Clare Boothe Luce
CENTER FOR CONSERVATIVE WOMEN

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

PBMares

ASSURANCE, TAX & ADVISORY SERVICES

CLARE BOOTHE LUCE
CENTER FOR CONSERVATIVE WOMEN

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PBMares
CPAs and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Clare Boothe Luce Center for Conservative Women
Herndon, Virginia

Opinion

We have audited the accompanying financial statements of Clare Boothe Luce Center for Conservative Women (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 Clare Boothe Luce Center for Conservative Women as of December 31, 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 Clare Boothe Luce Center for Conservative Women 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.

Other Matter

The financial statements of Clare Boothe Luce Center for Conservative Women as of and for the year ended December 31, 2023, were audited by Burdette Smith & Bish, LLC (BSB) whose report, dated April 10, 2024, expressed an unmodified opinion on those financial statements. BSB combined with PBMares, LLP effective October 1, 2024.

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 Clare Boothe Luce Center for Conservative Women'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 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 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 Clare Boothe Luce Center for Conservative Women'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 Clare Boothe Luce Center for Conservative Women'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.

PBMares, LLP

Fairfax, Virginia
August 22, 2025

CLARE BOOTHE LUCE
CENTER FOR CONSERVATIVE WOMEN

STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 584,829	$ 1,033,353
Current portion of contributions receivable, net	1,824,509	1,701,296
Book inventory	41,492	41,492
Total Current Assets	2,450,830	2,776,141
PROPERTY AND EQUIPMENT, AT COST	1,958,888	1,948,541
Less: accumulated depreciation and amortization	(675,810)	(604,838)
Finance lease right-of-use asset	4,841	8,954
	1,287,919	1,352,657
INVESTMENTS		
Operating	3,678,223	1,699,249
Endowment	1,712,025	1,447,306
	5,390,248	3,146,555
OTHER ASSETS		
Contributions receivable, net of current portion	256,730	288,243
Other assets	744	739
Beneficial interest in trusts	136,974	133,827
	394,448	422,809
TOTAL ASSETS	$ 9,523,445	$ 7,698,162
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 42,241	$ 24,459
Current portion of gift annuities payable	1,762	1,698
Current portion of finance lease liability	4,112	4,134
Total Current Liabilities	48,115	30,291
LONG-TERM LIABILITIES		
Gift annuities payable (net of current portion)	7,548	9,363
Finance lease liability (net of current portion)	-	4,913
	7,548	14,276
TOTAL LIABILITIES	55,663	44,567
NET ASSETS		
Without donor restrictions	7,346,814	5,741,510
With donor restrictions	2,120,968	1,912,085
	9,467,782	7,653,595
TOTAL LIABILITIES AND NET ASSETS	$ 9,523,445	$ 7,698,162

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

CLARE BOOTHE LUCE
CENTER FOR CONSERVATIVE WOMEN

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	$ 1,333,533	$ 211,500	$ 1,545,033
Bequests	1,554,565	-	1,554,565
Grants	19,000	-	19,000
Contributed investments	133,840	9,988	143,828
Investment income	478,637	108,694	587,331
Other income	4,642	-	4,642
	3,524,217	330,182	3,854,399
Net assets released from restrictions	124,446	(124,446)	-
Total Support and Revenue	3,648,663	205,736	3,854,399
EXPENSES			
Program services			
Public information	883,366	-	883,366
Special projects	496,796	-	496,796
Total Program Services	1,380,162	-	1,380,162
General and administrative	563,685	-	563,685
Fundraising	99,048	-	99,048
Total Expenses	2,042,895	-	2,042,895
CHANGES IN NET ASSETS FROM OPERATIONS	1,605,768	205,736	1,811,504
OTHER GAINS AND LOSSES			
Change in Value of Beneficial Interest in Trusts	-	3,147	3,147
Change in Value of Gift Annuities	(464)	-	(464)
	(464)	3,147	2,683
CHANGE IN NET ASSETS	1,605,304	208,883	1,814,187
NET ASSETS, BEGINNING OF YEAR	5,741,510	1,912,085	7,653,595
NET ASSETS, END OF YEAR	$ 7,346,814	$ 2,120,968	$ 9,467,782

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

CLARE BOOTHE LUCE
CENTER FOR CONSERVATIVE WOMEN

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	$ 1,635,267	$ 146,839	$ 1,782,106
Bequests	1,719,666	-	1,719,666
Grants	29,000	-	29,000
Contributed investments	118,976	10,240	129,216
Investment income	234,247	100,080	334,327
Other income	1,456	-	1,456
	3,738,612	257,159	3,995,771
Net assets released from restrictions	169,229	(169,229)	-
Total Support and Revenue	3,907,841	87,930	3,995,771
EXPENSES			
Program services			
Public information	631,707	-	631,707
Special projects	457,276	-	457,276
Total Program Services	1,088,983	-	1,088,983
General and administrative	519,387	-	519,387
Fundraising	228,463	-	228,463
Total Expenses	1,836,833	-	1,836,833
CHANGES IN NET ASSETS FROM OPERATIONS	2,071,008	87,930	2,158,938
OTHER GAINS AND LOSSES			
Change in Value of Beneficial Interest in Trusts	-	10,478	10,478
Change in Value of Gift Annuities	(494)	-	(494)
	(494)	10,478	9,984
CHANGE IN NET ASSETS	2,070,514	98,408	2,168,922
NET ASSETS, BEGINNING OF YEAR	3,670,996	1,813,677	5,484,673
NET ASSETS, END OF YEAR	$ 5,741,510	$ 1,912,085	$ 7,653,595

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

CLARE BOOTHE LUCE
CENTER FOR CONSERVATIVE WOMEN

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services		Total			
	Public Information	Special Projects	Program Services	General and Administrative	Fundraising	Total
Accounting and legal	$ 22,255	$ -	$ 22,255	$ 90,027	$ 176	$ 112,458
Advertising and marketing	769	4,121	4,890	2,090	-	6,980
Bank charges	-	-	-	4,955	-	4,955
Board meetings	291	-	291	2,304	-	2,595
Building costs	-	-	-	8,571	-	8,571
Calendars	24,361	-	24,361	-	-	24,361
Conferences	2,134	304,057	306,191	40	-	306,231
Consultants	2,700	31,106	33,806	14,928	-	48,734
Depreciation and amortization	-	-	-	70,971	-	70,971
Direct mail	103,522	-	103,522	-	-	103,522
Films, books and literature	6,687	537	7,224	617	-	7,841
Honorariums	-	28,788	28,788	-	-	28,788
House file mailings	3,291	11	3,302	426	200	3,928
Insurance	-	-	-	12,847	-	12,847
Internships	186	57,039	57,225	-	-	57,225
Meals and entertainment	3,743	3,300	7,043	1,663	224	8,930
Miscellaneous Expenses	-	-	-	1,000	-	1,000
Office	3,544	777	4,321	20,314	37	24,672
Payroll	548,565	45,714	594,279	228,569	91,428	914,276
Payroll taxes	37,098	3,092	40,190	15,457	6,183	61,830
Personal property tax	-	-	-	3,368	-	3,368
Photography	40	1,558	1,598	-	-	1,598
Postage, shipping and delivery	26,016	-	26,016	4,107	800	30,923
Printing	78,200	2,675	80,875	1,089	-	81,964
Professional development	-	-	-	788	-	788
Public relations	1,025	-	1,025	-	-	1,025
Real estate tax	-	-	-	18,166	-	18,166
Rent and occupancy	-	-	-	25,610	-	25,610
Software	4,275	2,238	6,513	11,717	-	18,230
Technology	2,234	-	2,234	22,229	-	24,463
Telecommunications	283	17	300	1,832	-	2,132
Travel	12,147	11,766	23,913	-	-	23,913
	$ 883,366	$ 496,796	$ 1,380,162	$ 563,685	$ 99,048	$ 2,042,895

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

CLARE BOOTHE LUCE
CENTER FOR CONSERVATIVE WOMEN

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

	Program Services		Total			
	Public Information	Special Projects	Program Services	General and Administrative	Fundraising	Total
Accounting and legal	$ 13,516	$ -	$ 13,516	$ 85,493	$ 722	$ 99,731
Advertising and marketing	2,386	1,578	3,964	121	-	4,085
Bank charges	-	-	-	3,752	-	3,752
Board meetings	256	-	256	1,708	-	1,964
Building costs	-	-	-	8,411	-	8,411
Calendars	23,193	-	23,193	-	-	23,193
Conferences	1,389	281,852	283,241	144	-	283,385
Consultants	-	2,556	2,556	117	2,500	5,173
Depreciation and amortization	-	-	-	67,705	-	67,705
Direct mail	57,674	-	57,674	-	134,666	192,340
Films, books and literature	1,579	709	2,288	59	-	2,347
Honorariums	1,000	29,500	30,500	-	-	30,500
House file mailings	1,161	-	1,161	435	206	1,802
Insurance	-	-	-	16,599	-	16,599
Interest expense	-	-	-	22	-	22
Internships	-	43,076	43,076	550	82	43,708
Meals and entertainment	1,987	5,834	7,821	1,218	-	9,039
Office	733	836	1,569	15,489	-	17,058
Payroll	439,716	36,643	476,359	183,215	73,286	732,860
Payroll taxes	-	-	-	47,947	-	47,947
Personal property tax	-	-	-	3,553	-	3,553
Photography	210	12,218	12,428	275	-	12,703
Postage, shipping and delivery	24,923	5,085	30,008	16,861	10,815	57,684
Printing	48,212	817	49,029	5,700	6,186	60,915
Public relations	1,190	-	1,190	-	-	1,190
Real estate tax	-	-	-	17,813	-	17,813
Rent and occupancy	-	-	-	23,117	-	23,117
Software	690	281	971	5,663	-	6,634
Technology	187	4,320	4,507	11,790	-	16,297
Telecommunications	317	94	411	1,462	-	1,873
Travel	11,388	31,877	43,265	168	-	43,433
	$ 631,707	$ 457,276	$ 1,088,983	$ 519,387	$ 228,463	$ 1,836,833

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

CLARE BOOTHE LUCE
CENTER FOR CONSERVATIVE WOMEN

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,814,187	$ 2,168,922
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donated stocks	(143,828)	(129,216)
Depreciation and amortization	70,971	67,705
Change in present value discount on contributions receivable	(13,987)	(8,295)
Change in value of annuities	464	494
Change in beneficial interest in trusts	(3,147)	(10,480)
Realized (gain) loss on investments	(2,669)	1,293
Unrealized (gain) loss on investments	(406,769)	(219,976)
(Increase) decrease in:		
Contributions receivable	(77,713)	(1,498,943)
Prepaid expenses	-	20,427
Increase (decrease) in:		
Accounts payable and accrued expenses	17,782	(2,417)
	(558,896)	(1,779,408)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,255,291	389,514
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash used to purchase property and equipment	(10,347)	(21,357)
Cash used to purchase investments	(1,744,776)	(186,075)
Cash proceeds from sale of investments	55,731	103,390
NET CASH USED IN INVESTING ACTIVITIES	(1,699,392)	(104,042)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on gift annuities	(2,215)	(2,215)
Payment of finance lease liabilities	(2,208)	(4,859)
NET CASH USED IN FINANCING ACTIVITIES	(4,423)	(7,074)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(448,524)	278,398
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,033,353	754,955
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 584,829	$ 1,033,353
SUPPLEMENTAL NON-CASH ACTIVITIES		
Donated stocks	$ 143,828	$ 129,216

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

CLARE BOOTHE LUCE
CENTER FOR CONSERVATIVE WOMEN

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 – Organization and Summary of Significant Accounting Policies

Clare Boothe Luce Center for Conservative Women (the "Center") is a not-for-profit organization established in May 1993. The Center prepares and promotes conservative women leaders. The Center is located in Herndon, Virginia.

The Center's two main programs are public information and special projects. The public information program focuses on the Center's media and communication activities such as the Center's website, radio and TV appearances, policy papers, articles, publication of *Great American Conservative Women Calendar*, media directories, periodicals, and mailings. The special projects program focuses on outreach and research activities including the college campus speaker program, seminars, conferences, mentoring lunches, Conservative Women's Network lunches and the Center's internship program.

Basis of Accounting

The accompanying financial statements are presented in accordance with the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America applicable to not-for-profit organizations.

Financial Statement Presentation

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 (U.S. GAAP):

> ***Net assets without donor restrictions*** **– Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Center. These net assets may be used at the discretion of the Center's management and the board of directors.**
>
> ***Net assets with donor restrictions*** **- Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.**

Income is reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time has elapsed) are reported as net assets released from restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or law.

Cash Equivalents

For purposes of the statements of cash flows, the Center considers all highly liquid debt instruments purchased with an original maturity of ninety days or less to be cash equivalents. The Center maintains cash balances which may exceed federally insured limits. Management does not believe that this results in any significant credit risk.

NOTE 1 – Organization and Summary of Significant Accounting Policies, continued

Income Recognition

Income is measured based on consideration specified in a contract with a customer. The Center recognizes income when it satisfies a performance obligation by transferring control over a promised good or service to a customer. The Center evaluated each category of their income and determined that the principal activities generating income do not have exchange elements and therefore, are not considered contracts with customers.

Contributions

Unconditional contributions, including unconditional promises to give and notification of a beneficial interest, are recognized as income in the period received.

A contribution, gift, or grant is conditional if an agreement includes a barrier that must be overcome and, either a right of return of assets transferred, or a right of release of a promisor's obligation to transfer assets. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until they become unconditional, that is, when the barrier(s) in the agreement are overcome.

Unconditional contributions with no purpose or time restrictions are reported as income without donor restrictions.

Unconditional contributions with donor-imposed restrictions that limit the use of the asset are reported as income with donor restrictions and are reclassified to net assets without donor restrictions when an expense is incurred that satisfies the donor-imposed restriction. However, for unconditional donor-restricted contributions that were initially conditional, if donor-imposed restrictions are met in the same year that they become unconditional, the income is reported as income without donor restrictions on the statements of activities. Contributions restricted for the acquisition of plant and equipment are released from restriction when the asset is placed in service.

Contributions of assets other than cash, including long-lived assets, are recorded at their estimated fair value, which is determined based on the present value of future cash flows as described later in this note using level 3 inputs. Contributions to be received after one year are recorded at the present value of their estimated future cash flows. The discount rate is computed using a risk-free rate as of the date of the pledge plus an added rate of risk adjustment of 0.5%. Amortization of discounts is recorded as additional contribution income in accordance with donor-imposed restrictions, if any, on the contributions. Contributions receivable are recorded at estimated fair value on the date the donor's unconditional promise to contribute is made using the present value of future cash flows. Contributions receivable are not measured at fair value subsequent to initial measurement.

The Center uses the allowance method for recording bad debt expense. Management periodically reviews the aged receivables and adjusts the allowance to reflect the current estimate of bad debt expense. Allowances are based on past loss experience and current economic conditions. There was no allowance for the years ended December 31, 2024 and 2023. The Center writes off uncollectible receivables when management determines it will not be collected.

NOTE 1 – Organization and Summary of Significant Accounting Policies, continued

Investments

Investments consist of equity securities, mutual funds and money market funds. The investments are stated at fair value as determined by quoted market prices on the last business day of the year. Interest, dividends and realized gains or losses are recorded when earned or sustained. Fluctuations in the market value of the portfolio are recorded as unrealized gains or losses in the accompanying statements of activities.

Fair Value of Financial Instruments

The Center values investments and beneficial interests in trusts at fair value in accordance with a three-tiered 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, which are observable either directly or indirectly.**
- **Level 3: Unobservable inputs in which there is little or no market data and which require the reporting entity to develop its own assumptions.**

A financial instrument's level within the fair value hierarchy is based on the lowest of any input that is significant to the fair value measurement. There have been no changes to the fair market methodologies used at December 31, 2024 and 2023. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Receivables expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount rate is computed using a risk-free rate as of the date of the pledge plus an added rate of risk adjustment of 0.5%. The discount rates used as of December 31, 2024 and 2023 range from 1.2% to 3.9%. Amortization of the discount is included in contribution income.

All accounts or portions thereof that are deemed to be uncollectible or require excessive collection cost, are written off to the allowance for doubtful accounts. However, no allowance for doubtful accounts has been recorded as of December 31, 2024 and 2023.

Inventory

Inventory consists of books which are valued at the lower of cost or market using the "first in, first out" method. The inventory costs associated with book production consists of conceptualization, research, writing assistance, and editing. The provisions to reflect inventory at the lower of cost or market are recorded through cost of sales.

In addition, the Center uses an agent who is responsible for all fulfillment services for any books sold outside of what the Center contracted to purchase from the publisher. The agent remits any royalties for sales.

NOTE 1 – Organization and Summary of Significant Accounting Policies, continued

Availability and Liquidity of Resources

The Center's financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statements of financial position, are as follows:

	2024	2023
Cash and cash equivalents	$ 584,829	$ 1,033,353
Contributions receivable	1,778,080	1,620,346
Investments	1,181,331	1,122,044
Net Financial Assets Available Within One Year	$ 3,544,240	$ 3,775,743

As part of liquidity management, the Center has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. In addition, as part of liquidity management, the Center invests cash in short-term investments, including money market accounts, stocks, and exchange traded funds.

Property and Equipment

Property and equipment (including major renewals, replacements, and betterments), with a cost of $2,000 or more, are capitalized and stated at cost. Expenditures for ordinary maintenance and repair items are charged to operations as incurred. Upon the sale, or other disposition of property, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in the changes in net assets. Depreciation is provided for principally under the straight-line method. Asset useful lives are from five to forty years. Leasehold improvements are amortized under the straight-line method over the lease term.

Beneficial Interest in Trusts

The Center is named as the beneficiary in a remainder trust held by a third party. The trust, which is invested in cash equivalents and mutual funds, is measured at the present value of the future distributions expected to be received over the term of the agreement using a payout rate of 5% and Internal Revenue Service (IRS) actuarial tables.

Gift Annuities

Gift annuities are contracts between the Center and a donor in which the Center agrees to pay the donor (or other person named by the donor) a lifetime annuity in return for a gift of cash or marketable securities. The assets received by the Center are recorded at fair market value at the date of the donation. A liability is recorded for the amount due to an income beneficiary of a gift annuity based on the present value of the estimated future payments to be distributed during the income beneficiary's expected life. The discount rates used range from 1% to 6% depending on the applicable discount rate at the time of the gift. Each year, the liability is re-measured and changes in the liability due to factors other than cash payments, such as changing life expectancies, are recorded as an increase or decrease to income and support.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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. Significant estimates in the financial statements include the collectability of promises to give, the discount rates used to record net present value adjustment on long-term promises to give and the estimated useful lives of property and equipment.

NOTE 1 – Organization and Summary of Significant Accounting Policies, continued

Tax Exempt Status

The Center has been granted exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended and classified as other than a private foundation. However, income from certain activities not directly related to the Center's tax-exempt purpose may be subject to taxation as unrelated business income.

Management has evaluated the Center's tax positions and concluded that the Center had taken no uncertain tax positions that require adjustment to the financial statements. With few exceptions, the Center is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years prior to 2021.

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the program, general and administrative and fundraising activities based on level of effort. Such allocations are determined by management on an equitable basis.

Leases

Under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all the economic benefits from use of the asset and the right to direct the use of the asset. The Center only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on the statements of financial position. Operating lease expenses are recorded within rent expense in the accompanying statements of activities. Operating lease payments are presented within operating activities in the statements of cash flows.

Finance leases are included in property and equipment and finance lease liabilities on statements of financial position. Interest expense on the finance lease liability is presented with interest expense on the statements of activities, and amortization of the finance lease ROU is presented with depreciation and amortization expense on the statements of activities. Finance leases payments present the principal portion of the lease payments within financing activities and the interest component within operating activities in the cash flow statements.

ROU assets and lease liabilities are recognized based on the net present value of future minimum lease payments over the lease term starting on the commencement date. The Center uses the risk-free rate based on the U.S. Treasury yield. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Lease terms may include an option to extend or terminate a lease if it is reasonably certain that the Center will exercise such options. The Center has elected the practical expedient to not separate lease components from non-lease components and has elected not to record a right-of-use asset or lease liability for leases which, at inception, have a term of twelve months or less. Variable lease payments are recognized in the period in which the obligation for those payments has been incurred.

NOTE 1 – Organization and Summary of Significant Accounting Policies, continued

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications have no effect on change in net assets.

Recently Adopted Authoritative Guidance

In 2016, the FASB issued Accounting Standards Update (ASU) 2016-13 (FASB Topic ASC 326) Financial Instruments – Credit Losses, which (i) significantly changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments from an incurred loss model to an expected loss model which will be based on an estimate of current expected credit loss (CECL), (ASC 326-20); and (ii) provides for recording credit losses on available-for-sale (AFS) debt securities through an allowance account (ASC 326-30). The standard also requires certain incremental disclosures. Under the CECL model, entities will estimate credit losses over the entire contractual term of the instrument (considering estimated prepayments but not expected extensions or modifications unless the extension or renewal option are included in the original or modified contract terms and are not unconditionally cancellable or unless reasonable expectations of a troubled debt restructuring exists) from the date of initial recognition of that instrument. Subsequently, the FASB issued ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-10 and ASU 2019-11 to clarify, improve, or defer the adoption of ASU 2016-13. On November 15, 2019, the FASB issued an ASU to extend the effective date. On January 1, 2023, the Center adopted this standard.

The Center determined there is no significant impact from adoption based on the assets currently held.

Subsequent Events

The Center has evaluated subsequent events through August 22, 2025, the date the financial statements were available to be issued and has determined that all subsequent events that require recognition or disclosure in the financial statements have been appropriately reflected.

NOTE 2 – Investments

Investments are stated at fair value using level 1 valuation methodology and consist of the following at December 31:

	2024	2023
Index mutual funds	$ 3,396,025	$ 1,289,839
Equity securities	34,105	29,287
Fixed income mutual funds	808,847	731,376
Money market funds	1,151,271	1,096,053
	$ 5,390,248	$ 3,146,555

Investment income is comprised of the following at December 31:

	2024	2023
Interest and dividends	$ 177,893	$ 115,644
Realized and unrealized gains (losses)	2,669	(1,293)
Unrealized gains	406,769	219,976
	$ 587,331	$ 334,327

NOTE 3 – Contributions Receivable

Receivables consist of the following at December 31:

	2024	2023
Due in one year or less	$ 1,824,509	$ 1,701,296
Due in two to five years	182,000	182,000
Due in more than five years	245,800	291,300
	2,252,309	2,174,596
Less: discount to net present value	(171,070)	(185,057)
	$ 2,081,239	$ 1,989,539

	2024	2023
Current portion	$ 1,824,509	$ 1,701,296
Long-term portion	256,730	288,243
	$ 2,081,239	$ 1,989,539

The discount on contribution receivables was calculated using discount rates ranging from 1.2% - 3.9% for the years ended December 31, 2024 and 2023. Bad debt expense recognized on contributions receivable totaled $-0- for the years ended December 31, 2024 and 2023.

Three receivables totaled 87% and 91% of total receivables at December 31, 2024 and 2023, respectively.

NOTE 4 – Beneficial Interest in Trusts

Beneficial interest in trusts are stated at fair value using level 2 valuation methodology and consist of the following at December 31:

	2024	2023
Remainder trust	$ 136,974	$ 133,827

NOTE 5 – Property and Equipment

Property and equipment, at cost, and the related accumulated depreciation and amortization as of December 31 are summarized as follows:

	2024	2023
Land	$ 157,085	$ 157,085
Building and improvements	1,549,227	1,549,227
Equipment	129,369	119,022
Furniture and fixtures	88,831	88,831
Signage	4,960	4,960
Software	29,416	29,416
Finance lease right-of-use	4,841	8,954
	1,963,729	1,957,495
Less: accumulated depreciation and amortization	(675,810)	(604,838)
	$ 1,287,919	$ 1,352,657

NOTE 6 – Leases

The Center is a party to one financing lease for a copier. The lease has remaining lease terms of three years. As of December 31, 2024, the right-of-use (ROU) asset had a balance of $4,841 as shown in noncurrent assets of the statements of financial position; the lease liability is included in other current liabilities $4,112 and other long-term liabilities $0. The lease asset and liability were calculated utilizing a risk-free rate of 1.04%, which the Center has made an accounting policy to elect to use in lieu of the incremental borrowing rate.

Additional information about the Center's lease is as follows for the year ended December 31, 2024:

Lease Costs		
Finance lease expense:		
Amortization of right-of-use assets	$	2,208
Interest on lease liabilities		55
Total finance lease expense	$	2,263
Other Information		
Cash paid for amounts included in the measurement of:		
Operating cash flows from finance leases (interest)	$	55
Financing cash flows from finance leases (principal)		2,208
Lease Term and Discount Rate		
Weighted average remaining lease term in years:		
Weighted-average remaining lease term - finance leases		0.83
Weighted average discount rate:		
Weighted-average discount rate for finance leases		1.04%
Maturity of financing lease liabilities as of December 31:		
2025	$	4,150
Total undiscounted cash flows		4,150
Less: present value discount		(38)
Present value lease liabilities	$	4,112

NOTE 7 – Net Assets

Net assets that are perpetual in nature consist of endowment funds to be held indefinitely, the income from which is expendable to support the Center's internships. Time restricted net assets consist of the cumulative income earned on the restricted funds that are perpetual in nature less expenditures for internships. Net assets consist of the following at December 31:

		2024		2023
With Donor Restrictions				
Perpetual in nature	$	1,518,931	$	1,504,944
Time restricted		229,953		162,754
Purpose restricted		372,084		244,387
	$	2,120,968	$	1,912,085

NOTE 8 – Endowment Funds

The Center's endowment consists of three donor-restricted funds. One is to provide funding for an annual internship. The second is to provide funding for general operations. The third is to provide funding for the Center's lecture series. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The internship and general endowments have been fully funded. The lecture series endowment will be paid over several years starting on the first anniversary of the donor's death. Investment income will be allocated to the funds based on amounts received and invested. Investment income related to the internship and lecture series is temporarily restricted.

	2024	2023
Fully funded endowments	$ 700,000	$ 700,000
Partially funded endowment	990,000	990,000
Partially funded endowment present value adjustment	(171,069)	(185,056)
	$ 1,518,931	$ 1,504,944

Changes in endowment net assets for the years ended December 31:

	2024	2023
Endowment net assets, beginning of year	$ 1,496,649	$ 1,449,782
Net investment income and present value adjustment	8,295	46,867
Endowment net assets, end of year	$ 1,504,944	$ 1,496,649

The portion of endowment funds that is required to be retained either by explicit donor stipulation, or by UPMIFA in perpetuity, totaled $1,518,930 and $1,504,944 at December 31, 2024 and 2023, respectively.

Interpretation of Relevant Law

Management of the Center has interpreted the Virginia Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Center and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Center
7. The investment policies of the Center

NOTE 8 – Endowment Funds, continued

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA required the Center to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2024 and 2023.

Return Objectives and Risk Parameters

The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to preserve the endowment assets. Endowment assets include those assets of donor-restricted funds that the Center must hold for a donor-specified period. Under this policy, as approved by management, the endowment assets are invested in a manner that is intended to protect the principal investment while at the same time attaining a competitive rate of return. The Center expects its endowment funds, over time, to provide an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Center relies on a return strategy in which investment returns are achieved through current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Center has a policy of appropriating for distribution each year the income earned on the endowment funds. In establishing this policy, the Center considered the long-term expected return on its endowment. Accordingly, over the long-term, the Center expects the current spending policy to remain consistent. This is consistent with the Center's objective to preserve the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 9 – Pension Plan

The Center offers a tax-sheltered Section 403(b) annuity plan to its employees, allowing them to defer a portion of their compensation on a pre-tax basis. All employees are eligible for participation. No contributions are made by the Center to the plan.