Clare Boothe Luce
CENTER FOR CONSERVATIVE WOMEN

# CLARE BOOTHE LUCE CENTER FOR CONSERVATIVE WOMEN, INC.

## FINANCIAL STATEMENTS

## DECEMBER 31, 2025

PBMares℠

ASSURANCE, TAX & ADVISORY SERVICES

## CLARE BOOTHE LUCE CENTER FOR CONSERVATIVE WOMEN

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# 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 (the Center), which comprise the statements of financial position as of December 31, 2025 and 2024, 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 Center as of December 31, 2025 and 2024, 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 Center 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.

**Emphasis of Matter**

As discussed in Note 11 to the financial statements, the financial statements for the year ended December 31, 2024 have been restated to correct errors to deferred compensation investments and deferred compensation liability and to include disclosures related to the plan in Note 10. There was no impact on the change in net assets for the year ended December 31, 2024 or the beginning or ending net assets with and without donor restrictions for the year ended December 31, 2024. 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 Center'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 the Center'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 Center'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
May 12, 2026

# FINANCIAL STATEMENTS

## CLARE BOOTHE LUCE CENTER FOR CONSERVATIVE WOMEN

## STATEMENTS OF FINANCIAL POSITION
**December 31, 2025 and 2024**

| | 2025 | As restated 2024 |
|---|---|---|
| **ASSETS** | | |
| Current Assets | | |
| Cash and cash equivalents | **$ 388,449** | $ 584,829 |
| Current portion of contributions receivable, net | **1,535,467** | 1,824,509 |
| Book inventory | **41,492** | 41,492 |
| **Total current assets** | **1,965,408** | 2,450,830 |
| Property and Equipment, at cost | **2,003,712** | 1,958,888 |
| Less: accumulated depreciation and amortization | **(744,069)** | (675,810) |
| Finance lease right-of-use asset | **37,001** | 4,841 |
| | **1,296,644** | 1,287,919 |
| Investments | | |
| Operating | **4,162,850** | 3,864,765 |
| Endowment | **1,833,989** | 1,525,483 |
| | **5,996,839** | 5,390,248 |
| Other Assets | | |
| Contributions receivable, net of current portion | **483,433** | 256,730 |
| Deferred compensation investments | **27,360** | 193,583 |
| Other assets | **14,622** | 744 |
| Beneficial interest in trusts | **145,192** | 136,974 |
| | **670,607** | 588,031 |
| **Total assets** | **$ 9,929,498** | $ 9,717,028 |
| **LIABILITIES AND NET ASSETS** | | |
| Current Liabilities | | |
| Accounts payable and accrued expenses | **$ 129,728** | $ 42,241 |
| Current portion of gift annuities payable | **1,830** | 1,762 |
| Current portion of finance lease liability | **7,452** | 4,112 |
| **Total current liabilities** | **139,010** | 48,115 |
| Long-Term Liabilities | | |
| Deferred compensation liability | **27,360** | 193,583 |
| Gift annuities payable (net of current portion) | **3,506** | 7,548 |
| Finance lease liability (net of current portion) | **29,991** | - |
| | **60,857** | 201,131 |
| **Total liabilities** | **$ 199,867** | $ 249,246 |
| Net Assets | | |
| Without donor restrictions | **$ 7,166,892** | $ 7,346,814 |
| With donor restrictions | **2,562,739** | 2,120,968 |
| | **9,729,631** | 9,467,782 |
| **Total liabilities and net assets** | **$ 9,929,498** | $ 9,717,028 |

**CLARE BOOTHE LUCE CENTER FOR CONSERVATIVE WOMEN**

**STATEMENTS OF ACTIVITIES**
**Year Ended December 31, 2025**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Support and Revenue | | | |
| Contributions | $ 1,229,451 | $ 449,036 | $ 1,678,487 |
| Bequests | 70,000 | 139,920 | 209,920 |
| Grants | - | - | - |
| Contributed investments | 33,700 | 6,368 | 40,068 |
| Investment income | 600,414 | 133,658 | 734,072 |
| Other income | 13,711 | - | 13,711 |
| Net assets released from restrictions | 295,429 | (295,429) | - |
| **Total support and revenue** | 2,242,705 | 433,553 | 2,676,258 |
| Expenses | | | |
| Program services | | | |
| Public information | 475,210 | - | 475,210 |
| Special projects | 1,268,567 | - | 1,268,567 |
| **Total program services** | 1,743,777 | - | 1,743,777 |
| General and administrative | 474,376 | - | 474,376 |
| Fundraising | 206,234 | - | 206,234 |
| **Total expenses** | 2,424,387 | - | 2,424,387 |
| Changes in Net Assets from Operations | (181,682) | 433,553 | 251,871 |
| Other Gains and Losses | | | |
| Change in value of beneficial interest in trusts | - | 8,218 | 8,218 |
| Change in value of gift annuities | 1,760 | - | 1,760 |
| | 1,760 | 8,218 | 9,978 |
| Change in Net Assets | (179,922) | 441,771 | 261,849 |
| Net Assets, beginning of year | 7,346,814 | 2,120,968 | 9,467,782 |
| Net Assets, end of year | $ 7,166,892 | $ 2,562,739 | $ 9,729,631 |

## CLARE BOOTHE LUCE CENTER FOR CONSERVATIVE WOMEN

### STATEMENTS OF ACTIVITIES
### 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 |
| 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 |

## CLARE BOOTHE LUCE CENTER FOR CONSERVATIVE WOMEN

## STATEMENTS OF FUNCTIONAL EXPENSES
### Year Ended December 31, 2025

| | Program Services | | Total | | | |
|---|---|---|---|---|---|---|
| | Public Information | Special Projects | Program Services | General and Administrative | Fundraising | Total |
| Payroll | $ 188,235 | $ 583,210 | $ 771,445 | $ 123,385 | $ 79,050 | $ 973,880 |
| Conferences | 299 | 458,144 | 458,443 | - | - | 458,443 |
| Direct mail | 61,358 | - | 61,358 | - | 48,522 | 109,880 |
| Accounting and legal | 608 | - | 608 | 105,718 | - | 106,326 |
| Internships | - | 101,891 | 101,891 | - | - | 101,891 |
| Consultants | 33,000 | - | 33,000 | - | 67,000 | 100,000 |
| Printing | 82,638 | 5,672 | 88,310 | - | 14 | 88,324 |
| Depreciation and amortization | - | - | - | 74,905 | - | 74,905 |
| Payroll taxes | 15,413 | 47,268 | 62,681 | 5,844 | 6,302 | 74,827 |
| Advertising and marketing | 47,394 | 3,427 | 50,821 | 11,726 | 2,661 | 65,208 |
| Travel | 1,708 | 32,733 | 34,441 | - | 144 | 34,585 |
| Postage, shipping and delivery | 24,370 | - | 24,370 | 7,869 | - | 32,239 |
| Rent and occupancy | - | - | - | 26,666 | - | 26,666 |
| Technology | 529 | 29 | 558 | 21.989 | - | 22.547 |
| Board meetings | - | - | - | 19,564 | 157 | 19,721 |
| Miscellaneous expenses | 2,783 | 15,068 | 17,851 | 1,457 | - | 19,308 |
| Office | - | 868 | 868 | 15.261 | - | 16.129 |
| Software | - | 6,169 | 6,169 | 9,304 | 2,185 | 17,658 |
| Real estate tax | - | - | - | 17,527 | - | 17,527 |
| Calendars | 15,242 | 600 | 15,842 | - | - | 15,842 |
| Insurance | - | - | - | 14,228 | - | 14,228 |
| Meals and entertainment | - | 7,150 | 7,150 | 2,204 | - | 9,354 |
| Building costs | - | - | - | 8,530 | - | 8,530 |
| Telecommunications | - | 1,868 | 1,868 | 2,629 | - | 4,497 |
| Photography | - | 3,198 | 3,198 | - | - | 3,198 |
| Bank charges | - | - | - | 2,440 | - | 2,440 |
| Personal property tax | - | - | - | 2,232 | - | 2,232 |
| Professional development | 825 | - | 825 | 609 | - | 1,434 |
| Films, books and literature | 700 | 643 | 1,343 | - | - | 1,343 |
| House file mailings | 108 | 629 | 737 | 289 | 199 | 1,225 |
| Public relations | - | - | - | - | - | - |
| | $ 475,210 | $ 1,268,567 | $ 1,743,777 | $ 474,376 | $ 206,234 | $ 2,424,387 |

## CLARE BOOTHE LUCE CENTER FOR CONSERVATIVE WOMEN

## STATEMENTS OF FUNCTIONAL EXPENSES
### Year Ended December 31, 2024

| | Program Services | | Total | | | |
|---|---|---|---|---|---|---|
| | Public Information | Special Projects | Program Services | General and Administrative | Fundraising | Total |
| Payroll | $ 548,565 | $ 45,714 | $ 594,279 | $ 228,569 | $ 91,428 | $ 914,276 |
| Conferences | 2,134 | 332,845 | 334,979 | 40 | - | 335,019 |
| Direct mail | 103,522 | - | 103,522 | - | - | 103,522 |
| Accounting and legal | 22,255 | - | 22,255 | 90,027 | 176 | 112,458 |
| Internships | 186 | 57,039 | 57,225 | - | - | 57,225 |
| Consultants | 2,700 | 31,106 | 33,806 | 14,928 | - | 48,734 |
| Printing | 82,337 | 2,675 | 85,012 | 1,089 | - | 86,101 |
| Depreciation and amortization | - | - | - | 70,971 | - | 70,971 |
| Payroll taxes | 37,098 | 3,092 | 40,190 | 15,457 | 6,183 | 61,830 |
| Advertising and marketing | 769 | 4,121 | 4,890 | 2,090 | - | 6,980 |
| Travel | 12,147 | 11,766 | 23,913 | - | - | 23,913 |
| Postage, shipping and delivery | 26,016 | - | 26,016 | 4,107 | 800 | 30,923 |
| Rent and occupancy | - | - | - | 25,610 | - | 25,610 |
| Technology | 2,234 | - | 2,234 | 22,229 | - | 24,463 |
| Board meetings | 291 | - | 291 | 2,304 | - | 2,595 |
| Miscellaneous expenses | - | - | - | 1,000 | - | 1,000 |
| Office | 3,544 | 777 | 4,321 | 20,314 | 37 | 24,672 |
| Software | 4,275 | 2,238 | 6,513 | 11,717 | - | 18,230 |
| Real estate tax | - | - | - | 18,166 | - | 18,166 |
| Calendars | 24,361 | - | 24,361 | - | - | 24,361 |
| Insurance | - | - | - | 12,847 | - | 12,847 |
| Meals and entertainment | 3,743 | 3,300 | 7,043 | 1,663 | 224 | 8,930 |
| Building costs | - | - | - | 8,571 | - | 8,571 |
| Telecommunications | 283 | 17 | 300 | 1,832 | - | 2,132 |
| Photography | 40 | 1,558 | 1,598 | - | - | 1,598 |
| Bank charges | - | - | - | 4,955 | - | 4,955 |
| Personal property tax | - | - | - | 3,368 | - | 3,368 |
| Professional development | - | - | - | 788 | - | 788 |
| Films, books and literature | 2,550 | 537 | 3,087 | 617 | - | 3,704 |
| House file mailings | 3,291 | 11 | 3,302 | 426 | 200 | 3,928 |
| Public relations | 1,025 | - | 1,025 | - | - | 1,025 |
| | $ 883,366 | $ 496,796 | $ 1,380,162 | $ 563,685 | $ 99,048 | $ 2,042,895 |

## CLARE BOOTHE LUCE CENTER FOR CONSERVATIVE WOMEN

## STATEMENTS OF CASH FLOWS
**Years Ended December 31, 2025 and 2024**

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Cash Flows from Operating Activities | | | | |
| Change in net assets | **$** | **261,849** | $ | 1,814,187 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | | | |
| Donated stocks | | **(40,068)** | | (143,828) |
| Depreciation and amortization | | **74,905** | | 70,971 |
| Change in present value discount on contributions receivable | | **(12,747)** | | (13,987) |
| Change in value of annuities | | **(1,760)** | | 464 |
| Change in beneficial interest in trusts | | **(8,218)** | | (3,147) |
| Realized gain on investments | | **(56,652)** | | (2,669) |
| Unrealized gain on investments | | **(553,620)** | | (406,769) |
| Interest on finance lease | | **926** | | - |
| (Increase) decrease in: | | | | |
| Contributions receivable | | **75,086** | | (77,713) |
| Other assets | | **(13,878)** | | - |
| Increase (decrease) in: | | | | |
| Accounts payable and accrued expenses | | **87,487** | | 17,782 |
| **Net cash provided by (used in) operating activities** | | **(186,690)** | | 1,255,291 |
| Cash Flows from Investing Activities | | | | |
| Cash used to purchase property and equipment | | **(44,824)** | | (10,347) |
| Cash used to purchase investments | | **(407,986)** | | (1,744,776) |
| Cash proceeds from sale of investments | | **451,735** | | 55,731 |
| **Net cash used in investing activities** | | **(1,075)** | | (1,699,392) |
| Cash Flows from Financing Activities | | | | |
| Payments on gift annuities | | **(2,214)** | | (2,215) |
| Payment of finance lease liabilities | | **(6,401)** | | (2,208) |
| **Net cash used in financing activities** | | **(8,615)** | | (4,423) |
| Net Decrease in Cash and Cash Equivalents | | **(196,380)** | | (448,524) |
| Cash and Cash Equivalents, beginning of year | | **584,829** | | 1,033,353 |
| Cash and Cash Equivalents, end of year | **$** | **388,449** | $ | 584,829 |
| Supplemental Non-Cash Activities | | | | |
| Right-of-use assets exchanged for lease liabilities | **$** | **40,414** | **$** | **-** |

See Notes to Financial Statements.

## Note 1. Nature of Business and 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 of the Center have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which is an accrual basis of accounting.

***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.

***Contributions receivable:*** Contributions receivable include grants and contributions receivable which are recorded as support when pledged unless designated otherwise. 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 as discussed in Note 3. Amortization of the discount is included in contributions on the statements of activities.

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, 2025 and 2024.

***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.

***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 expensed 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. Assets are depreciated using the straight-line method. Asset useful lives range from five to forty years. Leasehold improvements are amortized under the straight-line method over the lease term.

**Note 1. Nature of Business and Significant Accounting Policies (Continued)**

***Investments:*** The Center records investment purchases at cost, or if donated, at fair value on the date of the donation. Thereafter, investments are reported at fair market value in the statements of financial position. Fair value is determined, when available, from quoted prices on major markets, and other methods as more fully described in Note 4. Investment income is reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses.

***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. Gift annuities are included in other assets on the statements of financial position.

***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.

***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.

Finance leases are included in finance lease right-of-use (ROU) assets and finance lease liabilities on the statements of financial position. Interest expense on the finance lease liability is presented with miscellaneous 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. Nature of Business and Significant Accounting Policies (Continued)**

***Net assets:*** Net assets, revenues, support, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions:* Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

*Net assets with donor restrictions:* Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

***Revenue recognition:*** Revenue is measured based on consideration specified in a contract with a customer. The Center recognizes revenue 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 revenue and support and determined that the principal activities generating income do not have exchange elements and therefore, are not considered contracts with customers.

***Support:*** Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded as net assets with donor restrictions or without donor restrictions when received depending on the existence and/or nature of any 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.

Payments from non-exchange transactions may be subject to conditions which are defined under FASB Accounting Standards Update (ASU) No. 2018-08 as both a barrier to entitlement and a right of return of payments or release from obligations. Revenue from conditional non-exchange transactions is recognized when qualifying expenditures are incurred, performance related outcomes are achieved, and other conditions under the agreements are met. Payments received in advance of conditions being met are recorded as refundable grant advances. There were no refundable grant advances at December 31, 2025 and 2024.

***Contributed nonfinancial assets and other donated assets:*** Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation. Donated investments are promptly sold after receipt. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. There were no contributed nonfinancial assets during the years ended December 31, 2025 and 2024.

***Functional allocation of expenses:*** 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.

### Note 1. Nature of Business and Significant Accounting Policies (Continued)

***Functional allocation of expenses (continued):*** For the year ended December 31, 2025, the Center incurred joint costs of $100,000 for consulting services. These costs were allocated to public information program services in the amount of $33,000 and fundraising in the amount of $67,000.

***Income taxes:*** The Center is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Center has adopted the provisions of accounting for uncertainty in income tax positions as required by *Income Taxes (Topic 740)* of the FASB ASC; however, management does not believe it is exposed to any such positions as defined in this guidance, nor do they expect this to change significantly over the next 12 months. The Center files Form 990, *Return of Organization Exempt from Income Tax*, annually with the United States Department of the Treasury. Such returns are subject to examination by taxing authorities, generally for a period of three years from the date the returns are filed. The Center had no unrelated business income during the years ended December 31, 2025 and 2024.

***Use of estimates:*** The preparation of financial statements in conformity with U.S GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Reclassifications:*** Certain amounts reported in the prior year financial statements have been reclassified to conform to the current year presentation. The reclassification had no effect on previously reported change in net assets.

***Subsequent events:*** The Center has evaluated subsequent events through May 12, 2026, 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. Availability and Liquidity of Resources

The Center's financial assets available for general expenditure within one year of the statements of financial position, are as follows:

| | **2025** | 2024 |
|---|---|---|
| Financial Assets | | |
| Cash and cash equivalents | **$ 388,449** | $ 584,829 |
| Contributions receivable, current | **1,535,467** | 1,824,509 |
| **Total financial assets** | **1,923,916** | 2,409,338 |
| Less those unavailable for general expenditures within one year | | |
| Net assets with donor restrictions, excluding investments and beneficial interest in trust with donor restrictions | **(526,630)** | (256,290) |
| **Financial assets available to meet cash needs for general expenditures within one year** | **$ 1,397,286** | $ 2,153,048 |

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 investments that can be liquidated if needed. These investments are shown as operating investments on the statements of financial position.

## Note 3. Contributions Receivable

Contributions receivable consisted of the following at December 31:

| | 2025 | 2024 |
|---|---|---|
| Due in One Year or Less | **$ 1,535,467** | $ 1,824,509 |
| Due in Two to Five Years | **482,000** | 182,000 |
| Due in More than Five Years | **185,250** | 245,800 |
| | **2,202,717** | 2,252,309 |
| Less: Discount to Net Present Value | **(183,817)** | (171,070) |
| | **$ 2,018,900** | $ 2,081,239 |

The discount on contribution receivables was calculated using discount rates ranging from 2.97% - 4.98% for the years ended December 31, 2025 and 2024. Bad debt expense recognized on contributions receivable totaled $-0- for the years ended December 31, 2025 and 2024. 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 the discount is included in contributions on the statements of activities.

Contributions receivables from three donors totaled $1,783,363 and 88% of total contributions receivables at December 31, 2025. Contributions receivables from three donors totaled $1,810,678 and 87% of total contributions receivables at December 31, 2024.

## Note 4. Fair Value of Investments

The Center reports investments at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumption that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the last information available. A three-tier hierarchy categorizes the inputs as follows:

**Level 1:** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Center has the ability to access.

**Level 2:** Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3:** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**Note 4. Fair Value of Investments (Continued)**

Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Assets and liabilities are measured at fair value based on one or more of three valuation techniques identified in the table below. The valuation techniques are as follows:

(a) Market approach. Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;

(b) Cost approach. Amount that would be required to replace the service capacity of an asset (replacement cost); and

(c) Income approach. Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

The following tables set forth by level, within the fair value hierarchy, the Center's investments at fair value as of December 31, 2025:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Operating Investments | | | | |
| Index Mutual Funds | $ 2,951,025 | $ - | $ - | $ 2,951,025 |
| Equity Securities | 49,922 | - | - | 49,922 |
| Fixed Income Mutual Funds | 241,684 | - | - | 241,684 |
| Money Market Funds | 920,219 | - | - | 920,219 |
| **Total operating investments** | 4,162,850 | - | - | 4,162,850 |
| Endowment Investments | | | | |
| Index Mutual Funds | 1,120,833 | - | - | 1,120,833 |
| Fixed Income Mutual Funds | 713,156 | - | - | 713,156 |
| **Total endowment fund investments** | 1,833,989 | - | - | 1,833,989 |
| Deferred Compensation Investments | 27,360 | - | - | 27,360 |
| Benefitical Interest in Trusts | - | 145,192 | - | 145,192 |
| | $ 6,024,199 | $ 145,192 | $ - | $ 6,169,391 |

**Note 4. Fair Value of Investments (Continued)**

The following tables set forth by level, within the fair value hierarchy, the Center's investments at fair value as of December 31, 2024, as restated:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Operating Investments | | | | |
| Index Mutual Funds | $ 2,475,908 | $ - | $ - | $ 2,475,908 |
| Equity Securities | 34,105 | - | - | 34,105 |
| Fixed Income Mutual Funds | 203,481 | - | - | 203,481 |
| Money Market Funds | 1,151,271 | - | - | 1,151,271 |
| **Total operating investments** | 3,864,765 | - | - | 3,864,765 |
| Endowment Investments | | | | |
| Index Mutual Funds | 920,117 | - | - | 920,117 |
| Fixed Income Mutual Funds | 605,366 | - | - | 605,366 |
| **Total endowment fund investments** | 1,525,483 | - | - | 1,525,483 |
| Deferred Compensation Investments | 193,583 | - | - | 193,583 |
| Benefitical Interest in Trusts | - | 136,974 | - | 136,974 |
| | $ 5,583,831 | $ 136,974 | $ - | $ 5,720,805 |

For the years ended December 31, 2025 and 2024, the application of valuation techniques applied to similar assets has been consistent with prior years. The following is a description of the valuation methodology used for instruments measured at fair value:

*Index mutual funds, equity securities, fixed income mutual funds, and money market funds:* Index mutual funds, equity securities, fixed income mutual funds, and money market funds are measured at fair value based on quoted market prices, when available, or market prices recognized by broker dealers.

*Deferred compensation investments:* Deferred compensation investments are measured at fair value based on quoted market prices, when available, or market prices recognized by broker dealers.

*Beneficial interest in trusts:* Beneficial interest in trusts is stated at fair value using level 2 valuation methodology.

**Note 5. 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 restricted for future use.

### Note 5. Endowment Funds (Continued)

| | 2025 | 2024 |
|---|---|---|
| Fully Funded Endowments | **$ 700,000** | $ 700,000 |
| Partially Funded Endowment | **990,000** | 990,000 |
| Partially Funded Endowment Present Value Adjustment | **(137,086)** | (171,069) |
| | **$ 1,552,914** | $ 1,518,931 |

The change in endowment net assets with donor restrictions and reconciliation to endowment investments for the year ended December 31, 2025 is as follows:

| | Endowment Corpus | Present Value Adjustment | Endowment Earnings | Total |
|---|---|---|---|---|
| Endowment net assets, beginning of year | **$ 1,690,000** | **$ (171,069)** | **$ 208,774** | **$ 1,727,705** |
| Investment income | **-** | **-** | **133,658** | **133,658** |
| Change in present value | **-** | **33,983** | **-** | **33,983** |
| Endowment fund net assets, end of year | **1,690,000** | **(137,086)** | **342,432** | **1,895,346** |
| Contributions receivable | **(392,750)** | **-** | **-** | **(392,750)** |
| Present value discount | **-** | **137,086** | **-** | **137,086** |
| Accumulated endowment earnings without donor restrictions | **-** | **-** | **194,307** | **194,307** |
| Endowment fund investments | **$ 1,297,250** | **$ -** | **$ 536,739** | **$ 1,833,989** |

The change in endowment net assets with donor restrictions and reconciliation to endowment investments for the year ended December 31, 2024 is as follows:

| | Endowment Corpus | Present Value Adjustment | Endowment Earnings | Total |
|---|---|---|---|---|
| Endowment net assets, beginning of year | $ 1,690,000 | $ (185,056) | $ 100,080 | $ 1,605,024 |
| Investment income | - | - | 108,694 | 108,694 |
| Change in present value | - | 13,987 | - | 13,987 |
| Endowment fund net assets, end of year | 1,690,000 | (171,069) | 208,774 | 1,727,705 |
| Contributions receivable | (473,300) | - | - | (473,300) |
| Present value discount | - | 171,069 | - | 171,069 |
| Accumulated endowment earnings without donor restrictions | - | - | 100,009 | 100,009 |
| Endowment fund investments | $ 1,216,700 | $ - | $ 308,783 | $ 1,525,483 |

The portion of endowment funds that is required to be retained either by explicit donor stipulation, or by the Virginia Uniform Prudent Management of Institutional Funds Act (UPMIFA) in perpetuity, totaled $1,552,914 and $1,518,930 at December 31, 2025 and 2024, respectively.

**Note 5. Endowment Funds (Continued)**

*Interpretation of relevant law:* Management of the Center has interpreted the 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

*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, 2025 and 2024.

*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.

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NOTES TO FINANCIAL STATEMENTS

**Note 6. 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:

| | 2025 | 2024 |
|---|---|---|
| With Donor Restrictions | | |
| Perpetual in nature | **$ 1,552,914** | $ 1,518,931 |
| Time restricted | **142,445** | 229,953 |
| Purpose restricted | **867,380** | 372,084 |
| | **$ 2,562,739** | $ 2,120,968 |
| Without Donor Restrictions | | |
| Undesignated | **$ 7,166,892** | $ 7,346,814 |
| | **$ 7,166,892** | $ 7,346,814 |

Net assets released from restriction consisted of the following during the years ended December 31:

| | 2025 | 2024 |
|---|---|---|
| With Donor Restrictions | | |
| Time restricted | **95,727** | 28,527 |
| Purpose restricted | **199,702** | 95,919 |
| | **$ 295,429** | $ 124,446 |

**Note 7. Property and Equipment**

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

| | 2025 | 2024 |
|---|---|---|
| Land | **$ 157,085** | $ 157,085 |
| Building and Improvements | **1,569,572** | 1,549,227 |
| Equipment | **130,779** | 129,369 |
| Furniture and Fixtures | **91,278** | 88,831 |
| Signage | **4,960** | 4,960 |
| Software | **50,038** | 29,416 |
| Finance Lease Right-of-Use | **37,001** | 4,841 |
| | **2,040,713** | 1,963,729 |
| Less: Accumulated Depreciation and Amortization | **(744,069)** | (675,810) |
| | **$ 1,296,644** | $ 1,287,919 |

## Note 8. Leases

The Center is a party to one finance lease for a copier that was renewed during the year ended December 31, 2025. The lease requires monthly payments of $731 and matures August, 2030.

The following amounts were recorded in the Center's statements of functional expenses relating to its lease for the years ended December 31:

| | 2025 | 2024 |
|---|---|---|
| Finance Lease Expense | | |
| Amortization of right-of-use assets | **$ 6,646** | $ 2,208 |
| Interest on lease liabilities | **915** | 55 |
| **Total finance lease expense** | **$ 7,561** | $ 2,263 |

The following is other supplemental information relating to the Center's operating leases for the years ended December 31

| | 2025 | 2024 |
|---|---|---|
| Cash paid for amounts included in the measurement of: | | |
| Operating cash flows from finance leases (interest) | **$ 926** | $ 55 |
| Financing cash flows from finance leases (principal) | **6,401** | 2,208 |
| ROU assets obtained in exchange for new finance lease liabilities | **$ 40,414** | $ - |
| Weighted-average remaining lease term - finance leases | **4.67** | 0.83 |
| Weighted-average discount rate for finance leases | **3.96%** | 1.04% |

Future maturities of the Center's operating leases are as follows:

| Year Ending December 31, | Amount |
|---|---|
| 2026 | $ 8,772 |
| 2027 | 8,772 |
| 2028 | 8,772 |
| 2029 | 8,772 |
| 2030 | 5,848 |
| Total undiscounted cash flows | 40,936 |
| Less: present value discount | (3,493) |
| **Total finance lease liabilities** | $ 37,443 |

## 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. The Center made contributions to the plan of 3% and $12,552 during the year ended December 31, 2025. The Center did not contribute to the plan during the year ended December 31, 2024.

**Note 10. Deferred Compensation Plan, as Restated**

The Center maintains an unfunded, nonqualified deferred compensation plan established under Section 457(b) of the Internal Revenue Code for eligible senior staff of the Center, to which the Center makes discretionary contributions. The plan assets remain the property of the Center and are subject to claims of creditors. All contributions are immediately vested without regard to additional service and no substantial risk of forfeiture. Plan assets are stated at fair value. The Center made contributions of $23,000 and $5,625 to the deferred compensation plan for the years ended December 31, 2025 and 2024, respectively. Distributions from the plan were $201,966 and $0 for the years ended December 31, 2025 and 2024, respectively.

**Note 11. Restatement**

The financial statements for the year ended December 31, 2024 have been restated to correct errors to deferred compensation investments and deferred compensation liability. The changes due to restatement are that the Center had previously not recorded deferred compensation plan investments and related deferred compensation plan liability. Deferred compensation plan investments and related deferred compensation plan liability totaling $193,583 were recorded for the year ended December 31, 2024, and the required disclosures were added to Note 10. There was no impact on the change in net assets for the year ended December 31, 2024 or the beginning or ending net assets with and without donor restrictions for the year ended December 31, 2024.