



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

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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

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Independent Auditors' Report

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

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 statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses and cash flows for the years 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, 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 ("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.

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 Voters' 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 consolidated statements of financial position and activities on pages 30-32 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 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, DC
January 26, 2026

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

	2025	2024
Assets		
Cash and cash equivalents	\$ 4,834,596	\$ 5,587,222
Investments	8,233,904	10,064,857
Investments restricted for endowments	1,016,771	810,932
Publications and other income receivables	36,193	37,037
Contributions receivable, net	1,262,869	1,458,104
Prepaid expenses	433,270	473,799
Right-of-use assets	1,945,912	2,234,798
Property and equipment, net	459,822	578,770
Collection (Note 1)	--	--
Total Assets	<u>\$ 18,223,337</u>	<u>\$ 21,245,519</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 1,360,025	\$ 3,011,098
Contract liabilities	62,226	107,115
Amounts held on behalf of state and local leagues	662,841	640,464
Lease liabilities – operating	2,976,941	3,305,383
Loss on sublease	--	49,766
Total Liabilities	<u>5,062,033</u>	<u>7,113,826</u>
Net Assets		
Without donor restrictions	10,839,566	11,597,250
With donor restrictions	<u>2,321,738</u>	<u>2,534,443</u>
Total Net Assets	<u>13,161,304</u>	<u>14,131,693</u>
Total Liabilities and Net Assets	<u>\$ 18,223,337</u>	<u>\$ 21,245,519</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, 2025 AND 2024

	2025	2024
Activities Without Donor Restrictions		
Revenue and Support		
Contributions	\$ 13,988,504	\$ 11,025,858
Contributions of nonfinancial assets	5,368,572	6,617,950
Per-member payments	1,666,578	1,812,526
Membership dues	618,948	--
Sublease income	97,958	372,734
Interest and dividends, net of fees	312,399	296,231
Mailing list rental income	256,909	266,097
Publication sales and other income	194,724	219,875
Council and convention	143,870	510,012
Contributions in lieu of per-member payments	33,094	48,483
Net assets released from restrictions:		
Satisfaction of time restrictions	717,500	551,261
Satisfaction of program restrictions	701,844	919,166
Total Revenue and Support	24,100,900	22,640,193
Expenses		
Program Services		
Advocacy	6,790,364	7,856,664
Mission impact	5,487,453	4,361,536
Communications	4,303,220	3,637,177
Member services	704,132	671,558
External affairs	584,944	532,642
Council and convention	298,758	1,369,907
Outcome and evaluation	198,988	303,798
Total Program Services	18,367,859	18,733,282
Supporting Services		
Fundraising	4,224,298	3,364,189
General and administrative	2,862,975	2,176,189
Total Supporting Services	7,087,273	5,540,378
Total Expenses	25,455,132	24,273,660
Change in Net Assets Without Donor Restrictions Before Other Items	(1,354,232)	(1,633,467)
Net realized and unrealized gain on investments	596,548	935,511
Change in Net Assets Without Donor Restrictions	(757,684)	(697,956)
Activities With Donor Restrictions		
Contributions	974,307	1,519,248
Interest and dividends, net of fees	75,204	53,277
Net realized and unrealized gain on investments	157,128	175,736
Net assets released from restrictions:		
Satisfaction of time restrictions	(717,500)	(551,261)
Satisfaction of program restrictions	(701,844)	(919,166)
Change in Net Assets With Donor Restrictions	(212,705)	277,834
Change in Net Assets	(970,389)	(420,122)
Net Assets, Beginning of Year	14,131,693	14,551,815
Net Assets, End of Year	\$ 13,161,304	\$ 14,131,693

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, 2025

	Program Services							Supporting Services			Total Expenses	
	Advocacy	Mission Impact	Communications	Member Services	External Affairs	Council and Convention	Outcome and Evaluation	Total Program Services	Fundraising	General and Administrative		Total Supporting Services
Salaries and benefits	\$ 1,147,436	\$ 1,515,532	\$ 1,123,771	\$ 293,216	\$ 415,344	\$ --	\$ 146,342	\$ 4,641,641	\$ 779,473	\$ 2,019,737	\$ 2,799,210	\$ 7,440,851
Contributions of nonfinancial assets	4,915,360	453,212	--	--	--	--	--	5,368,572	--	--	--	5,368,572
Contracted services	370,859	1,043,251	1,111,010	102,521	50,598	55,485	20,810	2,754,534	1,679,208	326,212	2,005,420	4,759,954
Postage and printing	2,115	866,987	1,707,239	8,693	548	6,262	--	2,591,844	1,352,797	4,692	1,357,489	3,949,333
Grants	40,000	829,725	--	--	--	--	2,000	871,725	--	--	--	871,725
Software and licensing	63,151	235,426	76,358	145,195	13,655	62,164	7,198	603,147	33,690	63,404	97,094	700,241
Other expense	19,999	55,426	19,900	92,216	11,064	4,630	2,810	206,045	274,168	72,923	347,091	553,136
Professional services	112,026	144,544	49,541	38,705	24,870	--	5,626	375,312	26,734	80,655	107,389	482,701
Occupancy	71,135	93,355	69,843	18,160	25,959	--	10,877	289,329	48,090	124,240	172,330	461,659
Conferences and training	3,871	63,697	101,450	--	17,595	162,262	--	348,875	10,834	39,656	50,490	399,365
Travel	27,598	153,232	27,599	1,133	19,175	7,955	754	237,446	7,937	103,264	111,201	348,647
Depreciation and amortization	16,814	33,066	16,509	4,293	6,136	--	2,571	79,389	11,367	28,192	39,559	118,948
	<u>\$ 6,790,364</u>	<u>\$ 5,487,453</u>	<u>\$ 4,303,220</u>	<u>\$ 704,132</u>	<u>\$ 584,944</u>	<u>\$ 298,758</u>	<u>\$ 198,988</u>	<u>\$ 18,367,859</u>	<u>\$ 4,224,298</u>	<u>\$ 2,862,975</u>	<u>\$ 7,087,273</u>	<u>\$ 25,455,132</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, 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
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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	\$ (970,389)	\$ (420,122)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Net realized and unrealized gain on investments	(753,676)	(1,111,247)
Bad debt expense	57,712	--
Change in discount to net present value	27,747	(4,465)
Depreciation and amortization	118,948	136,166
Amortization of right-of-use assets	288,886	701,064
Loss on sublease	(49,766)	(199,068)
Changes in assets and liabilities		
Publications and other income receivables	844	79,426
Contributions receivable, net	109,776	70,085
Prepaid expenses and other assets	40,529	(255,544)
Accounts payable and accrued expenses	(1,651,073)	1,321,092
Contract liabilities	(44,889)	3,287
Operating lease liabilities	(328,442)	(875,758)
Amounts held on behalf of state and local Leagues	22,377	(614)
Net Cash Used in Operating Activities	(3,131,416)	(555,698)
Cash Flows From Investing Activities		
Proceeds from sales of investments	11,635,363	15,942,305
Purchases of investments	(9,256,573)	(13,436,311)
Purchases of property and equipment	--	(33,000)
Net Cash Provided by Investing Activities	2,378,790	2,472,994
Net (Decrease) Increase in Cash and Cash Equivalents	(752,626)	1,917,296
Cash and Cash Equivalents, Beginning of Year	5,587,222	3,669,926
Cash and Cash Equivalents, End of Year	\$ 4,834,596	\$ 5,587,222
Supplemental Disclosures of Cash Flow Information		
Donated investments liquidated to cash	\$ 92,051	\$ 56,134

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, 2025 AND 2024

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.

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 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
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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

NATURE OF ACTIVITIES (CONTINUED)

External Affairs

The external affairs function, 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
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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, 2025 AND 2024

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, 2025 AND 2024

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, 2025 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

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, 2025 and 2024, 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, 2025. At June 30, 2023, publications and other income receivables totaled \$116,463.

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, 2025 and 2024, 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% to 3.65%.

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 contribution 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. Bad debt expense totaled \$57,712 for the year ended June 30, 2025. There was no bad debt expense for the year ended June 30, 2024.

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

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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. The items in the collection were donated to League of Women Voters. Each item is cataloged, preserved and cared for and activities verifying their existence and assessing their condition are performed continuously.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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

COLLECTION (CONTINUED)

There were no acquisitions or disposals of items in the collection during the years ended June 30, 2025 and 2024. League of Women Voters has no intention of disposing any of the collection items, but given the nature of the items, if 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, 2024 totaled \$103,828.

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, 2025 and 2024.

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.

Effective February 1, 2025, per-member payments were replaced with member dues. Member dues represent financial contributions made to advance the mission and sustain the organization's operations. Total payments received are shared on a percentage basis with the state and local Leagues in which the members have enrolled. Since no benefits are conveyed to the members in exchange for the payment, the entire amount is considered a contribution rather than an exchange transaction.

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.

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

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.

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.

NOTE 2 – INVESTMENTS

Investments consisted of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Investments at fair value:		
Mutual funds – equities:		
U.S. large cap	\$ 3,727,933	\$ 3,073,993
U.S. small/mid cap	376,371	785,182
Developed non-U.S.	--	2,175,862
Emerging markets	2,029,811	1,056,065
Mutual funds – fixed income:		
Bonds	1,053,258	1,026,380
Exchange-traded	1,471,107	2,270,508
Money market funds	592,195	77,799
Certificates of deposit	--	410,000
Total	<u>\$ 9,250,675</u>	<u>\$10,875,789</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 – INVESTMENTS (CONTINUED)

Investments noted above are recorded as follows on the consolidated statements of financial position at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Investments	\$ 8,233,904	\$ 10,064,857
Investments restricted for endowments	<u>1,016,771</u>	<u>810,932</u>
Total	<u>\$ 9,250,675</u>	<u>\$ 10,875,789</u>

Net investment gain (loss) consisted of the following for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Without donor restrictions:		
Interest and dividends	\$ 344,037	\$ 334,830
Investment management fees	(31,638)	(38,599)
Net realized and unrealized gain	<u>596,548</u>	<u>935,511</u>
Subtotal Without Donor Restrictions	<u>908,947</u>	<u>1,231,742</u>
With donor restrictions:		
Interest and dividends	83,597	60,238
Investment management fees	(8,393)	(6,961)
Net realized and unrealized gain	<u>157,128</u>	<u>175,736</u>
Subtotal With Donor Restrictions	<u>232,332</u>	<u>229,013</u>
Total	<u>\$ 1,141,279</u>	<u>\$ 1,460,755</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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, 2025:

	<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	\$ 3,727,933	\$ 3,727,933	\$ --	\$ --
U.S. small/mid cap	376,371	376,371	--	--
Emerging markets	2,029,811	2,029,811	--	--
Mutual funds – fixed income:				
Bonds	1,053,258	1,053,258	--	--
Exchange-traded	1,471,107	1,471,107	--	--
Money market funds	<u>592,195</u>	<u>592,195</u>	<u>--</u>	<u>--</u>
Total Investments	9,250,675	<u>\$ 9,250,675</u>	<u>\$ --</u>	<u>\$ --</u>
Cash equivalents at fair value				
Money market funds	<u>1,537,469</u>			
Total Assets at Fair Value	<u>\$ 10,788,144</u>			

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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, 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>
 Total Investments	 10,875,789	 <u>\$ 10,465,789</u>	 <u>\$ 410,000</u>	 <u>\$ --</u>
 Cash equivalents at fair value				
Money market funds	<u>2,535,370</u>			
 Total Assets at Fair Value	 <u>\$ 13,411,159</u>			

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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 4 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Contributions receivable	\$ 1,149,016	\$ 1,375,519
Per-member payments and membership dues receivable	<u>238,328</u>	<u>131,369</u>
	1,387,344	1,506,888
Less discount to net present value	(35,144)	(7,397)
Less allowance for doubtful receivables	<u>(89,331)</u>	<u>(41,387)</u>
Total	<u>\$ 1,262,869</u>	<u>\$ 1,458,104</u>

Contributions receivable are expected to be collected as follows at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Amounts due in less than one year	\$ 767,938	\$ 1,437,481
Amounts due in one to five years	<u>530,075</u>	<u>28,020</u>
	1,298,013	1,465,501
Less discount to net present value	<u>(35,144)</u>	<u>(7,397)</u>
Total	<u>\$ 1,262,869</u>	<u>\$ 1,458,104</u>

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

LWVUS and the Education Fund were both named as lessees in the operating lease for the old office space at 1730 M Street, which expired on September 30, 2024. LWVUS and the Education Fund were jointly and severally liable under the terms of this office lease. 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

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

terminated on September 30, 2024. The future expected rental receipts under the sublease were less than the future rental payments due to the landlord under the old office lease. Thus, LWVUS and the Education Fund both recorded a liability for the loss on the sublease which was 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 zero and \$49,766 at June 30, 2025 and 2024, respectively.

Due to the expiration of the lease for the office space at 1730 M Street on September 30, 2024, the carrying amount of the ROU asset and lease liability were zero at June 30, 2025.

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.

League of Women Voters recorded an operating right-of-use asset, 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, 2025 and 2024, the operating right-of-use asset, net of accumulated amortization of \$609,989 and \$1,273,950, respectively, was \$1,945,912 and \$2,234,798, respectively, and the operating lease liability was \$2,976,941 and \$3,305,383, respectively. The operating right-of-use asset is being amortized on a straight-line basis over the lease term.

The maturities of operating lease liability as of June 30, 2025 is as follows:

Years Ending <u>June 30</u>	Rental <u>Payments</u>
2026	\$ 418,454
2027	428,916
2028	439,639
2029	450,630
2030	461,895
Thereafter	<u>1,082,302</u>
Total	3,281,836
Less: Present value discount	<u>(304,895)</u>
Lease Liability	<u>\$ 2,976,941</u>

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FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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

Operating lease expense totaled \$417,035 and \$585,743 for the years ended June 30, 2025 and 2024, respectively, and is included in occupancy expenses on the accompanying consolidated statements of functional expenses. Sublease income totaled \$97,958 and \$372,734 for the years ended June 30, 2025 and 2024, respectively. Cash paid for operating leases totaled \$520,147 and \$910,779 for the years ended June 30, 2025 and 2024.

Other information related to the operating lease as of June 30, 2025:

Remaining lease term	7 years
Discount rate	2.88%

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 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.

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FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 6 – LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

- 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.

Financial assets available for general expenditures within one year consisted of the following as of June 30, 2025 and 2024:

	2025	2024
Cash and cash equivalents	\$ 4,834,596	\$ 5,587,222
Investments	9,250,675	10,875,789
Receivables, net	1,299,062	1,495,141
Subtotal Financial Assets	15,384,333	17,958,152
Amounts not available for general expenditures within one year:		
Amounts held on behalf of state and local Leagues	(662,841)	(640,464)
Net assets with donor restrictions	(2,321,738)	(2,534,443)
Total	\$ 12,399,754	\$ 14,783,245

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2025 and 2024:

	2025	2024
Furniture and equipment	\$ 810,724	\$ 810,724
Leasehold improvements	1,187,784	1,187,784
	1,998,508	1,998,508
Less accumulated depreciation and amortization	(1,538,686)	(1,419,738)
Total	\$ 459,822	\$ 578,770

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 7 – PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation and amortization expense totaled approximately \$118,948 and \$136,166 for the years ended June 30, 2025 and 2024, respectively.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2025 and 2024:

	2025	2024
Endowment funds and related earnings	\$ 1,016,771	\$ 810,932
Time restriction	994,931	738,123
Leadership fund	271,658	245,166
Women power democracy	29,278	300,000
100 th anniversary	9,100	9,100
Vote411	--	237,282
Voter Registration and Protection	--	150,000
Interns	--	31,265
DC Voting Rights	--	12,575
Total	\$ 2,321,738	\$ 2,534,443

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

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NOTE 9 – ENDOWMENTS (CONTINUED)

INTERPRETATION OF RELEVANT LAW (CONTINUED)

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.

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, 2025 and 2024, 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.

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NOTE 9 – ENDOWMENTS (CONTINUED)

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, 2025 or at June 30, 2024.

ENDOWMENT COMPOSITION

Endowments consisted of the following at June 30, 2025:

	<u>Available to Spend</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Ruth S. Shur Leadership Institute fund	\$ 250,533	\$ 500,000	\$ 750,533
Nikki Harris Online Training fund	58,884	100,000	158,884
General Endowment fund	<u>38,279</u>	<u>69,075</u>	<u>107,354</u>
Total	<u>\$ 347,696</u>	<u>\$ 669,075</u>	<u>\$ 1,016,771</u>

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>

Changes in endowments consisted of the following for the year ended June 30, 2025:

	<u>Available to Spend</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Endowments, July 1, 2024	\$ 141,857	\$ 669,075	\$ 810,932
Net investment return	232,332	--	232,332
Appropriations	<u>(26,493)</u>	<u>--</u>	<u>(26,493)</u>
Endowments, June 30, 2025	<u>\$ 347,696</u>	<u>\$ 669,075</u>	<u>\$ 1,016,771</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 9 – ENDOWMENTS (CONTINUED)

ENDOWMENT COMPOSITION (CONTINUED)

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 return	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>

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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Legal	\$ 4,915,360	\$ 5,947,089
Advertising	453,212	464,644
Research	<u>--</u>	<u>206,217</u>
Total	<u>\$ 5,368,572</u>	<u>\$ 6,617,950</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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, 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 \$355,232 and \$373,091 for the years ended June 30, 2025 and 2024, 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 \$3,023,503 and \$2,447,864 during the years ended June 30, 2025 and 2024, respectively.

Joint costs have been allocated between program services and fundraising as follows for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Fundraising	\$ 1,352,797	\$ 1,060,132
Communications	<u>1,670,706</u>	<u>1,387,732</u>
Total	<u>\$ 3,023,503</u>	<u>\$ 2,447,864</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 2029. In the event League of Women Voters were

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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, 2025 and 2024, 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, 2025 and 2024, 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, 2025 and 2024, 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, 2025 and 2024, League of Women Voters had no accruals for interest and/or penalties.

NOTE 15 – SUBSEQUENT EVENTS

League of Women Voters has evaluated subsequent events through January 26, 2026, 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, 2025

	LWVUS	Education Fund	Eliminations	Total
Assets				
Cash and cash equivalents	\$ 2,752,484	\$ 2,082,112	\$ --	\$ 4,834,596
Investments	2,655,016	5,578,888	--	8,233,904
Investments restricted for endowments	--	1,016,771	--	1,016,771
Publications and other income receivables	36,193	--	--	36,193
Contributions receivable, net	133,997	1,128,872	--	1,262,869
Amount due from affiliates	--	144,979	(144,979)	--
Prepaid expenses	340,845	92,425	--	433,270
Right-of-use assets	1,945,912	--	--	1,945,912
Property and equipment, net	437,822	22,000	--	459,822
Collection (Note 1)	--	--	--	--
Total Assets	<u>\$ 8,302,269</u>	<u>\$ 10,066,047</u>	<u>\$ (144,979)</u>	<u>\$ 18,223,337</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	\$ 402,139	\$ 957,886	\$ --	\$ 1,360,025
Amount due to affiliates	144,979	--	(144,979)	--
Contract liabilities	--	62,226	--	62,226
Amounts held on behalf of state and local leagues	--	662,841	--	662,841
Lease liabilities – operating	2,976,941	--	--	2,976,941
Loss on sublease	--	--	--	--
Total Liabilities	<u>3,524,059</u>	<u>1,682,953</u>	<u>(144,979)</u>	<u>5,062,033</u>
Net Assets				
Without donor restrictions	4,778,210	6,061,356	--	10,839,566
With donor restrictions	--	2,321,738	--	2,321,738
Total Net Assets	<u>4,778,210</u>	<u>8,383,094</u>	<u>--</u>	<u>13,161,304</u>
Total Liabilities and Net Assets	<u>\$ 8,302,269</u>	<u>\$ 10,066,047</u>	<u>\$ (144,979)</u>	<u>\$ 18,223,337</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, 2025

	LWVUS	Education Fund	Eliminations	Total
Activities Without Donor Restrictions				
Revenue and Support				
Contributions	\$ 5,653,987	\$ 8,334,517	\$ --	\$ 13,988,504
Contributions of nonfinancial assets	--	5,368,572	--	5,368,572
Per-member payments	1,666,578	--	--	1,666,578
Membership dues	618,948	--	--	618,948
Sublease income	54,829	43,129	--	97,958
Interest and dividends, net of fees	119,015	193,384	--	312,399
Mailing list rental income	256,909	--	--	256,909
Publication sales and other income	18,936	175,788	--	194,724
Council and convention	4,695	139,175	--	143,870
Contributions in lieu of per-member payments	--	33,094	--	33,094
Net assets released from restrictions:				
Satisfaction of time restrictions	--	717,500	--	717,500
Satisfaction of program restrictions	--	701,844	--	701,844
Total Revenue and Support	<u>8,393,897</u>	<u>15,707,003</u>	<u>--</u>	<u>24,100,900</u>
Expenses				
Program services				
Advocacy	1,140,660	5,649,704	--	6,790,364
Mission impact	367,567	5,119,886	--	5,487,453
Communications	2,298,887	2,004,333	--	4,303,220
Member services	586,270	117,862	--	704,132
External Affairs	92,129	492,815	--	584,944
Council and convention	71,906	226,852	--	298,758
Outcome and evaluation	50,940	148,048	--	198,988
Total Program Services	<u>4,608,359</u>	<u>13,759,500</u>	<u>--</u>	<u>18,367,859</u>
Supporting Services				
Fundraising	2,582,412	1,641,886	--	4,224,298
General and administrative	1,560,416	1,302,559	--	2,862,975
Total Supporting Services	<u>4,142,828</u>	<u>2,944,445</u>	<u>--</u>	<u>7,087,273</u>
Total Expenses	<u>8,751,187</u>	<u>16,703,945</u>	<u>--</u>	<u>25,455,132</u>
Change in Net Assets Without Donor Restrictions Before Other Items				
	(357,290)	(996,942)	--	(1,354,232)
Net realized and unrealized gain on investments	192,505	404,043	--	596,548
Change in Net Assets Without Donor Restrictions	<u>(164,785)</u>	<u>(592,899)</u>	<u>--</u>	<u>(757,684)</u>

See independent auditors' report.

**LEAGUE OF WOMEN VOTERS OF THE UNITED STATES
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CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2025

	LWVUS	Education Fund	Eliminations	Total
Activities With Donor Restrictions				
Contributions	\$ --	\$ 974,307	\$ --	\$ 974,307
Interest and dividends, net of fees	--	75,204		75,204
Net realized and unrealized gain on investments	--	157,128	--	157,128
Net assets released from restrictions:				
Satisfaction of time restrictions	--	(717,500)		(717,500)
Satisfaction of program restrictions	--	(701,844)	--	(701,844)
Change in Net Assets With Donor Restrictions	--	(212,705)	--	(212,705)
Change in Net Assets	(164,785)	(805,604)	--	(970,389)
Net Assets, Beginning of Year	<u>4,942,995</u>	<u>9,188,698</u>	--	<u>14,131,693</u>
Net Assets, End of Year	<u>\$ 4,778,210</u>	<u>\$ 8,383,094</u>	<u>\$ --</u>	<u>\$ 13,161,304</u>

See independent auditors' report.