

Open Contracting Partnership

Financial Statements
and Independent Auditor's Report

December 31, 2024 and 2023

Open Contracting Partnership

Financial Statements
December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Open Contracting Partnership

Opinion

We have audited the accompanying financial statements of Open Contracting Partnership ("the 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 the Organization 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 (GAAP).

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP 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.

Responsibilities of Management for the Financial Statements (continued)

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

Auditor's Responsibilities for the 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

Handwritten signature of Rogers + Company PLLC in black ink.

Vienna, Virginia
July 23, 2025

Open Contracting Partnership

Statements of Financial Position December 31, 2024 and 2023

| | 2024 | 2023 |
|--|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 169,765 | \$ 99,086 |
| Investments | 1,275,501 | 1,577,576 |
| Grants and contributions receivable, net | 366,267 | 1,185,886 |
| Accounts receivable | - | 26,667 |
| Prepaid expenses and other assets | 72,407 | 15,404 |
| Deposits | 66,687 | 66,687 |
| Total assets | <u>\$ 1,950,627</u> | <u>\$ 2,971,306</u> |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Accounts payable and accrued expenses | <u>\$ 92,646</u> | <u>\$ 108,937</u> |
| Total liabilities | <u>92,646</u> | <u>108,937</u> |
| Net Assets | | |
| Without donor restrictions: | | |
| Undesignated | (292,548) | (23,950) |
| Board-designated operating reserve | <u>1,127,732</u> | <u>978,485</u> |
| Total without donor restrictions | 835,184 | 954,535 |
| With donor restrictions | <u>1,022,797</u> | <u>1,907,834</u> |
| Total net assets | <u>1,857,981</u> | <u>2,862,369</u> |
| Total liabilities and net assets | <u>\$ 1,950,627</u> | <u>\$ 2,971,306</u> |

See accompanying notes.

Open Contracting Partnership

Statement of Activities For the Year Ended December 31, 2024

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---------------------------------------|-------------------------------|----------------------------|----------------------------|
| Revenue and Support | | | |
| Grants and contributions | \$ 1,931,816 | \$ 5,331,644 | \$ 7,263,460 |
| In-kind services | 32,000 | - | 32,000 |
| Other revenue | 4,801 | - | 4,801 |
| Interest income | 106,121 | - | 106,121 |
| Released from restrictions | 6,216,681 | (6,216,681) | - |
| | <u>8,291,419</u> | <u>(885,037)</u> | <u>7,406,382</u> |
| Expenses | | | |
| Program services: | | | |
| Data products and support services | 1,937,838 | - | 1,937,838 |
| Implementation | 4,263,244 | - | 4,263,244 |
| Advocacy and communications | 930,163 | - | 930,163 |
| Community building and research | 620,109 | - | 620,109 |
| | <u>7,751,354</u> | <u>-</u> | <u>7,751,354</u> |
| Supporting services: | | | |
| Management and general | 641,602 | - | 641,602 |
| Fundraising | 17,814 | - | 17,814 |
| | <u>659,416</u> | <u>-</u> | <u>659,416</u> |
| Total expenses | <u>8,410,770</u> | <u>-</u> | <u>8,410,770</u> |
| Change in Net Assets | (119,351) | (885,037) | (1,004,388) |
| Net Assets , beginning of year | <u>954,535</u> | <u>1,907,834</u> | <u>2,862,369</u> |
| Net Assets , end of year | <u><u>\$ 835,184</u></u> | <u><u>\$ 1,022,797</u></u> | <u><u>\$ 1,857,981</u></u> |

See accompanying notes.

Open Contracting Partnership

Statement of Activities For the Year Ended December 31, 2023

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---------------------------------------|-------------------------------|----------------------------|----------------------------|
| Revenue and Support | | | |
| Grants and contributions | \$ 2,832,991 | \$ 5,058,927 | \$ 7,891,918 |
| In-kind services | 32,000 | - | 32,000 |
| Other revenue | 48,388 | - | 48,388 |
| Interest income | 80,189 | - | 80,189 |
| Released from restrictions | 3,209,870 | (3,209,870) | - |
| | <u>6,203,438</u> | <u>1,849,057</u> | <u>8,052,495</u> |
| Expenses | | | |
| Program services: | | | |
| Data products and support services | 1,364,162 | - | 1,364,162 |
| Implementation | 3,001,160 | - | 3,001,160 |
| Advocacy and communications | 654,797 | - | 654,797 |
| Community building and research | 436,534 | - | 436,534 |
| | <u>5,456,653</u> | <u>-</u> | <u>5,456,653</u> |
| Supporting services: | | | |
| Management and general | 712,453 | - | 712,453 |
| Fundraising | 153,751 | - | 153,751 |
| | <u>866,204</u> | <u>-</u> | <u>866,204</u> |
| Total expenses | <u>6,322,857</u> | <u>-</u> | <u>6,322,857</u> |
| Change in Net Assets | (119,419) | 1,849,057 | 1,729,638 |
| Net Assets , beginning of year | <u>1,073,954</u> | <u>58,777</u> | <u>1,132,731</u> |
| Net Assets , end of year | <u><u>\$ 954,535</u></u> | <u><u>\$ 1,907,834</u></u> | <u><u>\$ 2,862,369</u></u> |

See accompanying notes.

Open Contracting Partnership

Statement of Functional Expenses For the Year Ended December 31, 2024

| | Program Services | | | | | Supporting Services | | | |
|--------------------------------------|--|---------------------|-------------------------------------|---------------------------------------|------------------------------|------------------------------|------------------|---------------------------------|---------------------|
| | Data Products and Support Services | Implemen- tation | Advocacy and Communi- cations | Community Building and Research | Total Program Services | Management and General | Fundraising | Total Supporting Services | Total Expenses |
| Salaries and employee benefits | \$ 437,593 | \$ 962,706 | \$ 210,045 | \$ 140,030 | \$ 1,750,374 | \$ 98,206 | \$ 16,607 | \$ 114,813 | \$ 1,865,187 |
| Payroll taxes | 30,777 | 67,710 | 14,773 | 9,849 | 123,109 | 7,285 | 1,191 | 8,476 | 131,585 |
| Payroll processing fees | - | - | - | - | - | 29,551 | - | 29,551 | 29,551 |
| Contract services | 1,311,336 | 2,884,938 | 629,441 | 419,628 | 5,245,343 | 369,007 | - | 369,007 | 5,614,350 |
| Professional fees | 496 | 1,092 | 238 | 159 | 1,985 | 74,974 | - | 74,974 | 76,959 |
| Supplies | 5,208 | 11,458 | 2,500 | 1,667 | 20,833 | 386 | - | 386 | 21,219 |
| Telephone | 1,876 | 4,127 | 900 | 600 | 7,503 | (1,064) | 16 | (1,048) | 6,455 |
| Printing | 1,310 | 2,883 | 629 | 419 | 5,241 | 1,295 | - | 1,295 | 6,536 |
| Books, subscriptions, and references | 283 | 622 | 136 | 90 | 1,131 | 1,310 | - | 1,310 | 2,441 |
| Software | 17,081 | 37,577 | 8,199 | 5,466 | 68,323 | 19,987 | - | 19,987 | 88,310 |
| Occupancy | 28,587 | 62,890 | 13,722 | 9,148 | 114,347 | 15,293 | - | 15,293 | 129,640 |
| Travel and meetings | 81,575 | 179,466 | 39,156 | 26,104 | 326,301 | 14,431 | - | 14,431 | 340,732 |
| Insurance | 2,231 | 4,908 | 1,071 | 714 | 8,924 | 2,254 | - | 2,254 | 11,178 |
| Miscellaneous | 19,316 | 42,496 | 9,272 | 6,181 | 77,265 | 4,115 | - | 4,115 | 81,380 |
| Foreign currency exchange loss | - | - | - | - | - | 1,307 | - | 1,307 | 1,307 |
| Bank charges and fees | 169 | 371 | 81 | 54 | 675 | 3,265 | - | 3,265 | 3,940 |
| Total Expenses | \$ 1,937,838 | \$ 4,263,244 | \$ 930,163 | \$ 620,109 | \$ 7,751,354 | \$ 641,602 | \$ 17,814 | \$ 659,416 | \$ 8,410,770 |

See accompanying notes.

Open Contracting Partnership

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

| | Program Services | | | | | Supporting Services | | | |
|--------------------------------------|--|---------------------|-------------------------------------|---------------------------------------|------------------------------|------------------------------|-------------------|---------------------------------|---------------------|
| | Data Products and Support Services | Implemen- tation | Advocacy and Communi- cations | Community Building and Research | Total Program Services | Management and General | Fundraising | Total Supporting Services | Total Expenses |
| Salaries and employee benefits | \$ 331,748 | \$ 729,847 | \$ 159,239 | \$ 106,160 | \$ 1,326,994 | \$ 281,428 | \$ 142,915 | \$ 424,343 | \$ 1,751,337 |
| Payroll taxes | 22,800 | 50,160 | 10,944 | 7,296 | 91,200 | 33,163 | 10,615 | 43,778 | 134,978 |
| Payroll processing fees | - | - | - | - | - | 25,021 | - | 25,021 | 25,021 |
| Contract services | 895,194 | 1,969,428 | 429,694 | 286,462 | 3,580,778 | 228,082 | - | 228,082 | 3,808,860 |
| Professional fees | 4,217 | 9,277 | 2,024 | 1,349 | 16,867 | 64,356 | - | 64,356 | 81,223 |
| Supplies | 2,527 | 5,560 | 1,213 | 809 | 10,109 | - | - | - | 10,109 |
| Telephone | 1,071 | 2,357 | 514 | 343 | 4,285 | - | 221 | 221 | 4,506 |
| Postage and shipping | - | - | - | - | - | 57 | - | 57 | 57 |
| Printing | 699 | 1,537 | 335 | 224 | 2,795 | - | - | - | 2,795 |
| Books, subscriptions, and references | 1,313 | 2,888 | 630 | 420 | 5,251 | 665 | - | 665 | 5,916 |
| Software | 18,124 | 39,874 | 8,700 | 5,800 | 72,498 | 34,888 | - | 34,888 | 107,386 |
| Occupancy | 15,255 | 33,561 | 7,322 | 4,882 | 61,020 | - | - | - | 61,020 |
| Travel and meetings | 63,111 | 138,844 | 30,293 | 20,196 | 252,444 | 26,743 | - | 26,743 | 279,187 |
| Insurance | 1,676 | 3,688 | 805 | 536 | 6,705 | 10,881 | - | 10,881 | 17,586 |
| Miscellaneous | 5,868 | 12,909 | 2,816 | 1,878 | 23,471 | 1,137 | - | 1,137 | 24,608 |
| Foreign currency exchange loss | 559 | 1,230 | 268 | 179 | 2,236 | 2 | - | 2 | 2,238 |
| Bank charges and fees | - | - | - | - | - | 6,030 | - | 6,030 | 6,030 |
| Total Expenses | \$ 1,364,162 | \$ 3,001,160 | \$ 654,797 | \$ 436,534 | \$ 5,456,653 | \$ 712,453 | \$ 153,751 | \$ 866,204 | \$ 6,322,857 |

See accompanying notes.

Open Contracting Partnership

Statements of Cash Flows For the Years Ended December 31, 2024 and 2023

| | 2024 | 2023 |
|---|--------------------------|-------------------------|
| Cash Flows from Operating Activities | | |
| Change in net assets | \$ (1,004,388) | \$ 1,729,638 |
| Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities: | | |
| Change in present value discount | (13,634) | 13,634 |
| Change in operating assets and liabilities: | | |
| Decrease (increase) in: | | |
| Grants and contributions receivable | 833,253 | (1,149,520) |
| Accounts receivable | 26,667 | (16,687) |
| Prepaid expenses and other assets | (57,003) | (1,009) |
| Decrease in: | | |
| Accounts payable and accrued expenses | (16,291) | (188,868) |
| Net cash (used in) provided by operating activities | <u>(231,396)</u> | <u>387,188</u> |
| Cash Flows from Investing Activities | | |
| Purchases of investments | (9,942,925) | (6,815,418) |
| Proceeds from sales of investments | <u>10,245,000</u> | <u>6,143,024</u> |
| Net cash provided by (used in) investing activities | <u>302,075</u> | <u>(672,394)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 70,679 | (285,206) |
| Cash and Cash Equivalents, beginning of year | <u>99,086</u> | <u>384,292</u> |
| Cash and Cash Equivalents, end of year | <u><u>\$ 169,765</u></u> | <u><u>\$ 99,086</u></u> |

See accompanying notes.

Open Contracting Partnership

Notes to Financial Statements
December 31, 2024 and 2023

1. Nature of Operations

The Open Contracting Partnership (“the Organization”) is an independent, nonprofit, public charity operating in over 50 countries. The Organization’s mission is to open up and transform public procurement to be a smarter, more human-centered, digital public service. We help partners across government, civil society, and the private sector to:

1. Design goal driven reforms;
2. Build coalitions of change; and
3. Co-create digital solutions, powered by open data.

The Organization is primarily funded through grants and contributions.

Prior to October 1, 2021, the Organization was fiscally sponsored by the Fund for the City of New York (“the Fund”), a New York nonprofit organization. As the Organization’s fiscal sponsor, the Fund received donations and provided organizational infrastructure, legal services, and tax-exempt status for the Organization. Until the Organization obtained its own tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (IRC), the Fund acted as the fiscal sponsor for all operations. Effective October 1, 2021, the Organization began operations as a legally separate and financially independent organization; and the Fund transferred all assets and liabilities of the Organization to its own chart of accounts.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The Organization’s financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Open Contracting Partnership

Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Classification of Net Assets

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Included in net assets without donor restrictions is a Board-designated operating reserve. The Board-designated reserve demonstrates the Organization's commitment to prudent financial planning and stability. At December 31, 2024 and 2023, the undesignated portion of net assets without donor restrictions reflected a temporary deficit of (\$292,548) and (\$23,950), respectively, primarily due to the timing of multi-year contributions and grant receipts, as well as timing of releases/expenses on restricted programs. The Organization maintains sufficient liquidity and financial flexibility, and the Board continues to monitor and manage reserves to ensure operational continuity.
- *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.

Cash Equivalents

For the purpose of the statements of cash flows, the Organization considers as cash equivalents all highly liquid investments, including funds not held for long-term investment purposes, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase.

Investments

Investments are recorded at fair value based on quoted market prices. All investment returns are included in the accompanying statements of activities. Money market and short-term investment funds, held as a portion of the Organization's investment portfolio, are not considered to be cash equivalents for purposes of cash flows.

Open Contracting Partnership

Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Grants and Contributions Receivable

Grants and contributions receivable represent unconditional amounts committed to the Organization. Grants and contributions are reflected at either net realizable value or at net present value based on projected cash flows. Management determines the allowance for doubtful receivables based upon review of outstanding receivables, historical collection information, and existing economic conditions. There was no allowance for receivables at both December 31, 2024 and 2023, as all grants and contributions were deemed fully collectible.

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Grants and contributions that are nonreciprocal are recognized as revenue when cash, securities, or other assets, or an unconditional promise to give, is received. The Organization reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of the Organization's programs or to a future year. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Conditional contributions contain a donor-imposed condition that represents a barrier that must be overcome before the Organization is entitled to the assets transferred or promised. Failure to overcome the barrier gives the donor a right of return of the assets it has transferred or gives the promisor a right of release from its obligation to transfer its assets.

Conditional contributions are recognized as revenue, either with or without donor restrictions, when donor-imposed conditions are substantially met, and any barriers are overcome. Donor restrictions are also satisfied when qualifying expenditures are incurred for the donor-specified program. Conditional contributions are recorded as deferred revenue until the conditions are met and barriers are overcome. There was no deferred revenue at December 31, 2024 and 2023 in the accompanying statements of financial position.

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Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

In-Kind Contributions

In-kind contributions are recognized as revenue if the services and goods meet the criteria for recognition. Donated services were received during the years ended December 31, 2024 and 2023, and are recognized at fair value at the time of donation. The Organization received donated services consisting of subscription services during the years ended December 31, 2024 and 2023, with an estimated fair value of \$32,000 and \$32,000, respectively. These donated services are recognized as revenues and expenses in the accompanying statements of activities and support program services.

Foreign Currency Transaction Losses

The Organization conducts its operations internationally, and accordingly, transacts in local currencies of various countries. Losses from foreign currency transactions for the year are included in the accompanying statements of activities and functional expenses, as they relate to the Organization's operations.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 23, 2025, the date the financial statements were available to be issued.

Open Contracting Partnership

Notes to Financial Statements
December 31, 2024 and 2023

3. Liquidity and Availability

Financial assets that are available for general expenditures within one year of the statements of financial position date comprise the following at December 31:

| | 2024 | 2023 |
|--|-------------------|-------------------|
| Cash and cash equivalents | \$ 169,765 | \$ 99,086 |
| Investments | 1,275,501 | 1,577,576 |
| Grants and contributions receivable, net | 366,267 | 1,185,886 |
| Accounts receivable | - | 26,667 |
| Total financial assets | 1,811,533 | 2,889,215 |
| Less: net assets with donor restrictions | (1,022,797) | (1,907,834) |
| Total available for general expenditures | <u>\$ 788,736</u> | <u>\$ 981,381</u> |

4. Concentrations of Risk

Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and cash equivalents, and certificates of deposit. The Organization maintains cash deposit and transaction accounts with various financial institutions, along with certificates of deposit, and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Organization has not experienced any credit losses on its cash and cash equivalents, and certificates of deposit, to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Revenue Risk

For the years ended December 31, 2024 and 2023, a substantial portion of the Organization's revenue was generated from two and four sources, respectively. The revenue comprised of 41% and 76% of the Organization's total revenue and support for the years ended December 31, 2024 and 2023, respectively. A potential reduction or change in funding from these sources in the future could significantly impact the Organization's ability to carry out its program activities.

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Notes to Financial Statements
December 31, 2024 and 2023

5. Investments and Fair Value Measurements

GAAP guidelines establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs.

Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period.

In general, and where applicable, the Organization uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments. Level 2 inputs include certificates of deposit, which are valued based on quoted prices in less active markets.

The following table presents the Organization's fair value hierarchy for those assets measured on a recurring basis as of December 31:

| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------|--------------|------------|---------|--------------|
| <u>2024:</u> | | | | |
| Money markets | \$ 1,275,501 | \$ - | \$ - | \$ 1,275,501 |
| Total investments | \$ 1,275,501 | \$ - | \$ - | \$ 1,275,501 |
| <u>2023:</u> | | | | |
| Money markets | \$ 591,273 | \$ - | \$ - | \$ 591,273 |
| Certificates of deposit | - | 986,303 | - | 986,303 |
| Total investments | \$ 591,273 | \$ 986,303 | \$ - | \$ 1,577,576 |

Interest income for the years ended December 31, 2024 and 2023 was \$106,121 and \$80,189, respectively.

Open Contracting Partnership

Notes to Financial Statements
December 31, 2024 and 2023

6. Grants and Contributions Receivable

Grants and contributions receivable consist of the following at December 31:

| | 2024 | 2023 |
|---|-------------------|---------------------|
| Due in less than one year | \$ 366,267 | \$ 859,520 |
| Due in one to five years | - | 340,000 |
| Total grants and contributions receivable | 366,267 | 1,199,520 |
| Less: present value discount at 4% | - | (13,634) |
| Grants and contributions receivable, net | <u>\$ 366,267</u> | <u>\$ 1,185,886</u> |

7. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of following at December 31:

| | 2024 | 2023 |
|---|---------------------|---------------------|
| Purpose restricted: | | |
| Support for energy transition | \$ 251,395 | \$ 214,896 |
| Flood support | 132,174 | - |
| Latin America, Asia, and Europe initiatives | 108,827 | - |
| Support for Ukraine reconstructions | 101,815 | 623,823 |
| Support for women-led business | 88,586 | 1,563 |
| UNCAC implementation | - | 366,170 |
| Open source red flag library | - | 31,382 |
| Time restricted | <u>340,000</u> | <u>670,000</u> |
| Total net assets with restrictions | <u>\$ 1,022,797</u> | <u>\$ 1,907,834</u> |

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Notes to Financial Statements
December 31, 2024 and 2023

8. Commitments and Contingencies

Service Organization

The Organization contracts with Oyster as its professional employer organization. Oyster is the employer of record for tax, benefits, and insurance purposes for the Organization's employees. This co-employment relationship allows the Organization to maintain direct control of the day-to-day activities of employees, while Oyster assumes the administrative functions of human resources and absorbs many employer-related liabilities.

License Agreement and Office Lease

The Organization entered into a license agreement for shared office space located in Washington, DC that initially commenced on April 1, 2021 and expired on March 31, 2024. The license agreement required fixed monthly payments over the term of the agreement. Upon expiration, the agreement continued on a month-to-month basis at the same rate, and is cancellable upon 60 days' notice. The agreement contains a clause for annual payment escalations of up to 3% from the previous year. The Organization also leases office space in Ukraine, under the terms of a month-to-month lease. Occupancy expense for the years ended December 31, 2024 and 2023 totaled \$104,438 and \$61,020, respectively.

Government Grants

Funds received from government agencies are subject to audit under the provisions of the agreements. The ultimate determination of amounts received under the agreements is based upon the allowance of costs reported to and accepted by the oversight agency. Until the grant is closed out, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability exists.

9. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Where feasible, the Organization allocates its expenses directly to specific programs or functions. Additionally, the Organization utilizes an indirect cost allocation methodology to allocate its expenses. The expenses that are allocated include staffing fees, which are allocated on the basis of estimates of time and effort. Other expenses are allocated across specific programs or functions based on an estimated percentage of time and effort spent by staff on the natural type of expense.

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10. Retirement Plan

On October 15, 2021, the Organization began maintaining a retirement plan, effective January 1, 2022, qualified under IRC Section 401(k) for its employees. All employees who meet certain age and employment requirements are eligible to participate in the plan. The Organization contributes up to 10% of each participating employee's salary subject to annual limitations imposed by the Internal Revenue Service. During the years ended December 31, 2024 and 2023, retirement plan expense totaled \$161,674 and \$130,770, respectively.

11. Income Taxes

The Organization is exempt from payment of taxes on income other than net unrelated business income under IRC Section 501(c)(3). For the years ended December 31, 2024 and 2023, there was no unrelated business income and, accordingly, no federal or state income taxes have been recorded. Contributions to the Organization are deductible as provided in IRC Section 170(b)(1)(A)(vi). Management has evaluated the Organization's tax positions and concluded that the Organization's financial statements do not include any uncertain tax positions.