2,014,200)</u>
Change in net assets after transfers	4,637,826	1,970,273	6,608,099	(2,319,089)	12,074	(2,307,015)
Net assets						
Beginning of year	<u>2,305,077</u>	<u>1,260,309</u>	<u>3,565,386</u>	<u>4,624,166</u>	<u>1,248,235</u>	<u>5,872,401</u>
End of year	<u>\$ 6,942,903</u>	<u>\$ 3,230,582</u>	<u>\$ 10,173,485</u>	<u>\$ 2,305,077</u>	<u>\$ 1,260,309</u>	<u>\$ 3,565,386</u>

See accompanying notes to financial statements.

ISSUE ONE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Services							Common Costs	Total
	Safeguarding Democracy Together	Reshaping the Digital Information Landscape for Democracy in the Digital Age	Fostering Congressional Leadership and Bipartisan Engagement	Total	Management and General	Fund Raising			
Salaries and fringe benefits	\$ 1,396,362	\$ 637,247	\$ 43,541	\$ 2,077,150	\$ 839,729	\$ 633,490	\$ 30,210	\$ 3,580,579	
Communications	280,422	7,000	-	287,422	5,430	43,697	42,208	378,757	
Consulting services	506,917	372,834	13,537	893,288	30,830	176,040	34,836	1,134,994	
Equipment and furnishings	-	-	-	-	-	-	47,255	47,255	
Occupancy and operating	14,517	3,372	-	17,889	36,429	4,755	280,102	339,175	
Professional services	2,288,116	-	-	2,288,116	113,242	11,488	32,156	2,445,002	
Travel costs	204,932	17,656	3,863	226,451	25,128	23,234	19,375	294,188	
Allocation of common costs	220,855	97,864	7,552	326,271	90,696	68,536	(485,503)	-	
Allocation of common costs to related organization	-	-	-	-	-	-	(639)	(639)	
	<u>\$ 4,912,121</u>	<u>\$ 1,135,973</u>	<u>\$ 68,493</u>	<u>\$ 6,116,587</u>	<u>\$ 1,141,484</u>	<u>\$ 961,240</u>	<u>\$ -</u>	<u>\$ 8,219,311</u>	

See accompanying notes to financial statements.

ISSUE ONE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023

	Program Services							Total
	Safeguarding Democracy Together	Reshaping the Digital Information Landscape for Democracy in the Digital Age	Fostering Congressional Leadership and Bipartisan Engagement	Total	Management and General	Fund Raising	Common Costs	
Salaries and fringe benefits	\$ 1,270,612	\$ 455,331	\$ 29,985	\$ 1,755,928	\$ 604,084	\$ 509,814	\$ 29,323	\$ 2,899,149
Communications	502,584	18,557	17,107	538,248	1,848	30,984	21,917	592,997
Consulting services	231,576	350,162	41,934	623,672	66,892	37,386	19,552	747,502
Equipment and furnishings	7,572	-	-	7,572	6,161	-	32,155	45,888
Occupancy and operating	18,567	435	-	19,002	146,963	1,802	265,899	433,666
Professional services	3,078,264	-	-	3,078,264	83,537	9,970	24,693	3,196,464
Travel costs	137,911	33,727	2,553	174,191	31,171	11,996	34,176	251,534
Allocation of common costs	208,426	65,618	6,439	280,483	81,267	62,514	(424,264)	-
Allocation of common costs to related organization	-	-	-	-	-	-	(3,451)	(3,451)
	<u>\$ 5,455,512</u>	<u>\$ 923,830</u>	<u>\$ 98,018</u>	<u>\$ 6,477,360</u>	<u>\$ 1,021,923</u>	<u>\$ 664,466</u>	<u>\$ -</u>	<u>\$ 8,163,749</u>

See accompanying notes to financial statements.



ISSUE ONE

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ 6,608,099	\$ (2,307,015)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	31,103	24,494
Loss on disposal of property and equipment	-	5,255
Right-of-use asset amortization	164,986	161,166
Changes in assets		
Contributions receivable	(5,338,078)	(471,371)
Due from affiliate	(5,339)	(904)
Prepaid expenses	4,875	(29,216)
Security deposit	-	19,813
Changes in liabilities		
Accounts payable	98,308	(96,640)
Accrued vacation	3,569	23,156
Operating lease liability	<u>(177,953)</u>	<u>(43,497)</u>
Net cash provided by (used for) operating activities	<u>1,389,570</u>	<u>(2,714,759)</u>
Cash flows from investing activities		
Purchases of property and equipment	<u>(25,637)</u>	<u>(124,320)</u>
Net cash used for investing activities	<u>(25,637)</u>	<u>(124,320)</u>
Net change in cash and cash equivalents	1,363,933	(2,839,079)
Cash and cash equivalents		
Beginning of year	<u>2,890,229</u>	<u>5,729,308</u>
End of year	<u>\$ 4,254,162</u>	<u>\$ 2,890,229</u>

See accompanying notes to financial statements.



ISSUE ONE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Issue One (the Organization) is a nonprofit advocacy organization that advances political reforms that strengthen democracy. We unite Republicans, Democrats, and Independents in the movement to increase transparency, strengthen ethics and accountability, reduce the influence of big money in politics, and to protect U.S. elections. We are dedicated to building a cross partisan movement, educating the public and decision-makers on Capitol Hill, and passing bipartisan legislation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Accordingly, revenues from exchange transactions are recognized when earned, contribution revenues are recognized when received, and expenses are recognized when incurred.

Financial Statement Presentation - Financial statement presentation follows the recommendations of U.S. generally accepted accounting principles in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), *Not-for-Profit Entities - Presentation of Financial Statements*. Under those principles, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions - These net assets are available to finance the general operations of the Organization. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in its organizing documents.

Net assets with donor restrictions - These net assets result from contributions and other inflows of assets, the use of which by the Organization is limited by donor-imposed time or purpose restrictions that are either temporary or perpetual. As of June 30, 2024 and 2023, the Organization had no net assets subject to perpetual donor restrictions.

Cash Equivalents - For reporting purposes, the Organization considers all investments with original maturities of three months or less to be cash equivalents.



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions Receivable - Unconditional promises to give that are expected to be collected within one year are reported at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are generally reported at fair value, which is measured as the net present value of their expected future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received, and amortization of the discounts is included in contribution revenue. For the years ended June 30, 2024 and 2023, such discounts were not considered material to the financial statements and so were not recorded. Management evaluated the collectability of all contributions receivable and determined that no allowance for uncollectible amounts was necessary at June 30, 2024 and 2023.

Short-Term Investments - The Organization at times receives gifts of donated securities. Such securities are held temporarily in a brokerage account until they can be sold, and the proceeds transferred to an operating cash account. The fair value is based on the published closing price of the securities as reported on a national exchange.

Property and Equipment - Office furniture, equipment, and website development costs are capitalized at cost or fair value at date of gift (if donated), and depreciated on a straight-line basis over their estimated useful lives, generally five years. Leasehold improvements are capitalized and depreciated or amortized over the shorter of their estimated useful lives or the terms of the respective leases.

Operating Lease - In its statements of financial position, the Organization records a right-of-use asset and lease liability, initially measured at the present value of total lease payments using a risk-free rate that approximates the remaining term of the lease. The Organization considers the likelihood of exercising renewal or termination clauses in measuring its right-of-use assets and lease liabilities. A single lease cost is calculated so that the cost of the lease is allocated over the lease term on straight-line basis. Short-term leases (those with an initial term of twelve months or less and no purchase option) are expensed over their terms, with no corresponding right-of-use asset or lease liability recorded. The Organization does not separate non-lease components from lease components in determining the lease payments for leases of office equipment.

Revenue Recognition - Revenue is derived principally from contribution transactions. Unconditional contributions are recognized upon receipt of cash or other assets, or when a donor promises to transfer cash or other assets in the future. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return or release, are not recognized until the conditions on which they depend have been substantially met.

Contributions received are reported as increases in net assets without donor restrictions unless received with donor stipulations that require the assets be used for specific purposes or in specific time periods. All donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses - The costs of providing the various programs and supporting activities of the Organization have been summarized on a functional basis in the statements of activities and functional expenses. Costs that can be specifically identified with a final cost objective are charged directly to that activity. Other costs are allocated among the program and supporting services benefited based on management's best estimates. Salaries and related fringe benefits are allocated based on employee time and effort studies. Information technology costs are allocated based on the relative benefit of related activity use. Other common costs such as occupancy, depreciation and related infrastructure costs are allocated based on employee time and effort studies.

Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

NOTE 3. TAX STATUS

The Organization is exempt from federal income taxes as a public charity described in Section 501(c)(3) of the Internal Revenue Code based on a determination letter received from the Internal Revenue Service dated March 3, 2014.

The Organization accounts for income taxes in accordance with the ASC Topic *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The management of the Organization performed an evaluation of uncertain tax positions for the years ended June 30, 2024 and 2023, and determined that there were no matters that would require recognition in the financial statements or that may have an effect on its tax-exempt status. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in unrelated business income tax expense.

NOTE 4. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization has the ability, upon approval by the Executive Committee of the Board of Directors, to access amounts designated to help meet unexpected cash flow challenges in the amount of \$800,000 as of June 30, 2024 and 2023.



NOTE 4. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (CONTINUED)

The following table represents the Organization's financial assets available to meet cash needs for general expenditures within one year of June 30, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Total financial assets at end of year		
Cash and cash equivalents	\$ 4,254,162	\$ 2,890,229
Contributions receivable	6,385,719	1,047,641
Due from affiliate	<u>7,135</u>	<u>1,796</u>
	10,647,016	3,939,666
Less: amounts not available for general expenditures coming due within one year		
Amounts subject to donor purpose restrictions	(2,205,582)	(810,309)
Amounts subject to donor time restrictions	(1,025,000)	(450,000)
Board designated amounts	<u>(800,000)</u>	<u>(800,000)</u>
Total financial assets available for general expenditures coming due within one year	<u>\$ 6,616,434</u>	<u>\$ 1,879,357</u>

NOTE 5. DUE TO/FROM AFFILIATE

The Organization shares resources with Issue One Action, an independent and autonomous organization with overlapping governing board members. Shared resources include but are not limited to salaries and benefits, occupancy, and communications. The cost of these shared resources is paid for by the Organization and then allocated to Issue One Action on the basis of time and resource utilization studies. Total expenses allocated to Issue One Action were \$639 and \$3,451 for the years ended June 30, 2024 and 2023, respectively.

Issue One Action owed the Organization \$7,135 and \$1,796 as of June 30, 2024 and 2023, respectively, in connection with these shared expenses.

NOTE 6. CONTRIBUTIONS RECEIVABLE

Contributions receivable as of June 30, 2024 and 2023, are due as follows:

	<u>2024</u>	<u>2023</u>
Due in less than one year	\$ 6,385,719	\$ 897,641
Due in one to five years	<u>-</u>	<u>150,000</u>
	<u>\$ 6,385,719</u>	<u>\$ 1,047,641</u>

NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 160,705	\$ 146,729
Leasehold improvements	95,843	84,182
Software	62,922	62,922
Website development	<u>18,750</u>	<u>18,750</u>
	338,220	312,583
Less: accumulated depreciation and amortization	<u>(210,867)</u>	<u>(179,764)</u>
	<u>\$ 127,353</u>	<u>\$ 132,819</u>

NOTE 8. DESIGNATED NET ASSETS

The Organization's Board of Directors has designated a portion of net assets without donor restrictions to be held in reserve to meet any potential serious, unexpected cash flow challenges. Expenditures must be approved by the Executive Committee of the Board. The amounts so designated as of June 30, 2024 and 2023 were \$800,000.

NOTE 9. NET ASSETS WITH TEMPORARY DONOR RESTRICTIONS

Net assets subject to temporary donor restrictions and changes therein as of and for the year ended June 30, 2024 were subject to restriction as follows:

	<u>2024</u>			
	<u>Beginning of Year</u>	<u>New Contributions</u>	<u>Net Assets Released</u>	<u>End of Year</u>
Public Education and Advocacy				
Council for Responsible Social Media	\$ 211,671	\$ 560,000	\$ 771,671	\$ -
National Council on Election Integrity	-	100,000	100,000	-
Election Integrity & Protection	-	20	20	-
Faces of Democracy	-	600,000	355,071	244,929
Democracy 250	-	150,000	77,679	72,321
Comms Hub	-	1,010,000	402,142	607,858
Our Covenant	92,849	-	92,849	-
CBI	-	547,000	162,272	384,728
Congressional Leadership and Engagement				
Rebuild Congress Initiative	490,664	1,849,420	1,462,184	877,900
Field Capacity Building				
New Mexico Messaging	15,125	50,000	47,279	17,846
Time restrictions only	<u>450,000</u>	<u>1,200,000</u>	<u>625,000</u>	<u>1,025,000</u>
	<u>\$ 1,260,309</u>	<u>\$ 6,066,440</u>	<u>\$ 4,096,167</u>	<u>\$ 3,230,582</u>

NOTE 9. NET ASSETS WITH TEMPORARY DONOR RESTRICTIONS (CONTINUED)

Net assets subject to temporary donor restrictions and changes therein as of and for the year ended June 30, 2023 were subject to restriction as follows:

	2023			
	Beginning of Year	New Contributions	Net Assets Released	End of Year
Public Education and Advocacy				
A More Perfect Union	\$ 131,067	\$ 1,052,778	\$ 1,183,845	\$ -
Council for Responsible Social Media	146,971	983,276	918,576	211,671
Count Every Vote	-	125,000	125,000	-
Keseb	226,745	1,535,000	1,761,745	-
National Council on Integrity	-	100,000	100,000	-
OurCovenant	-	250,000	157,151	92,849
Congressional Leadership and Engagement				
Rebuild Congress Initiative	114,350	1,761,155	1,384,841	490,664
Field Capacity Building				
New Mexico Messaging	29,102	50,000	63,977	15,125
Time restrictions only	<u>600,000</u>	<u>450,000</u>	<u>600,000</u>	<u>450,000</u>
	<u>\$ 1,248,235</u>	<u>\$ 6,307,209</u>	<u>\$ 6,295,135</u>	<u>\$ 1,260,309</u>

NOTE 10. RETIREMENT BENEFITS

The Organization sponsors a Section 401(k) Plan retirement plan for employees. Employees become eligible to participate in the plan after six months of employment, and the plan provides for an employer matching contribution on elective employee deferrals, dollar-for-dollar up to 5% of eligible compensation. Employees are fully vested in all employee and employer contributions to the plan. Total pension expense for the years ended June 30, 2024 and 2023 was \$89,682 and \$66,624, respectively.

NOTE 11. CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets are recorded at estimated fair value as contributed nonfinancial assets in the statements of activities. Contributed nonfinancial assets did not have donor-imposed restrictions. Donated equipment was utilized in management and general activities and valued based on actual cost. A summary of the fair value estimates related to contributed nonfinancial assets follows.

Contributed nonfinancial assets consisted of the following for the years ended June 30, 2024 and 2023:

	2024	2023
Equipment	<u>\$ -</u>	<u>\$ 2,645</u>

NOTE 12. OPERATING LEASE

The Organization conducts its operations from a facility located in Washington, D.C. under an office lease agreement which expires on November 30, 2030. The lease agreement provides for periods of rent abatement and reimbursement of certain moving and leasehold improvement costs.

Operating lease expense totaled \$209,344 for both years ended June 30, 2024 and 2023. The Organization did not have short-term lease expense in 2024 and does not have any finance leases.

Supplemental qualitative information related to operating leases is as follows:

	<u>Year Ended 6/30/2024</u>
Cash paid for amounts included in the measurement of lease liability - operating cash flows	\$ 222,310
Right-of-use asset obtained in exchange for lease obligations	-
Weighted-average remaining lease term (in years)	6.42
Weighted-average discount rate	2.92%

The maturity of the lease liability under the Organization's operating lease, as of June 30, 2024, is as follows:

Year Ending June 30,	2025	\$	227,867
	2026		233,565
	2027		239,403
	2028		245,389
	2029		251,524
	Thereafter		<u>366,784</u>
Undiscounted future cash flows			1,564,532
Less: discount to present value			<u>(142,932)</u>
Total lease liability		\$	<u><u>1,421,600</u></u>



NOTE 13. CONCENTRATIONS

The Organization maintains its cash balances at a single financial institution. Although amounts on deposit may exceed the maximum amount insured by the Federal Deposit Insurance Corporation (FDIC), currently \$250,000, management believes the Organization is not subject to unnecessary risk with respect to its cash balances. As of June 30, 2024, amounts on deposit in excess of the FDIC insurance limits totaled approximately \$3,780,000.

NOTE 14. SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 26, 2025, which is the date the financial statements were available to be issued. This review and evaluation revealed no material event or transaction which would require an adjustment to, or disclosure in, the accompanying financial statements.