

**LEAGUE OF WOMEN VOTERS OF THE UNITED STATES
AND AFFILIATE**

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

**LEAGUE OF WOMEN VOTERS OF THE UNITED STATES
AND AFFILIATE**

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Independent Auditors' Report

The Board of Directors
League of Women Voters of the United States and Affiliate
Washington, DC

Opinion

We have audited the consolidated financial statements of League of Women Voters of the United States and Affiliate (collectively, "League of Women Voters"), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of League of Women Voters as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Prior Period Financial Statements

The financial statements of League of Women Voters as of and for the year ended June 30, 2023, were audited by Marcum LLP, whose report dated April 8, 2024, expressed an unmodified opinion on those statements.

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 League of Women Voters' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 League of Women Voter'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 League of Women Voters' 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 2024 consolidating statements of financial position and activities on pages 33-35 are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 2024 information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CBIZ CPAs P.C.

Washington, D.C.
February 18, 2025

**LEAGUE OF WOMEN VOTERS OF THE UNITED STATES
AND AFFILIATE**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 5,587,222	\$ 3,669,926
Investments	10,064,857	11,672,286
Investments restricted for endowments	810,932	598,250
Publications and other income receivables	37,037	116,463
Contributions receivable, net	1,458,104	1,523,724
Prepaid expenses	473,799	218,255
Right-of-use assets	2,234,798	2,935,862
Property and equipment, net	578,770	681,936
Collection (Note 1)	--	--
Total Assets	<u>\$ 21,245,519</u>	<u>\$ 21,416,702</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 3,011,098	\$ 1,690,006
Contract liabilities	107,115	103,828
Amounts held on behalf of state and local leagues	640,464	641,078
Lease liabilities – operating	3,305,383	4,181,141
Loss on sublease	49,766	248,834
Total Liabilities	<u>7,113,826</u>	<u>6,864,887</u>
Net Assets		
Without donor restrictions	11,597,250	12,295,206
With donor restrictions	<u>2,534,443</u>	<u>2,256,609</u>
Total Net Assets	<u>14,131,693</u>	<u>14,551,815</u>
Total Liabilities and Net Assets	<u>\$ 21,245,519</u>	<u>\$ 21,416,702</u>

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

**LEAGUE OF WOMEN VOTERS OF THE UNITED STATES
AND AFFILIATE**

CONSOLIDATED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Activities Without Donor Restrictions		
Revenue and Support		
Contributions	\$ 11,025,858	\$ 9,399,014
Contributions of nonfinancial assets	6,617,950	3,099,095
Per-member payments	1,812,526	2,065,410
Sublease income	372,734	335,080
Interest and dividends, net of fees	296,231	267,188
Mailing list rental income	266,097	226,661
Publication sales and other income	219,875	190,524
Council and convention	510,012	89,653
Contributions in lieu of per-member payments	48,483	52,907
Net assets released from restrictions:		
Satisfaction of time restrictions	551,261	400,000
Satisfaction of program restrictions	919,166	732,718
Total Revenue and Support	22,640,193	16,858,250
Expenses		
Program Services		
Advocacy	7,856,664	4,333,556
Mission impact	4,361,536	4,009,528
Communications	3,637,177	2,439,077
Council and convention	1,369,907	436,857
Member services	671,558	1,172,442
External affairs	532,642	--
Outcome and evaluation	303,798	1,224,293
Total Program Services	18,733,282	13,615,753
Supporting Services		
Fundraising	3,364,189	4,081,622
General and administrative	2,176,189	1,908,154
Total Supporting Services	5,540,378	5,989,776
Total Expenses	24,273,660	19,605,529
Change in Net Assets Without Donor Restrictions Before Other Items	(1,633,467)	(2,747,279)
Net realized and unrealized gain on investments	935,511	633,504
Change in Net Assets Without Donor Restrictions	(697,956)	(2,113,775)
Activities With Donor Restrictions		
Contributions	1,519,248	1,348,843
Interest and dividends, net of fees	53,277	39,699
Net realized and unrealized gain on investments	175,736	92,729
Net assets released from restrictions:		
Satisfaction of time restrictions	(551,261)	(400,000)
Satisfaction of program restrictions	(919,166)	(732,718)
Change in Net Assets With Donor Restrictions	277,834	348,553
Change in Net Assets	(420,122)	(1,765,222)
Net Assets, Beginning of Year	14,551,815	16,317,037
Net Assets, End of Year	\$ 14,131,693	\$ 14,551,815

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

LEAGUE OF WOMEN VOTERS OF THE UNITED STATES AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2024

	Program Services							Supporting Services			Total Expenses	
	Advocacy	Mission Impact	Communications	Council and Convention	Member Services	External Affairs	Outcome and Evaluation	Total Program Services	Fundraising	General and Administrative		Total Supporting Services
Contributions of nonfinancial assets	\$ 6,153,306	\$ 464,644	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 6,617,950	\$ --	\$ --	\$ --	\$ 6,617,950
Salaries and benefits	1,089,267	1,494,807	1,079,009	--	437,375	369,183	206,086	4,675,727	495,107	1,535,783	2,030,890	6,706,617
Contracted services	293,528	856,112	586,269	630,633	92,527	62,328	27,579	2,548,976	1,470,043	183,558	1,653,601	4,202,577
Postage and printing	1,815	163,203	1,399,034	25,754	5,729	66	--	1,595,601	1,060,132	4,098	1,064,230	2,659,831
Conferences and training	1,367	93,235	93,128	540,552	--	8,596	--	736,878	5,113	41,558	46,671	783,549
Grants	52,500	669,300	--	--	--	--	4,000	725,800	--	--	--	725,800
Occupancy	96,676	130,104	95,077	926	39,007	33,298	20,378	415,466	45,477	131,230	176,707	592,173
Software and licensing	60,637	165,583	137,033	39,849	67,234	13,058	9,504	492,898	19,107	54,963	74,070	566,968
Other expense	34,505	63,761	22,887	6,292	9,400	17,781	22,691	177,317	240,288	27,413	267,701	445,018
Travel	22,700	138,683	11,544	125,901	63	12,544	395	311,830	5,324	111,539	116,863	428,693
Professional services	28,098	92,141	191,299	--	11,240	8,119	8,472	339,369	13,125	55,824	68,949	408,318
Depreciation and amortization	22,265	29,963	21,897	--	8,983	7,669	4,693	95,470	10,473	30,223	40,696	136,166
	<u>\$ 7,856,664</u>	<u>\$ 4,361,536</u>	<u>\$ 3,637,177</u>	<u>\$ 1,369,907</u>	<u>\$ 671,558</u>	<u>\$ 532,642</u>	<u>\$ 303,798</u>	<u>\$ 18,733,282</u>	<u>\$ 3,364,189</u>	<u>\$ 2,176,189</u>	<u>\$ 5,540,378</u>	<u>\$ 24,273,660</u>

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

LEAGUE OF WOMEN VOTERS OF THE UNITED STATES AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2023

	Program Services						Supporting Services			Total Expenses	
	Advocacy	Mission Impact	Communications	Council and Convention	Member Services	Outcome and Evaluation	Total Program Services	Fundraising	General and Administrative		Total Supporting Services
Contributions of nonfinancial assets	\$ 2,650,211	\$ 448,884	\$ --	\$ --	\$ --	\$ --	\$ 3,099,095	\$ --	\$ --	\$ --	\$ 3,099,095
Salaries and benefits	1,017,522	1,142,251	704,947	-	765,657	820,375	4,450,752	651,914	1,146,159	1,798,073	6,248,825
Contracted services	277,707	1,151,692	693,252	22,737	237,724	169,769	2,552,881	1,375,422	223,298	1,598,720	4,151,601
Postage and printing	--	314,509	639,483	10,387	1,725	135	966,239	1,653,573	8,532	1,662,105	2,628,344
Conferences and training	107,746	94,495	18,289	381,455	2,029	374	604,388	1,565	43,798	45,363	649,751
Grants	20,000	415,550	--	2,300	--	21,435	459,285	--	--	--	459,285
Occupancy	80,803	89,274	54,744	--	59,776	65,535	350,132	51,019	133,557	184,576	534,708
Software and licensing	69,479	137,757	34,229	--	36,273	40,073	317,811	32,319	50,896	83,215	401,026
Other expense	28,971	32,765	22,606	5,396	11,399	33,888	135,025	268,635	97,408	366,043	501,068
Travel	9,471	37,537	17,798	14,563	5,086	1,474	85,929	163	154,996	155,159	241,088
Professional services	47,472	95,395	237,351	19	34,890	51,629	466,756	31,749	25,730	57,479	524,235
Depreciation and amortization	24,174	49,419	16,378	--	17,883	19,606	127,460	15,263	23,780	39,043	166,503
	<u>\$ 4,333,556</u>	<u>\$ 4,009,528</u>	<u>\$ 2,439,077</u>	<u>\$ 436,857</u>	<u>\$ 1,172,442</u>	<u>\$ 1,224,293</u>	<u>\$ 13,615,753</u>	<u>\$ 4,081,622</u>	<u>\$ 1,908,154</u>	<u>\$ 5,989,776</u>	<u>\$ 19,605,529</u>

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

**LEAGUE OF WOMEN VOTERS OF THE UNITED STATES
AND AFFILIATE**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash Flows From Operating Activities		
Change in net assets	\$ (420,122)	\$ (1,765,222)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Net realized and unrealized gain on investments	(1,111,247)	(726,233)
Bad debt expense	--	7,140
Change in discount to net present value	(4,465)	(20,405)
Depreciation and amortization	136,166	166,503
Amortization of right-of-use assets	701,064	572,886
Loss on sublease	(199,068)	(199,068)
Changes in assets and liabilities		
Publications and other income receivables	79,426	75,629
Contributions receivable, net	70,085	(665,132)
Prepaid expenses and other assets	(255,544)	156,508
Accounts payable and accrued expenses	1,321,092	(1,365,839)
Contract liabilities	3,287	9,428
Operating lease liabilities	(875,758)	(768,906)
Amounts held on behalf of state and local Leagues	(614)	88,950
	<u>(555,698)</u>	<u>(4,433,761)</u>
Net Cash Used in Operating Activities		
Cash Flows From Investing Activities		
Proceeds from sales of investments	15,942,305	5,482,888
Purchases of investments	(13,436,311)	(5,077,935)
Purchases of property and equipment	(33,000)	(28,307)
	<u>2,472,994</u>	<u>376,646</u>
Net Cash Provided by Investing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	1,917,296	(4,057,115)
Cash and Cash Equivalents, Beginning of Year	<u>3,669,926</u>	<u>7,727,041</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,587,222</u>	<u>\$ 3,669,926</u>
Supplemental Disclosures of Cash Flow Information		
Donated investments liquidated to cash	<u>\$ 56,134</u>	<u>\$ 53,894</u>

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

LEAGUE OF WOMEN VOTERS OF THE UNITED STATES AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

League of Women Voters of the United States (LWVUS) was originally formed in 1920, and then incorporated in 1923 in accordance with the laws of the District of Columbia. LWVUS encourages informed and active participation in government, works to increase understanding of major public policy issues and influences public policy through education and advocacy.

League of Women Voters Education Fund (the Education Fund) was established in 1957 by LWVUS as a charitable trust dedicated to strengthening citizen knowledge of, and involvement in, government. The Education Fund works to register voters, provide voters with election information through voter guides, as well as candidate forums and debates.

The League of Women Voter's program and supporting services include the following:

Advocacy

The advocacy function includes lobbying and other activities to promote political responsibility through informed and active participation of citizens in government, and to promote action on selected issues.

Mission Impact

The mission impact function includes activities that are devoted to informing the public about voter registration and the importance of voting and providing candidate information.

Communications

The communications function includes activities to maintain League of Women Voters' website, prepare and disseminate materials and publications which promote political awareness and responsibility, and address selected issues.

Outcome and Evaluation

The outcome and evaluation function includes collecting and analyzing data to measure the League of Women Voters' impact and ensure refinement of programs to improve that impact.

Member Services

The member services function includes activities to assist state and local Leagues with various programs.

Council and Convention

The council and convention function includes activities related to meetings and other events, such as the biennial council meeting.

**LEAGUE OF WOMEN VOTERS OF THE UNITED STATES
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NATURE OF ACTIVITIES (CONTINUED)

External Affairs

The external affairs function, which began during the year ended June 30, 2024, includes facilitating partnerships and thought leadership opportunities to expand the reach of League of Women Voters and increase its recognition.

Fundraising

The fundraising function includes activities that encourage and secure financial support for League of Women Voters.

General and Administrative

The general and administrative function includes activities necessary for the administrative processes of League of Women Voters, such as managing its operating, governance and financial responsibilities.

A summary of League of Women Voters' significant accounting policies is as follows:

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of LWVUS and the Education Fund. The Board of Directors of LWVUS elects the members of the Education Fund's Board of Trustees. Significant inter-entity accounts and transactions have been eliminated in consolidation. For purposes of this report, the entities are collectively referred to as League of Women Voters.

BASIS OF PRESENTATION

League of Women Voters follows the accounting requirements of the Not-for-Profit Entities topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the FASB ASC, League of Women Voters is required to report information regarding its net assets and its activities according to two categories: (1) net assets without donor restrictions and (2) net assets with donor restrictions.

Without Donor Restrictions

Net assets without donor restrictions include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation. However, League of Women Voters has no board-designated net assets.

**LEAGUE OF WOMEN VOTERS OF THE UNITED STATES
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

With Donor Restrictions

Net assets with donor restrictions include those net assets whose use is subject to donor-imposed restrictions. Donor restrictions may be for a specified time or purpose limitation, or the donor may specify that the corpus of their original and certain subsequent gifts 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.

USE OF ESTIMATES

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

CASH AND CASH EQUIVALENTS

League of Women Voters considers demand deposits, including excess cash invested in overnight repurchase agreements, all highly liquid investments purchased with original maturities of three months or less and money market funds not held in the investment portfolio, to be cash and cash equivalents.

INVESTMENTS

Investments with readily determinable fair values are reflected at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Investment expenses, such as advisory fees, are netted against investment return in the consolidated financial statements. Realized gains and losses are determined by a comparison of average costs at the investment's acquisition to the proceeds at the time of its sale. Unrealized gains or losses are determined by comparison of the investment's acquisition cost to its fair value at year-end.

**LEAGUE OF WOMEN VOTERS OF THE UNITED STATES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL RISK

League of Women Voters maintains demand deposits with commercial banks and money market funds with financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. Therefore, the failure of an underlying institution could result in financial loss to League of Women Voters. However, League of Women Voters has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on its cash and cash equivalents.

League of Women Voters invests in a professionally managed portfolio of marketable debt and equity securities. Such investments are exposed to market and credit risks and may be subject to fluctuations in fair value. As a result, the investment balances reported in the accompanying consolidated financial statements may not be reflective of the portfolio's value during subsequent periods.

FAIR VALUE MEASUREMENT

Accounting standards define fair value and establish a framework for measuring fair value in accordance with GAAP. Accounting standards emphasize that fair value is a market-based measurement, not an entity-specific measurement, and therefore a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurement, accounting standards established a fair value hierarchy based upon the transparency of the inputs to the valuation of an asset or liability. These inputs may be observable, whereby the market participant assumptions are developed based on market data obtained from independent sources, and unobservable, whereby assumptions about market participant assumptions are developed by the reporting entity based on the best information available in the circumstances. The three levels of the fair value hierarchy according to fair value measurement standards are described as follows:

Level 1: Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes.

Level 2: Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace, such as yield curves or other market data.

**LEAGUE OF WOMEN VOTERS OF THE UNITED STATES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FAIR VALUE MEASUREMENT (CONTINUED)

Level 3: Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts.

As of June 30, 2023 and 2024, only League of Women Voters' investments, as described in Note 3, were measured at fair value on a recurring basis.

PUBLICATIONS AND OTHER INCOME RECEIVABLES

The League of Women Voters provides an allowance for credit losses for publications and other income receivables deemed uncollectible. The allowance is based on management's analysis of historical collectability as well as expected future losses. As of June 30, 2024 and 2023, all amounts are due within one year and are considered fully collectible by management. No allowance for credit losses was recognized as of June 30, 2024. At June 30, 2022, publications and other income receivables totaled \$192,092.

CONTRIBUTIONS RECEIVABLE

Contributions receivable are made up of unconditional promises to give which are expected to be collected over multiple years. Promises to give due in one year or less are recorded at net realizable value. At June 30, 2024 and 2023, promises to give due in more than one year are recorded at the net present value of estimated future cash flows using a discount rate of 2.35%.

Contributions receivable are presented at the gross, or face, amount due to League of Women Voters, less a discount to net present value and less an allowance for doubtful accounts. Management periodically reviews the status of all receivable balances for collectability. Each contributions receivable balance is assessed based on management's knowledge of and relationship with the donor and the age of the receivable balance. As a result of these reviews, contributions receivable balances for which collection is deemed doubtful are charged to bad debt expense and an allowance is recorded. There was no bad debt expense for the year ended June 30, 2024. Bad debt expense totaled \$33,097 for the year ended June 30, 2023.

**LEAGUE OF WOMEN VOTERS OF THE UNITED STATES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OPERATING LEASE RIGHT-OF-USE ASSETS AND OPERATING LEASE LIABILITIES

At inception of an agreement, League of Women Voters determines whether the agreement meets the criteria for a lease. A right-of-use asset and lease liability are recognized at the commencement date of the lease agreement based on the present value of lease payments over the least term using a risk-free rate of return that coincides with the date and term of the lease and is adjusted for lease incentives. The asset is amortized over the lease term and is reflected in occupancy expense in the accompanying consolidated financial statements. The lease liability is reduced as cash payments are made under the terms of the lease. Short-term operating leases, which have an initial term of 12 months or less, are not recorded on the accompanying statements of financial position. Instead, the lease payments of those leases are reported as rent expense on a straight-line basis over the term.

PROPERTY AND EQUIPMENT

Acquisitions of property and equipment greater than \$2,500 are recorded at cost and depreciated or amortized using the straight-line method over the following useful lives: furniture and equipment three to five years and leasehold improvements over the lesser of the remaining term of the office lease or the estimated useful life of the improvements. The cost of property and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation or amortization, and any gain or loss is reflected in revenue and support or expenses in the accompanying consolidated statements of activities. Major additions are capitalized, while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred.

VALUATION OF LONG-LIVED ASSETS

Long-lived property, such as leasehold improvements, that suffers a permanent impairment will be written down to fair value and an impairment loss equal to the difference between the property's carrying amount and fair value would be included as a reduction in the change in net assets without donor restrictions.

COLLECTION

League of Women Voters maintains a permanent collection of rare books, pamphlets and memorabilia relating to women's rights and the suffrage movement which date from the mid-nineteenth to the late twentieth centuries. Each item is cataloged, preserved and cared for by

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COLLECTION (CONTINUED)

League of Women Voters and activities verifying their existence and assessing their condition are performed continuously. The items in the collection were donated to League of Women Voters. There were no acquisitions or disposals during the years ended June 30, 2024 and 2023. The League of Women Voters has no intention of disposing any of the collection items, but given the nature of the items, if the League of Women Votes were to dispose of any items it would be to donate the items to a museum.

CONTRACT LIABILITIES

Contract liabilities consist of licensing fees related to the online interactive voter guide. League of Women Voters signed a licensure agreement which licenses the online interactive voter guide to League of Women Voters for use by the local Leagues. The licensing fees are received in advance of the period in which they are earned and the revenue is recognized ratably over the period of service in accordance with the underlying agreements. The licensing fees have been included in publication sales and other income on the accompanying consolidated statements of activities. Contract liabilities at July 1, 2022 totaled \$94,400.

AMOUNTS HELD ON BEHALF OF STATE AND LOCAL LEAGUES

League of Women Voters receives and disburses cash on behalf of its affiliated state and local Leagues, which are noncontrolled stand-alone entities that have been granted affiliation status. Therefore, amounts held on behalf of state and local Leagues represent the aggregate liability, which is equal to the cash held on behalf of state and local Leagues.

LOSS ON SUBLEASE

League of Women Voters recorded a loss on sublease during the year ended June 30, 2021, equal to the difference between the payments due under the old office lease, less the payments expected to be received under the sublease.

REVENUE RECOGNITION

Contributions include bequests, grants and amounts received from members. Unconditional contributions are recognized when donors make promises to give or when gifts of cash or other assets are received that lack barriers and rights of return. Unconditional contributions are classified within activities without donor restrictions or within activities with donor

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NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

restrictions, depending upon the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions when either the purpose restriction is satisfied, or the time restriction expires. Unconditional contributions with donor restrictions that is both received and released in the same period is classified as without donor restrictions in the accompanying consolidated statements of activities. Conditional promises to give are not recognized until such time as the conditions are substantially met, that is, when the barrier(s) in the agreement are met. There were no conditional contributions at June 30, 2024 and 2023.

Contributions of nonfinancial assets, such as donated advertising and legal support, are recognized at the estimated fair value provided by the donor. The contributions received are not monetized and do not have any donor restrictions.

Per-member payments are contributions from state and local Leagues which represent a portion of membership dues received by state and local Leagues. The state and local Leagues determine the amount of the contribution they will provide to the League of Women Voters.

League of Women Voters receives a list rental fee related to its mailing list in accordance with an agreement with a third-party list manager. Mailing list rental income is recognized at a point in time when the sales occur which generated royalty payments from the third-party list manager.

Publication sales and other income include license fees for the online voter guide and sales of publications. Revenue from licensing fees are recognized ratably over the period of service in accordance with the underlying agreements. Sublease income is recognized as revenue on a straight-line basis over the life of the sublease.

Council and convention includes registration fees from participants attending meetings and is recognized in the period in which the events take place.

ALLOCATION OF NET INVESTMENT GAIN (LOSS)

Net assets include various funds, several of which include an allocation of net investment gain (loss). The beginning of year net asset balance of each of the funds is the basis upon which the net investment gain (loss) is allocated among the various funds.

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NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program and supporting activities have been summarized on a functional basis in the accompanying consolidated financial statements. Costs related to a specific functional activity are charged directly to that activity. However, other indirect costs are allocated among the program and supporting services benefited based on management's best estimates of employee time and effort. In particular, salaries and benefits, along with other shared costs, such as occupancy and software and licensing, are allocated based on the proportional share of the salaries of each program or supporting function which benefited from the shared costs.

MEASURE OF OPERATIONS

Operating revenue and expenses generally reflect those revenue and expenses that arise from League of Women Voters' activities and excluded all realized and unrealized gains and losses from investments.

ACCOUNTING PRONOUNCEMENT ADOPTED

In June 2016, the FASB issued guidance Accounting Standards Codification (ASC326), *Current Expected Credit Losses*, which changed how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by League of Women Voters that are subject to the guidance in FASB ASC 326 were accounts receivables from publications revenue and other income. League of Women Voters adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 2 – INVESTMENTS

Investments consisted of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Investments at fair value:		
Mutual funds – equities:		
U.S. large cap	\$ 3,073,993	\$ 1,112,057
U.S. small/mid cap	785,182	1,091,532
Developed non-U.S.	2,175,862	2,643,308
Emerging markets	1,056,065	1,915,340
Mutual funds – fixed income:		
Bonds	1,026,380	1,025,636
Exchange-traded	2,270,508	3,803,618
Money market funds	77,799	230,852
Certificates of deposit	<u>410,000</u>	<u>410,000</u>
 Subtotal Investments at Fair Value	 10,875,789	 12,232,343
 Cash and cash equivalents at cost	 <u>--</u>	 <u>38,193</u>
 Total	 <u>\$ 10,875,789</u>	 <u>\$12,270,536</u>

Investments noted above are recorded as follows on the consolidated statements of financial position at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Investments	\$ 10,064,857	\$ 11,672,286
Investments restricted for endowments	<u>810,932</u>	<u>598,250</u>
 Total	 <u>\$ 10,875,789</u>	 <u>\$ 12,270,536</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 2 – INVESTMENTS (CONTINUED)

Net investment gain (loss) consisted of the following for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Without donor restrictions:		
Interest and dividends	\$ 334,830	\$ 306,651
Investment management fees	(38,599)	(39,463)
Net realized and unrealized gain	<u>935,511</u>	<u>633,504</u>
Subtotal Without Donor Restrictions	<u>1,231,742</u>	<u>900,692</u>
With donor restrictions:		
Interest and dividends	60,238	45,622
Investment management fees	(6,961)	(5,923)
Net realized and unrealized gain	<u>175,736</u>	<u>92,729</u>
Subtotal With Donor Restrictions	<u>229,013</u>	<u>132,428</u>
Total	<u>\$ 1,460,755</u>	<u>\$ 1,033,120</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 3 – FAIR VALUE MEASUREMENTS

The following assets were measured at fair value on a recurring basis using the following input levels at June 30, 2024:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments at fair value				
Mutual funds – equities:				
U.S. large cap	\$ 3,073,993	\$ 3,073,993	\$ --	\$ --
U.S. small/mid cap	785,182	785,182	--	--
Developed non-U.S.	2,175,862	2,175,862	--	--
Emerging markets	1,056,065	1,056,065	--	--
Mutual funds – fixed income:				
Bonds	1,026,380	1,026,380	--	--
Exchange-traded	2,270,508	2,270,508	--	--
Money market funds	77,799	77,799	--	--
Certificates of deposit	<u>410,000</u>	<u>--</u>	<u>410,000</u>	<u>--</u>
Subtotal Investments at Fair Value	10,875,789	<u>\$ 10,465,789</u>	<u>\$ 410,000</u>	<u>\$ --</u>
Cash and cash equivalents at cost	<u>--</u>			
Total Investments	<u>10,875,789</u>			
Cash equivalents at fair value				
Money market funds	<u>2,535,370</u>			
Total Assets at Fair Value	<u>\$ 13,411,159</u>			

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 3 – FAIR VALUE MEASUREMENTS (CONTINUED)

The following assets were measured at fair value on a recurring basis using the following input levels at June 30, 2023:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments at fair value				
Mutual funds – equities:				
U.S. large cap	\$ 1,112,057	\$ 1,112,057	\$ --	\$ --
U.S. small/mid cap	1,091,532	1,091,532	--	--
Developed non-U.S.	2,643,308	2,643,308	--	--
Emerging markets	1,915,340	1,915,340	--	--
Mutual funds – fixed income:				
Bonds	1,025,636	1,025,636	--	--
Exchange-traded	3,803,618	3,803,618	--	--
Money market funds	230,852	230,852	--	--
Certificates of deposit	<u>410,000</u>	<u>--</u>	<u>410,000</u>	<u>--</u>
Subtotal Investments at Fair Value	12,232,343	<u>\$ 11,822,343</u>	<u>\$ 410,000</u>	<u>\$ --</u>
Cash and cash equivalents at cost	<u>38,193</u>			
Total Investments	<u>12,270,536</u>			
Cash equivalents at fair value				
Money market funds	<u>852,985</u>			
Total Assets at Fair Value	<u>\$ 13,123,521</u>			

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 3 – FAIR VALUE MEASUREMENTS (CONTINUED)

The fair values of mutual funds, exchange-traded funds (ETFs) and money market funds were determined using Level 1 inputs, which were based on quoted prices for identical assets in active markets. The fair values of certificates of deposit were determined using Level 2 inputs, which were valued by the financial institution based on interest rates and maturities. Management believes the fair values of investments to be a reasonable approximation of their exit price.

NOTE 4 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Contributions receivable	\$ 1,375,519	\$ 1,448,932
Per-member contributions receivable	<u>131,369</u>	<u>144,423</u>
	1,506,888	1,593,355
Less discount to net present value	(7,397)	(11,862)
Less allowance for doubtful receivables	<u>(41,387)</u>	<u>(57,769)</u>
Total	<u>\$ 1,458,104</u>	<u>\$ 1,523,724</u>

Contributions receivable are expected to be collected as follows at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Amounts due in less than one year	\$ 1,437,481	\$ 1,469,733
Amounts due in one to five years	<u>28,020</u>	<u>65,853</u>
	1,465,501	1,535,586
Less discount to net present value	<u>(7,397)</u>	<u>(11,862)</u>
Total	<u>\$ 1,458,104</u>	<u>\$ 1,523,724</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 5 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

LWVUS and the Education Fund are both named as lessees in the operating lease for the old office space at 1730 M Street, which expires on September 30, 2024. LWVUS and the Education Fund are jointly and severally liable under the terms of this office lease. The lease contains an escalation clause that adjusts annual base rentals. The lease also contains an escalation for real estate taxes and operating expenses, which are not included in base rentals. In addition, the landlord provided a build-out allowance as an incentive to lease the office space.

In August 2020, LWVUS and the Education Fund both signed an operating sublease related to the office space at 1730 M Street. The sublease term commenced on November 1, 2020 and terminates on September 30, 2024. The future expected rental receipts under the sublease are less than the future rental payments due to the landlord under the old office lease. Thus, LWVUS and the Education Fund have both recorded a liability for the loss on the sublease which is equal to the difference between the base rent due and the rental income expected. The liability for the loss on sublease has been included in loss on sublease in the accompanying statements of financial position, and totaled \$49,766 and \$248,834 at June 30, 2024 and 2023, respectively.

During October 2020, LWVUS signed a new operating lease for office space at 1233 20th Street, which expires in September 2032. The new office lease commenced on April 1, 2021, which is when the space was ready for occupancy. As incentives for signing the lease, LWVUS received a rent abatement of 19 months, as well as a tenant improvement allowance of up to \$866,160 for use in building out the office space and for purchasing new furniture. Relating to the tenant improvement allowance, LWVUS acquired leasehold improvements and furniture totaling \$806,097 during the year ended June 30, 2021.

For both of the leases League of Women Voters recorded operating right-of-use assets, net of prepaid lease payments and direct lease incentives, and a lease obligation equal to the present value of the future lease payments due under the terms of the lease. As of June 30, 2024, the operating right-of-use assets, net of accumulated amortization of \$1,273,950, was \$2,234,798, and the operating lease liabilities were \$3,305,383. The operating right-of-use assets are being amortized on a straight-line basis over the lease term.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 5 – RIGHT-OF-USE ASSETS AND LEASE LIABILITY (CONTINUED)

The maturities of operating lease liabilities and sublease receipts as of June 30, 2024 are as follows:

<u>Years Ending June 30</u>	<u>Rental Payments</u>	<u>Sublease Receipts</u>	<u>Net Amounts</u>
2025	\$ 520,147	\$ (99,109)	\$ 421,038
2026	418,454	--	418,454
2027	428,916	--	428,916
2028	439,639	--	439,639
2029	450,630	--	450,630
Thereafter	<u>1,469,925</u>	<u>--</u>	<u>1,469,925</u>
Total	3,727,711	(99,109)	3,628,602
Less: Present value discount	<u>(422,328)</u>	<u>--</u>	<u>(422,328)</u>
Lease Liability	<u>\$ 3,305,383</u>	<u>\$ (99,109)</u>	<u>\$ 3,206,274</u>

Operating lease expense totaled \$585,743 and \$524,393 for the years ended June 30, 2024 and 2023, respectively, and is included in occupancy expenses on the accompanying consolidated statements of functional expenses. Sublease income totaled \$372,734 and \$335,080 for the years ended June 30, 2024 and 2023, respectively. Cash paid for operating leases totaled \$910,779 for the year ended June 30, 2024.

Other information related to the operating leases as of June 30, 2024:

Weighted average remaining lease term	7.9 years
Weighted average discount rate	2.87%

NOTE 6 – LIQUIDITY AND AVAILABILITY OF RESOURCES

League of Women Voters receives contributions with donor restrictions to be used in accordance with the associated purpose restrictions. Contributions may include gifts to establish endowments that will exist in perpetuity; the income generated from such

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FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 6 – LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

endowments is used to fund programs or to be used to support operations. In addition, League of Women Voters receives contributions without donor restrictions; such support has historically represented approximately 70% of annual operations, with the remainder funded by other revenue streams, including investment income without donor restrictions and appropriated earnings from investment income with donor restrictions (i.e., endowment funds).

League of Women Voters considers investment income without donor restrictions, appropriated earnings from donor-restricted endowments, contributions without donor restrictions and contributions with donor restrictions for use in programs that are ongoing, major and central to its annual operations as available to meet cash needs for general expenditures. General expenditures include general and administrative expenses, fundraising expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as total expense related to both program services and supporting services activities.

League of Women Voters manages its cash available to meet general expenditures through the following three guiding principles:

- Operating within a prudent range of financial soundness and stability.
- Maintaining adequate liquid assets.
- Maintaining sufficient reserves to provide reasonable assurance that long term agreements or other commitments and obligations under endowments with donor restrictions will continue to be met, thereby ensuring the sustainability of League of Women Voters.

League of Women Voters operates on a biennial budget cycle. The Board of Directors meets several times each year to review the consolidated financial statements and to approve unbudgeted expenses.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 6 – LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

Financial assets available for general expenditures within one year consisted of the following as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 5,587,222	\$ 3,669,926
Investments	10,875,789	12,270,536
Receivables, net	<u>1,495,141</u>	<u>1,640,187</u>
Subtotal Financial Assets	17,958,152	17,580,649
Amounts not available for general expenditures within one year:		
Amounts held on behalf of state and local Leagues	\$ (640,464)	\$ (641,078)
Net assets with donor restrictions	<u>(2,534,443)</u>	<u>(2,256,609)</u>
Total	<u>\$ 14,783,245</u>	<u>\$ 14,682,962</u>

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 810,724	\$ 777,724
Leasehold improvements	<u>1,187,784</u>	<u>1,187,784</u>
	1,998,508	1,965,508
Less accumulated depreciation and amortization	<u>(1,419,738)</u>	<u>(1,283,572)</u>
Total	<u>\$ 578,770</u>	<u>\$ 681,936</u>

Depreciation and amortization expense totaled approximately \$136,166 and \$166,503 for the years ended June 30, 2024 and 2023, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2024 and 2023:

	2024	2023
Endowment funds	\$ 810,932	\$ 598,250
Time restriction	738,123	565,418
Women power democracy	300,000	800,000
Leadership fund	245,166	228,836
Vote411	237,282	--
Voter Registration and Protection	150,000	--
Interns	31,265	48,155
DC Voting Rights	12,575	6,850
100th anniversary	9,100	9,100
Total	\$ 2,534,443	\$ 2,256,609

NOTE 9 – ENDOWMENTS

Donor-restricted endowment funds have been classified within net assets in accordance with each gift instrument. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. All of the endowment funds relate to the Education Fund.

INTERPRETATION OF RELEVANT LAW

The Education Fund has interpreted the District of Columbia’s Uniform Prudent Management of Institutional Funds Act of 2007 (UPMIFA) as requiring the preservation of the real (inflation-adjusted) purchasing power of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Education Fund classifies as net assets with donor restriction: (1) the original value of gifts donated to the endowment, (2) the original value of subsequent gifts to the endowment, (3) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument and (4) endowment investment return in excess of the endowment payout. Endowment funds are appropriated for expenditure by the Education Fund in a manner consistent with the standard of prudence prescribed by UPMIFA.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 9 – ENDOWMENTS (CONTINUED)

RETURN OBJECTIVES AND RISK PARAMETERS

The Education Fund's Board of Trustees 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 maintain the purchasing power of the endowment assets. Under these policies, as approved by the Board of Trustees, endowment assets are invested in a manner that is intended to produce returns higher than specified market indices, while assuming a moderate level of risk. The Education Fund expects its endowment funds to exceed the average annual return of the specified market indices on a risk-adjusted basis over a three-year rolling time period and a full market cycle.

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES

To satisfy its long-term rate-of-return objectives, the Education Fund relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Education Fund targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY

The Education Fund has a policy that allows an annual appropriation of no more than 10% and no less than 5% of the average fair value of the endowment fund from the trailing three years. For the years ended June 30, 2024 and 2023, annual earnings from the endowment fund in excess of 5% were reinvested to allow for the fund's growth. In establishing this policy, the Education Fund considered the long-term expected return on the endowments. This is consistent with the Education Fund's objective to maintain the purchasing power of the endowment funds, as well as to provide additional real growth through new gifts and investment return.

FUND DEFICIENCIES

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the principal amount that the donor originally contributed in order to establish the endowment. Deficiencies typically result from unfavorable market fluctuations or continued appropriation. There were no underwater endowment funds at June 30, 2024. The endowment funds had a deficiency of \$109,104 at June 30, 2023.

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FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 9 – ENDOWMENTS (CONTINUED)

Endowments consisted of the following at June 30, 2024:

	<u>Available to Spend</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Ruth S. Shur Leadership Institute fund	\$ 81,562	\$ 500,000	\$ 581,562
Nikki Harris Online Training fund	22,016	100,000	122,016
General Endowment fund	<u>38,279</u>	<u>69,075</u>	<u>107,354</u>
Total	<u>\$ 141,857</u>	<u>\$ 669,075</u>	<u>\$ 810,932</u>

Endowments consisted of the following at June 30, 2023:

	<u>Available to Spend</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Ruth S. Shur Leadership Institute fund	\$ --	\$ 404,295	\$ 404,295
Nikki Harris Online Training fund	--	86,601	86,601
General Endowment fund	<u>38,279</u>	<u>69,075</u>	<u>107,354</u>
Total	<u>\$ 38,279</u>	<u>\$ 559,971</u>	<u>\$ 598,250</u>

Changes in endowments consisted of the following for the year ended June 30, 2024:

	<u>Available to Spend</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Endowments, July 1, 2023	\$ 38,279	\$ 559,971	\$ 598,250
Net investment gains	119,909	109,104	229,013
Appropriations	<u>(16,331)</u>	<u>--</u>	<u>(16,331)</u>
Endowments, June 30, 2024	<u>\$ 141,857</u>	<u>\$ 669,075</u>	<u>\$ 810,932</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 9 – ENDOWMENTS (CONTINUED)

Changes in endowments consisted of the following for the year ended June 30, 2023:

	<u>Available to Spend</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Endowments, July 1, 2022	\$ 38,279	\$ 464,201	\$ 502,480
Net investment gains	36,658	95,770	132,428
Appropriations	<u>(36,658)</u>	<u>--</u>	<u>(36,658)</u>
Endowments, June 30, 2023	<u>\$ 38,279</u>	<u>\$ 559,971</u>	<u>\$ 598,250</u>

NOTE 10 – CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributions of nonfinancial assets include donated advertising, research and legal services which are recognized as contributions of nonfinancial assets and the related expense. Donated advertising services have been included within the mission impact program and were recognized in the consolidated financial statements at the estimated fair value equal to the price that would have been paid if the Education Fund had purchased the advertising.

Donated legal and research services have been included within the advocacy program and were recognized in accordance with U.S. GAAP. In order to meet the criteria for recognition in the consolidated financial statements, contributions of nonfinancial assets must: (a) create or enhance nonfinancial assets or (b) require specialized skills, be performed by people with those skills and would otherwise be purchased. Donated legal and research services are valued at the hourly rate of the legal professionals providing the service.

Contributions of nonfinancial assets consisted of the following for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Legal	\$ 5,947,089	\$ 2,650,211
Advertising	464,644	448,884
Research	<u>206,217</u>	<u>--</u>
Total	<u>\$ 6,617,950</u>	<u>\$ 3,099,095</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 11 – RETIREMENT PLAN

League of Women Voters has a 401(k) plan for all eligible employees as stipulated by the plan document. There is no minimum service requirement to make salary reduction contributions to this plan, but the employee must complete at least one year of service to receive employer-based contributions. Each plan year, the League of Women Voters will make an employer-based contribution equal to 8% of the compensation the employee received for that year, while the employee is a participant in the plan. This employer-based contribution will be made whether or not the employee is making contributions. League of Women Voters provided contributions to participants in the 401(k) plan which totaled \$373,091 and \$320,415 for the years ended June 30, 2024 and 2023, respectively.

NOTE 12 – ALLOCATION OF JOINT COSTS

League of Women Voters conducts direct mail campaigns that have both a program services component and a fundraising component. As a result, League of Women Voters incurred joint costs totaling \$2,447,864 and \$2,291,041 during the years ended June 30, 2024 and 2023, respectively.

Joint costs have been allocated between program services and fundraising as follows for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Fundraising	\$ 1,060,132	\$ 1,719,638
Communications	<u>1,387,732</u>	<u>571,403</u>
Total	<u>\$ 2,447,864</u>	<u>\$ 2,291,041</u>

NOTE 13 – COMMITMENTS AND CONTINGENCIES

HOTEL AGREEMENTS

League of Women Voters reserves hotel and related space for its meetings, council and conventions in advance. The contracts stipulate the number of rooms to be reserved and the time period for which they are to be reserved. As of the date of this report, contracts for hotel space had been entered into through June 2028. In the event League of Women Voters were

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 13 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

HOTEL AGREEMENTS (CONTINUED)

to cancel these reservations or fail to use a specified percentage of the total space reserved, League of Women Voters would be required to pay liquidated damages based upon the date the hotel was notified of the cancellation or reduction in requested rooms based upon the hotel's ability to fill the resulting vacancies. Due to numerous variables involved, League of Women Voters' ultimate liability under these contracts cannot be determined. However, management does not believe that any of these commitments will result in a material loss. Accordingly, no amount for this potential liability has been reflected in the accompanying consolidated financial statements.

NOTE 14 – INCOME TAXES

LWVUS is exempt from the payment of income taxes on its exempt activities under Section 501(c)(4) of the Internal Revenue Code (IRC). The Education Fund is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the IRC. For the years ended June 30, 2024 and 2023, no provision for income taxes was made, as League of Women Voters had no significant unrelated business income.

League of Women Voters follows the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB ASC Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's consolidated financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. League of Women Voters evaluated its uncertainty in income taxes for the years ended June 30, 2024 and 2023, and determined that there were no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status. As of June 30, 2024 and 2023, there are no tax examinations pending or in process. It is League of Women Voters' policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense. As of June 30, 2024 and 2023, League of Women Voters had no accruals for interest and/or penalties.

NOTE 15 – RECLASSIFICATION

Certain 2023 amounts have been reclassified to conform to the 2024 presentation.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 16 – SUBSEQUENT EVENTS

League of Women Voters has evaluated subsequent events through February 18, 2025, the date on which the consolidated financial statements were available to be issued. There are no subsequent events that require recognition or disclosure in the consolidated financial statements.

**LEAGUE OF WOMEN VOTERS OF THE UNITED STATES
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CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

	LWVUS	Education Fund	Eliminations	Total
Assets				
Cash and cash equivalents	\$ 2,291,879	\$ 3,295,343	\$ --	\$ 5,587,222
Investments	2,443,994	7,620,863	--	10,064,857
Investments restricted for endowments	--	810,932	--	810,932
Publications and other income receivables	30,611	6,426	--	37,037
Contributions receivable, net	62,081	1,396,023	--	1,458,104
Amount due from affiliates	1,452,446	--	(1,452,446)	--
Prepaid expenses	385,150	88,649	--	473,799
Right-of-use assets	2,160,477	74,321	--	2,234,798
Property and equipment, net	545,770	33,000	--	578,770
Collection (Note 1)	--	--	--	--
Total Assets	<u>\$ 9,372,408</u>	<u>\$ 13,325,557</u>	<u>\$ (1,452,446)</u>	<u>\$ 21,245,519</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	\$ 1,170,758	\$ 1,840,340	\$ --	\$ 3,011,098
Amount due to affiliates	-	1,452,446	(1,452,446)	--
Contract liabilities	900	106,215	--	107,115
Amounts held on behalf of state and local leagues	--	640,464	--	640,464
Lease liabilities – operating	3,232,872	72,511	--	3,305,383
Loss on sublease	24,883	24,883	--	49,766
Total Liabilities	<u>4,429,413</u>	<u>4,136,859</u>	<u>(1,452,446)</u>	<u>7,113,826</u>
Net Assets				
Without donor restrictions	4,942,995	6,654,255	--	11,597,250
With donor restrictions	--	2,534,443	--	2,534,443
Total Net Assets	<u>4,942,995</u>	<u>9,188,698</u>	<u>--</u>	<u>14,131,693</u>
Total Liabilities and Net Assets	<u>\$ 9,372,408</u>	<u>\$ 13,325,557</u>	<u>\$ (1,452,446)</u>	<u>\$ 21,245,519</u>

See independent auditors' report.

**LEAGUE OF WOMEN VOTERS OF THE UNITED STATES
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CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

	LWVUS	Education Fund	Eliminations	Total
Activities Without Donor Restrictions				
Revenue and Support				
Contributions	\$ 5,223,708	\$ 5,802,150	\$ --	\$ 11,025,858
Contributions of nonfinancial assets	--	6,617,950	--	6,617,950
Per-member payments	1,812,526	--	--	1,812,526
Sublease income	190,508	182,226	--	372,734
Interest and dividends, net of fees	107,338	188,893	--	296,231
Mailing list rental income	266,097	--	--	266,097
Publication sales and other income	8,346	211,529	--	219,875
Council and convention	510,012	--	--	510,012
Contributions in lieu of per-member payments	--	48,483	--	48,483
Net assets released from restrictions:				
Satisfaction of time restrictions	--	551,261	--	551,261
Satisfaction of program restrictions	--	919,166	--	919,166
Total Revenue and Support	<u>8,118,535</u>	<u>14,521,658</u>	<u>--</u>	<u>22,640,193</u>
Expenses				
Program services				
Advocacy	1,032,720	6,823,944	--	7,856,664
Mission impact	377,904	3,983,632	--	4,361,536
Communications	2,198,950	1,438,227	--	3,637,177
Outcome and evaluation	100,114	203,684	--	303,798
Member services	427,549	244,009	--	671,558
Council and convention	529,477	840,430	--	1,369,907
External Affairs	92,072	440,570	--	532,642
Total Program Services	<u>4,758,786</u>	<u>13,974,496</u>	<u>--</u>	<u>18,733,282</u>
Supporting Services				
Fundraising	2,217,603	1,146,586	--	3,364,189
General and administrative	901,514	1,274,675	--	2,176,189
Total Supporting Services	<u>3,119,117</u>	<u>2,421,261</u>	<u>--</u>	<u>5,540,378</u>
Total Expenses	<u>7,877,903</u>	<u>16,395,757</u>	<u>--</u>	<u>24,273,660</u>
Change in Net Assets Without Donor Restrictions Before Other Items				
Net realized and unrealized gain on investments	240,632	(1,874,099)	--	(1,633,467)
	<u>312,448</u>	<u>623,063</u>	<u>--</u>	<u>935,511</u>
Change in Net Assets Without Donor Restrictions	<u>553,080</u>	<u>(1,251,036)</u>	<u>--</u>	<u>(697,956)</u>

See independent auditors' report.

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CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	LWVUS	Education Fund	Eliminations	Total
Activities With Donor Restrictions				
Contributions	\$ --	\$ 1,519,248	\$ --	\$ 1,519,248
Interest and dividends, net of fees	--	53,277	--	53,277
Net realized and unrealized gain on investments	--	175,736	--	175,736
Net assets released from restrictions:				
Satisfaction of time restrictions	--	(551,261)	--	(551,261)
Satisfaction of program restrictions	--	(919,166)	--	(919,166)
Change in Net Assets With Donor Restrictions	<u>--</u>	<u>277,834</u>	<u>--</u>	<u>277,834</u>
Change in Net Assets	553,080	(973,202)	--	(420,122)
Net Assets, Beginning of Year	<u>4,389,915</u>	<u>10,161,900</u>	<u>--</u>	<u>14,551,815</u>
Net Assets, End of Year	<u>\$ 4,942,995</u>	<u>\$ 9,188,698</u>	<u>\$ --</u>	<u>\$ 14,131,693</u>

See independent auditors' report.