

Open Contracting Partnership

Financial Statements
and Independent Auditor's Report

December 31, 2025 and 2024

Open Contracting Partnership

Financial Statements
December 31, 2025 and 2024

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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, 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 Organization 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 Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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 in black ink that reads "Rogers + Company PLLC". The "R" is large and stylized, with a vertical line extending downwards from its base. The rest of the text is written in a cursive, handwritten style.

Vienna, Virginia
April 30, 2026

Open Contracting Partnership

Statements of Financial Position December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	\$ 547,509	\$ 169,765
Investments	3,168,936	1,275,501
Grants and contributions receivable, net	92,450	366,267
Prepaid expenses and other assets	35,556	72,407
Deposits	66,687	66,687
Right-of-use asset - operating lease	148,466	-
Total assets	<u>\$ 4,059,604</u>	<u>\$ 1,950,627</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 81,861	\$ 92,646
Lease liability - operating lease	156,253	-
Total liabilities	<u>238,114</u>	<u>92,646</u>
Net Assets		
Without donor restrictions:		
Undesignated	1,016,994	(292,548)
Board-designated operating reserve	1,153,745	1,127,732
Total without donor restrictions	2,170,739	835,184
With donor restrictions	1,650,751	1,022,797
Total net assets	<u>3,821,490</u>	<u>1,857,981</u>
Total liabilities and net assets	<u>\$ 4,059,604</u>	<u>\$ 1,950,627</u>

See accompanying notes.

Open Contracting Partnership

Statement of Activities
For the Years Ended December 31, 2025 and 2024

	2025	2024
Operating Revenue and Support Without Donor Restrictions		
Grants and contributions	\$ 5,292,884	\$ 1,931,816
In-kind services	31,999	32,000
Other revenue	63,265	4,801
Interest income	99,954	106,121
Net assets released from restrictions	3,165,121	6,216,681
 Total operating revenue and support without donor restrictions	 8,653,223	 8,291,419
Expenses		
Program services:		
Data products and support services	1,685,604	1,937,838
Implementation	3,708,329	4,263,244
Advocacy and communications	809,089	930,163
Community building and research	539,394	620,109
 Total program services	 6,742,416	 7,751,354
Supporting services:		
Management and general	546,936	641,602
Fundraising	28,316	17,814
 Total supporting services	 575,252	 659,416
 Total expenses	 7,317,668	 8,410,770
 Change in net assets without donor restrictions	 1,335,555	 (119,351)
Net Assets With Donor Restrictions		
Grants and contributions	3,793,075	5,331,644
Net assets released from restrictions	(3,165,121)	(6,216,681)
 Change in net assets with donor restrictions	 627,954	 (885,037)
 Change in Net Assets	 1,963,509	 (1,004,388)
 Net Assets, beginning of year	 1,857,981	 2,862,369
 Net Assets, end of year	 \$ 3,821,490	 \$ 1,857,981

See accompanying notes.

Open Contracting Partnership

Statement of Functional Expenses For the Year Ended December 31, 2025

	Program Services					Supporting Services			Total Expenses
	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	
Salaries and employee benefits	\$ 392,027	\$ 862,460	\$ 188,173	\$ 125,449	\$ 1,568,109	\$ 226,545	\$ 26,229	\$ 252,774	\$ 1,820,883
Payroll taxes	29,567	65,048	14,192	9,461	118,268	16,032	2,071	18,103	136,371
Payroll processing fees	-	-	-	-	-	28,100	-	28,100	28,100
Contract services	1,119,234	2,462,315	537,232	358,155	4,476,936	134,296	-	134,296	4,611,232
Professional fees	16,077	35,370	7,717	5,145	64,309	49,728	-	49,728	114,037
Supplies	4,093	9,005	1,965	1,310	16,373	57	-	57	16,430
Telephone	1,533	3,372	736	490	6,131	1,290	16	1,306	7,437
Printing	411	905	197	132	1,645	979	-	979	2,624
Books, subscriptions, and references	-	-	-	-	-	1,057	-	1,057	1,057
Software	12,269	26,991	5,889	3,926	49,075	41,867	-	41,867	90,942
Occupancy	36,543	80,394	17,540	11,694	146,171	14,991	-	14,991	161,162
Travel and meetings	59,695	131,328	28,653	19,102	238,778	8,918	-	8,918	247,696
Insurance	1,375	3,025	660	440	5,500	17,190	-	17,190	22,690
Miscellaneous	12,324	27,113	5,916	3,944	49,297	2,222	-	2,222	51,519
Foreign currency exchange loss	-	-	-	-	-	445	-	445	445
Bank charges and fees	456	1,003	219	146	1,824	3,219	-	3,219	5,043
Total Expenses	\$ 1,685,604	\$ 3,708,329	\$ 809,089	\$ 539,394	\$ 6,742,416	\$ 546,936	\$ 28,316	\$ 575,252	\$ 7,317,668

See accompanying notes.

Open Contracting Partnership

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

	Program Services					Supporting Services			Total Expenses
	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	
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

Statements of Cash Flows For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ 1,963,509	\$ (1,004,388)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Change in present value of discount	-	(13,634)
Amortization of right-of-use asset - operating lease	289,082	-
Change in operating assets and liabilities:		
Decrease (increase) in:		
Grants and contributions receivable	273,817	833,253
Accounts receivable	-	26,667
Prepaid expenses and other assets	36,851	(57,003)
Decrease in:		
Accounts payable and accrued expenses	(10,785)	(16,291)
Lease liability, net	(281,295)	-
	2,271,179	(231,396)
Cash Flows from Investing Activities		
Purchases of investments	(4,743,585)	(9,942,925)
Proceeds from sales of investments	2,850,150	10,245,000
	(1,893,435)	302,075
Net Increase in Cash and Cash Equivalents	377,744	70,679
Cash and Cash Equivalents, beginning of year	169,765	99,086
Cash and Cash Equivalents, end of year	\$ 547,509	\$ 169,765
Non-Cash Transactions		
Establishment of right-of-use asset - operating lease	\$ 189,909	\$ -
Establishment of lease liability- operating lease	\$ (189,909)	\$ -

See accompanying notes.

Open Contracting Partnership

Notes to Financial Statements
December 31, 2025 and 2024

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.

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.

Open Contracting Partnership

Notes to Financial Statements
December 31, 2025 and 2024

2. Summary of Significant Accounting Policies (continued)

Classification of Net Assets (continued)

- *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.

Grants and Contributions Receivable

Grants and contributions receivable represent unconditional amounts committed to the Organization, and are all due within one year. 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, 2025 and 2024, as all grants and contributions were deemed fully collectible. The opening balance in grants and contributions receivable at January 1, 2024 was \$1,185,886.

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Notes to Financial Statements
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2. Summary of Significant Accounting Policies (continued)

Operating Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets, which represent the Organization's right to use an underlying asset for the lease terms, and lease liabilities represent the Organization's obligation to make lease payment arising from leases. Operating ROU lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As the Organization's leases do not provide an implicit rate, the Organization used a risk-free rate based on the information available at the commencement date in determining the present value of lease payments.

The ROU assets also include any lease payments made and exclude lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

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 promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

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Notes to Financial Statements
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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, 2025 and 2024, and are recognized at fair value at the time of donation. The Organization received donated services consisting of subscription services, with an estimated fair value of \$31,999 and \$32,000 for years ended December 31, 2025 and 2024, 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.

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.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 30, 2026, the date the financial statements were available to be issued.

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Notes to Financial Statements
December 31, 2025 and 2024

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:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 547,509	\$ 169,765
Investments	3,168,936	1,275,501
Grants and contributions receivable, net	<u>92,450</u>	<u>366,267</u>
Total financial assets	\$ 3,808,895	\$ 1,811,533
Less: net assets with donor restrictions	<u>(1,650,751)</u>	<u>(1,022,797)</u>
Total available for general expenditures	<u><u>\$ 2,158,144</u></u>	<u><u>\$ 788,736</u></u>

4. Concentrations of Risks

Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and cash equivalents, and investments. The Organization maintains cash deposit and transaction accounts with various financial institutions, along with investments, 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 investments 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, 2025 and 2024, a substantial portion of the Organization's revenue was generated from four and two sources, respectively. The revenue comprised of 76% and 41% of the Organization's total revenue and support for the years ended December 31, 2025 and 2024, 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, 2025 and 2024

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>2025:</u>				
Money markets	\$ 2,513,832	\$ -	\$ -	\$ 2,513,832
Certificates of deposit	-	655,104	-	655,104
Total investments	<u>\$ 2,513,832</u>	<u>\$ 655,104</u>	<u>\$ -</u>	<u>\$ 3,168,936</u>
<u>2024:</u>				
Money markets	\$ 1,275,501	\$ -	\$ -	\$ 1,275,501
Total investments	<u>\$ 1,275,501</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,275,501</u>

Interest income for the years ended December 31, 2025 and 2024 was \$99,954 and \$106,121, respectively.

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Notes to Financial Statements
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6. Net Assets With Donor Restrictions

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

	<u>2025</u>	<u>2024</u>
Purpose restricted:		
Support for energy transition	\$ 900,000	\$ 251,395
Flood support	331,962	132,174
Latin America, Asia, and Europe initiatives	250,358	108,827
Support for Ukraine reconstruction	58,307	101,815
Support for women-led business	-	88,586
Public benefits	110,124	-
Time restricted	-	340,000
Total net assets with donor restrictions	<u>\$ 1,650,751</u>	<u>\$ 1,022,797</u>

7. 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

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.

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Notes to Financial Statements
December 31, 2025 and 2024

7. Commitments and Contingencies (continued)

Operating Leases

The Organization also leases office space in Ukraine, which commenced on June 1, 2025 and set to expire on April 30, 2028. The terms of the lease include base rental payments of \$5,380, payable monthly, and 5% annual increases.

Supplemental qualitative information related to the operating lease is as follows at December 31, 2025:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$	37,660
Right-of-use assets obtained in exchange for new operating lease liabilities	\$	189,909
Weighted-average remaining lease term for operating leases (in years)		2.3
Weighted-average discount rate for operating leases		3.91%

Maturities of the lease liability under the long-term operating lease are as follows for the years ending December 31:

2026	\$	67,788
2027		71,177
2028		<u>24,912</u>
Total minimum lease payments		163,877
Less: discount to present value at 3.91%		<u>(7,624)</u>
Present value of operating lease liabilities	\$	<u><u>156,253</u></u>

In addition, the Organization leased another space in Ukraine under the terms of a month-to-month lease that expired on May 31, 2025. Occupancy expense which includes both leases, as well as the license agreement for the years ended December 31, 2025 and 2024 totaled \$151,584 and \$104,438, respectively.

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Notes to Financial Statements
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7. Commitments and Contingencies (continued)

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.

8. 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.

9. Retirement Plan

The Organization began maintains a retirement plan 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, 2025 and 2024, retirement plan expense totaled \$154,921 and \$161,674, respectively.

10. 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, 2025 and 2024, 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.