

OPENSECRETS

DECEMBER 31, 2023

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OPENSECRETS

DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
OpenSecrets
Washington, D.C.

Opinion

We have audited the accompanying financial statements of OpenSecrets (the Organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Adoption of New Accounting Pronouncement

As discussed in Note 11 to the financial statements, in the year ended December 31, 2023, the Organization adopted Accounting Standards Update No. 2016-13, *Financial Instruments - Credit Losses (Topic 326)*. Our opinion is not modified with respect to this matter.

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.



Board of Directors
OpenSecrets
Washington, D.C.

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 auditing standards generally accepted in the United States of America 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, including omissions, 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 auditing standards generally accepted in the United States of America, 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.

UHY LLP

McLean, Virginia
March 12, 2025

**OPENSECRETS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	1,301,308
Certificate of deposit		586,703
Investments, at fair value		1,363,017
Accounts receivable		8,680
Contributions receivable - current		803,175
Prepaid expenses		82,606
		82,606

TOTAL CURRENT ASSETS \$ 4,145,489

PROPERTY AND EQUIPMENT

Furniture and equipment		339,381
Less - accumulated depreciation		(301,926)
		(301,926)

TOTAL PROPERTY AND EQUIPMENT - NET 37,455

TOTAL ASSETS \$ 4,182,944

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	25,699
Accrued payroll		147,798
Deferred revenue		37,827
		37,827

TOTAL LIABILITIES \$ 211,324

NET ASSETS

Without donor restrictions		2,744,537
With donor restrictions		1,227,083
		1,227,083

TOTAL NET ASSETS 3,971,620

TOTAL LIABILITIES AND NET ASSETS \$ 4,182,944

**OPENSECRETS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total 2023
REVENUE AND SUPPORT			
Contributions	\$ 1,517,618	\$ 175,000	\$ 1,692,618
Contract fees	593,694	-	593,694
Library services and other income	9,036	-	9,036
Net investment income	306,174	-	306,174
Loss on disposals of property and equipment	(40,244)	-	(40,244)
Released from restrictions - purpose	1,041,667	(1,041,667)	-
Released from restrictions - time	600,000	(600,000)	-
	<u>4,027,945</u>	<u>(1,466,667)</u>	<u>2,561,278</u>
EXPENSES			
Program services			
Research and analysis	2,125,981	-	2,125,981
Education and outreach	1,330,736	-	1,330,736
	<u>3,456,717</u>	<u>-</u>	<u>3,456,717</u>
Supporting services			
Management and general	419,892	-	419,892
Fundraising	417,558	-	417,558
	<u>837,450</u>	<u>-</u>	<u>837,450</u>
	<u>4,294,167</u>	<u>-</u>	<u>4,294,167</u>
CHANGE IN NET ASSETS	(266,222)	(1,466,667)	(1,732,889)
NET ASSETS - BEGINNING OF YEAR	<u>3,010,759</u>	<u>2,693,750</u>	<u>5,704,509</u>
NET ASSETS - END OF YEAR	<u>\$ 2,744,537</u>	<u>\$ 1,227,083</u>	<u>\$ 3,971,620</u>

**OPENSECRETS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Services			Supporting Services			Total Expenses
	Research and Analysis	Education and Outreach	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Accounting	\$ -	\$ -	\$ -	\$ 97,850	\$ -	\$ 97,850	\$ 97,850
Allowance for credit losses	42,246	-	42,246	-	-	-	42,246
Computer expense	138,015	92,010	230,025	13,056	49,194	62,250	292,275
Consulting fees	109,806	73,204	183,010	-	12,860	12,860	195,870
Contract service bureaus	-	-	-	75,433	-	75,433	75,433
Depreciation and amortization	7,091	4,728	11,819	671	1,382	2,053	13,872
Employee benefits	172,469	114,980	287,449	16,316	33,612	49,928	337,377
Insurance	7,609	5,073	12,682	720	1,483	2,203	14,885
Legal	-	-	-	29,111	-	29,111	29,111
Meetings and conferences	95,142	5,007	100,149	5,685	11,711	17,396	117,545
Occupancy	37,488	24,992	62,480	3,546	7,306	10,852	73,332
Office	-	-	-	32,391	3,687	36,078	36,078
Online service	92,018	61,345	153,363	8,705	17,933	26,638	180,001
Payroll taxes	109,546	73,031	182,577	10,363	21,349	31,712	214,289
Postage and delivery	360	240	600	34	70	104	704
Printing and production	2,238	1,491	3,729	212	436	648	4,377
Repairs and maintenance	594	396	990	56	116	172	1,162
Retirement	19,110	12,740	31,850	1,808	3,724	5,532	37,382
Salaries	1,276,784	851,189	2,127,973	120,786	248,830	369,616	2,497,589
Supplies	3,018	2,012	5,030	285	588	873	5,903
Telephone	5,322	3,548	8,870	504	1,037	1,541	10,411
Travel	7,125	4,750	11,875	2,360	2,240	4,600	16,475
Total expenses	\$ 2,125,981	\$ 1,330,736	\$ 3,456,717	\$ 419,892	\$ 417,558	\$ 837,450	\$ 4,294,167

See independent auditor's report. The accompanying notes are an integral part of these financial statements.

**OPENSECRETS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets		\$ (1,732,889)
Adjustments to reconcile change in net income to net change in cash from operating activities:		
Depreciation and amortization	\$ 13,872	
Allowance for credit losses	42,246	
Operating lease amortization	37,528	
Net realized/unrealized gains on investments	(212,288)	
Loss on disposals of property and equipment	40,244	
Non-cash stock contributions	(299,328)	
Change in assets and liabilities:		
Accounts receivable	49,991	
Contributions receivable	1,447,675	
Prepaid expenses	13,744	
Accounts payable	(13,946)	
Accrued payroll	14,072	
Deferred revenue	(8,351)	
Total adjustments		1,125,459
NET CASH FLOWS FROM OPERATING ACTIVITIES		(607,430)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(21,391)	
Purchase of certificates of deposit	(27,865)	
Purchase of investments	(2,275,417)	
Proceeds from certificates of deposit	589,791	
Proceeds from sale of investments	2,552,139	
NET CASH FLOWS FROM INVESTING ACTIVITIES		817,257
NET CHANGE IN CASH AND CASH EQUIVALENTS		209,827
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		1,091,481
CASH AND CASH EQUIVALENTS - END OF YEAR		\$ 1,301,308
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Stock contributions		\$ 299,328

OPENSECRETS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - THE ORGANIZATION

OpenSecrets (the Organization) is a nonprofit corporation that educates the American public on money's role in politics and policy by conducting and distributing its nonpartisan research and reporting on campaign finance and other money-in-politics issues. The Organization derives its support primarily from contributions. The Organization's program areas are:

Research and Analysis - The Organization's research and reporting teams compile the Organization's data and put it into context, pointing out trends in campaign finance and lobbying, and adding a money-in-politics angle to ongoing news stories and policy debates.

Education and Outreach - The Organization's website (www.opensecrets.org) allows users to explore connections between money, politics and policy. Freely available, easy-to-use databases track federal campaign contributions, lobbying and other data sets in a variety of illuminating ways, such as by industry and interest group.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), which is the sole source of authoritative accounting principles generally accepted in the United States of America (GAAP). The financial statements of the Organization have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments with a purchased maturity of three months or less to be cash equivalents, excluding cash balances in the investment accounts.

Investments

Investments are carried at fair value based on quoted market prices. The Organization invests in professionally managed investments that contain various types of marketable securities. Such investments are exposed to various risks, such as fluctuations in market value and credit risk. Thus, it is at least reasonably possible that changes in the near term could materially affect investment balances and the amounts reported in the financial statements.

Certificate of Deposit

The certificate of deposit is stated at cost plus accrued interest. The portfolio consists of one certificate of deposit that matures in six months with an interest rate of 5.32 percent.

Property and Equipment

Acquisitions of property and equipment are recorded at cost. Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the statement of activities. Property and equipment purchased with a cost greater than \$500 is capitalized. Depreciation expense is recognized on a straight-line basis over the estimated useful lives of three to five years. Leasehold improvements are amortized over the life of the lease.

OPENSECRETS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of functional expenses and the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, fringe benefits, rent, and depreciation and amortization. These expenses are allocated on the basis of management's estimates of time and effort by employees. Expenses directly identifiable to specific programs and supporting activities are presented accordingly.

Income Taxes

The Organization is recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined by the IRS not to be a private foundation within the meaning of Section 509(a) of the Code. The Organization believes its operations are consistent with the nature of its exempt status. There is no current liability for income taxes and there are no temporary differences resulting in deferred taxes as of December 31, 2023.

The Organization is required to measure, recognize, present, and disclose in its financial statements uncertain income tax positions the Organization has taken in the tax years that remain subject to examination or expects to take on an income tax return. The Organization recognizes the tax benefits from uncertain income tax positions only if it is more likely than not the tax position will be sustained on examination by tax authorities. The Organization recorded no liability for uncertain income tax positions for any open tax years.

Accounts Receivable

Accounts receivable consists primarily of amounts unconditionally due for services for which payment had not been received at year end. Generally, they are due upon receipt. Management estimates the allowance for credit losses based on a review of historical, current, and future conditions of the individual customers to determine expected losses. Amounts are charged off against the allowance in the period in which they are deemed uncollectible. As of December 31, 2023, management considered all receivables collectible and determined there was no material allowance for credit losses necessary. Accounts receivable as of December 31, 2022, was \$100,917.

Promises to Give

Conditional promises to give are recognized when the conditions on which they depend are substantially met. Amounts received for conditional grants are recorded as refundable advances until the conditions have been met. Unconditional promises to give are recognized initially at fair value as contribution revenue in the period the promise is made by the donor. The fair values of the promises are estimated based on anticipated future cash receipts (net of an allowance for uncollectible amounts), discounted using risk-adjusted rates commensurate with the duration of the payment plans. There was no noncurrent portion of promises to give. As of December 31, 2023, no allowance for uncollectible promises to give was considered necessary by management.

Subsequent Events

The Organization has evaluated subsequent events through March 12, 2025, which is the date the financial statements were available to be issued.

OPENSECRETS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Unconditional contributions and grants are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. 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 restrictions. Stock contributions are recorded at fair value on the date the securities were received.

Conditional grants and contributions are not recorded as revenue until the related conditions have been satisfied. Amounts received for conditional grants are recorded as refundable advances until the conditions have been met.

Contract Fees

Contract fees are recognized over time as performance obligations are satisfied using the input method. The political environment affects the revenue and collections. Deferred revenue at December 31, 2022, was \$46,178.

The Organization has disaggregated its contract revenue by type as follows for the year ended December 31, 2023:

Education	\$	260,000
News		<u>333,694</u>
Total	\$	<u><u>593,694</u></u>

Classes of Net Assets

Accounting standards require that resources be classified for accounting and reporting purposes into two classes of net assets according to the existence or absence of donor-imposed restrictions. The net asset classes are: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are available for use in the Organization's operations. All revenue that is not restricted by donors is included in this classification. All expenses are reported as decreases in net assets without donor restrictions.

Net assets with donor restrictions are subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. Also included in this category are unconditional promises to give that are due in the future. Expirations of donor restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as net assets released from restrictions in the statement of activities.

Leases

In the statement of financial position as of December 31, 2022, the Organization recorded an operating right-of-use asset and operating lease liability, initially measured using a risk-free rate that approximates the remaining lease term. The Organization considers the likelihood of exercising renewal or termination clauses in measuring its operating right-of-use assets and operating lease liabilities. Lease costs are calculated and allocated over the lease term on a 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 expenses non-lease and variable components as they are incurred.

OPENSECRETS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following as of December 31, 2023:

In banks	\$	677,563
Undeposited funds		42,258
Three month certificate of deposit		<u>581,487</u>
Total	\$	<u><u>1,301,308</u></u>

NOTE 4 - INVESTMENT RETURN

Investment return consisted of the following for the year ended December 31, 2023:

Dividends, interest and other income	\$	102,837
Net realized and unrealized losses		212,288
Investment management expenses		<u>(8,951)</u>
Total	\$	<u><u>306,174</u></u>

NOTE 5 - RETIREMENT PLAN

The Organization maintains a qualified defined contribution retirement plan for its employees. All employees of the Organization are eligible to participate by electing to make salary deferrals up to the maximum allowed by law. Employees completing six months of service qualify for employer contributions up to two percent of employee's salary. The employer contributions are at the discretion of the Board of Directors. The retirement expense for the year ended December 31, 2023, was approximately \$37,382 and is included in retirement in the accompanying statement of functional expenses.

NOTE 6 - INVESTMENTS AND FAIR VALUE MEASUREMENT

The Organization measures and reports financial assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

OPENSECRETS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 - INVESTMENTS AND FAIR VALUE MEASUREMENT (continued)

GAAP establishes a three-level disclosure hierarchy to indicate the level of judgment used to estimate fair value measurements:

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

Exchange traded funds are valued at quoted market prices of the net asset value (NAV) of shares held by the Organization at year-end.

The table below summarize investments, by level, for items measured at fair value on a recurring basis as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 203,363	\$ -	\$ -	\$ 203,363
Exchange traded funds - bonds	467,796	-	-	467,796
Exchange traded funds - equities	691,858	-	-	691,858
 Total investments at fair value	 <u>\$ 1,363,017</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 1,363,017</u>

NOTE 7 - LEASE COMMITMENTS

The Organization elected to exercise the tenant's termination option in their lease agreement and terminated the lease on January 28, 2022. The Organization paid a termination fee of \$322,036. As a result of the early termination, there was an impairment loss on the leasehold improvements totaling \$222,717, which was included in the loss on lease termination in 2022, based on the estimated remaining useful life for the remainder of the lease term through January 2023. The lease included provisions for annual rent increases, periods of rent abatement, and a landlord-provided improvement allowance. The lease was supported by a bank issued irrevocable letter of credit for approximately \$29,000. The letter of credit was secured by the Organization's certificate of deposit in the same amount. There were no minimum rentals for base rent under this lease for the year ending December 31, 2023. The Organization amortized the remaining right-of-use asset of \$37,528 as rent expense during the year ended December 31, 2023.

Rent expense, which includes storage space and a membership for shared space is reported as occupancy in the statement of activities, totaled \$73,332 during the year ended December 31, 2023.

OPENSECRETS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 - CONCENTRATION RISK

The Organization maintains cash balances in a financial institution which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2023, the Organization had \$801,379 cash in excess of FDIC limits. Assets held in broker managed accounts are insured by the Securities Investor Protection Corporation (SIPC), which protects investors for up to \$500,000, including a maximum of \$250,000 for claims of cash equivalents, if the brokerage firm holding the assets becomes insolvent, but it does not insure the underlying assets of \$1,363,017. The Organization believes its credit risk is not significant.

Approximately 36 percent of contributions were from two donors for the year ended December 31, 2023. Approximately 65 percent of contributions receivable was due from one donor for the year ended December 31, 2023. Should these donors cease to provide funding in the future, the Organization believes funding could be obtained from other sources.

NOTE 9 - FINANCIAL ASSETS AND LIQUIDITY RESOURCES

Financial assets available for general expenditure within one year consist of the following as of December 31, 2023:

Cash and cash equivalents	\$ 1,301,308
Certificates of deposit	586,703
Investments	1,363,017
Accounts receivable	8,680
Contributions receivable due in one year	<u>803,175</u>
 Total financial assets	 4,062,883
 Less - amounts unavailable for general expenditures due to restrictions by donors	 <u>(1,227,083)</u>
 Total financial assets and liquidity resources available	 <u><u>\$ 2,835,800</u></u>

The Organization manages its financial assets to be available as its operating expenditures, liabilities, and other obligations become due.

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2023, net assets with donor restrictions were available for the following purposes:

Research and analysis	\$ 681,250
General support, time restricted	<u>545,833</u>
 Total	 <u><u>\$ 1,227,083</u></u>

OPENSECRETS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 11 – ADOPTION OF NEW ACCOUNTING STANDARD

During the year ended December 31, 2023, the Company was required to implement Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The standard changed how entities measure credit losses for most financial assets. The guidance implemented a shift from the incurred loss model to the expected loss model. The Organization adopted the standard effective January 1, 2023. The adoption did not significantly impact the Organization’s allowance for credit losses balance.

NOTE 12 - DESIGNATED NET ASSETS

The Board of Directors designated \$ 2,395,833 of net assets related to the 2021 Grant from the Hewlett Foundation to be used in equal proportion over next three years. The remaining balance as of December 31, 2023, is \$798,611.

NOTE 13 - CONTINGENCIES

On April 28, 2020, the Organization received loan proceeds in the amount of \$285,100 from the U.S. Small Business Administration (SBA) through the Paycheck Protection Program (PPP). Under the terms of the loan, funds were eligible to be forgiven if they were used for specific covered expenses including payroll and occupancy. The loan was fully forgiven on August 24, 2021. On February 14, 2021, the Organization received a second loan with proceeds in the amount of \$284,476 from the SBA through the Paycheck Protection Program (PPP). The loan was fully forgiven on March 8, 2022. The SBA has the right to audit whether a borrower qualified for a PPP loan and met the conditions necessary for forgiveness of the loan up to six years after forgiveness is received. The Organization believes the risk of noncompliance is not significant.