Equal Justice Initiative

Audited Consolidated Financial Statements
For the year ended September 30, 2024

Equal Justice Initiative

Financial Highlights

For the Year Ended September 30, 2024

We are grateful to everyone who has supported our work to challenge racial and economic injustice, fight poverty and end mass incarceration and excessive punishment.

Our staff continue to seek relief for those who have been condemned to execution, wrongly convicted, or unfairly sentenced by providing direct legal services and by challenging unconstitutional prison conditions.

Our anti-poverty program began in 2022 and now provides life-changing support to thousands of families across Alabama. Our health clinic provides high quality care at no cost to uninsured patients, and our anti-hunger program fights food insecurity by providing direct financial assistance for food and essential items to low-income people in Alabama.

We have also increased and expanded our public education efforts. In 2024, EJI opened Freedom Monument Sculpture Park, a new site that honors and recognizes the suffering and perseverance of the 10 million Black people who were enslaved in America. The park joins our Legacy Museum and the National Memorial for Peace and Justice to form the Legacy Sites, which offer visitors a powerful experience to confront our nation's history of racial injustice and the legacy of slavery. This year, EJI has also made significant investments into new educational spaces for meeting and reflection.

In 2024, we received $70 million dollars in support, sales and other revenue. We are proud to consistently devote over 95% of our support to program and core activities. This year, we had $148 million dollars in expenses and capital spending, including $72 million of long-term capital investments for the expansion of EJI's cultural and educational sites. We are grateful for your support which makes our work possible.

2024 Financial Summary:

Revenues		
Grants and contributions	$	67,032,858
Sales, service, and miscellaneous income		2,880,265
Total support, sales, and other revenues	$	69,913,123
Net investment return		30,638,231
Total support and other revenues	$	100,551,354
Expenses		
Program services (97.3%)	$	73,577,672
Management and general (2.4%)		1,803,836
Fundraising (0.3%)		241,666
Total expenses	$	75,623,174
Capital expenditures		72,079,650
Total expenses and capital spending	$	147,702,824

Cover image: Freedom Monument Sculpture Park

Equal Justice Initiative, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2024

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REPORT

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Equal Justice Initiative, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Equal Justice Initiative, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of September 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Equal Justice Initiative, Inc. as of September 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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.

Carr, Riggs & Ingram, L.L.C.

Montgomery, Alabama
February 21, 2025

FINANCIAL STATEMENTS

September 30,	**2024**
Assets	
Current assets	
Cash and cash equivalents	**$ 15,348,349**
Certificates of deposit, non-negotiable	**34,944,245**
Grants receivable, net	**5,450,000**
Accounts receivable	**252,061**
Accrued interest receivable	**1,656,696**
Inventory	**1,091,495**
Prepaid expenses	**2,285,573**
Other assets	**1,426,770**
Total current assets	**62,455,189**
Investments	**201,054,630**
Certificates of deposit, negotiable	**10,959,447**
Grants receivable, net (less current portion)	**3,975,144**
Operating lease right-of-use assets, net	**5,358,891**
Construction in process	**47,554,580**
Property and equipment, net	**123,969,399**
Total assets	**$ 455,327,280**
Liabilities and net assets	
Current liabilities	
Accounts payable	**$ 6,357,809**
Accrued liabilities	**135,570**
Current portion of operating lease liabilities	**656,035**
Performance obligation liability	**20,432**
Total current liabilities	**7,169,846**
Non-current liabilities	
Operating lease liabilities, less current portion	**4,702,856**
Total non-current liabilities	**4,702,856**
Total liabilities	**11,872,702**
Net assets	
Without donor restrictions	**434,029,434**
With donor restrictions	**9,425,144**
Total net assets	**443,454,578**
Total liabilities and net assets	**$ 455,327,280**

Consolidated Statement of Activities

Year ended September 30,	2024		
	Without Donor Restrictions	With Donor Restrictions	**Total**
Revenues and other support			
Contributions	$ 43,943,132	$ -	**$ 43,943,132**
Grants	17,089,726	6,000,000	**23,089,726**
Admission fee income	625,415	-	**625,415**
Merchandise sales income	1,596,951	-	**1,596,951**
Service income	489,505	-	**489,505**
Gain (loss) on disposal of assets	(16,993)	-	**(16,993)**
Other income	185,387	-	**185,387**
Net investment return	30,638,231	-	**30,638,231**
Reclassification of amounts released from restrictions	4,092,200	(4,092,200)	**-**
Total revenues and other support	98,643,554	1,907,800	**100,551,354**
Expenses			
Program services			
Legal assistance	17,287,833	-	**17,287,833**
Education	44,421,386	-	**44,421,386**
Anti-Poverty	11,868,453	-	**11,868,453**
Total program services	73,577,672	-	**73,577,672**
Management and general	1,803,836	-	**1,803,836**
Fundraising	241,666	-	**241,666**
Total supporting services	2,045,502	-	**2,045,502**
Total expenses	75,623,174	-	**75,623,174**
Change in net assets	23,020,380	1,907,800	**24,928,180**
Net assets, beginning of year	411,009,054	7,517,344	**418,526,398**
Net assets, end of year	$ 434,029,434	$ 9,425,144	**$ 443,454,578**

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

Equal Justice Initiative, Inc.
Consolidated Statement of Functional Expenses

Year ended September 30, 2024	Program Services: Legal Assistance	Program Services: Education	Program Services: Anti-Poverty	Program Services: Total Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total Supporting Services	**2024 Totals**
Advertising and promotion	$ -	$ 208,649	$ -	$ 208,649	$ -	$ -	$ -	**$ 208,649**
Community education and training	247,253	2,310,075	-	2,557,328	-	-	-	**2,557,328**
Contributions	4,500,000	22,500,000	3,000,000	30,000,000	-	-	-	**30,000,000**
Contract labor	28,901	135,757	12,386	177,044	1,685	-	1,685	**178,729**
Depreciation expense	2,589,158	4,389,881	114,041	7,093,080	10,808	1,493	12,301	**7,105,381**
Dues, fees and subscriptions	587,219	121,876	72,071	781,166	22,680	15,120	37,800	**818,966**
Employee benefits	635,584	1,316,704	244,552	2,196,840	217,746	15,504	233,250	**2,430,090**
Food insecurity assistance	-	-	6,599,805	6,599,805	-	-	-	**6,599,805**
Professional fees and experts	303,758	61,813	30,727	396,298	57,612	19,204	76,816	**473,114**
Insurance	149,522	344,630	63,538	557,690	43,199	5,966	49,165	**606,855**
Merchandise for resale	-	849,683	-	849,683	-	-	-	**849,683**
Other expenses	2,579	5,445	-	8,024	-	-	-	**8,024**
Payroll taxes	235,851	479,321	91,061	806,233	80,390	5,800	86,190	**892,423**
Printing, postage, publishing and media	926,995	629,302	2,754	1,559,051	-	49,381	49,381	**1,608,432**
Re-entry and client support	605,586	-	-	605,586	-	-	-	**605,586**
Lease expense	695,076	150,013	119,468	964,557	-	-	-	**964,557**
Repairs, maintenance and renovation	698,970	2,206,121	28,414	2,933,505	55,420	7,654	63,074	**2,996,579**
Salaries and payroll expenses	3,384,309	5,794,703	1,306,672	10,485,684	1,153,547	83,228	1,236,775	**11,722,459**
Supplies	171,714	247,050	127,365	546,129	23,849	-	23,849	**569,978**
Travel	435,437	590,592	29,516	1,055,545	69,049	9,536	78,585	**1,134,130**
Utilities, telephone and communication	1,089,921	2,079,771	26,083	3,195,775	67,851	28,780	96,631	**3,292,406**
Totals	**$ 17,287,833**	**$ 44,421,386**	**$ 11,868,453**	**$ 73,577,672**	**$ 1,803,836**	**$ 241,666**	**$ 2,045,502**	**$ 75,623,174**

Year ended September 30,	**2024**
Operating Activities	
Change in net assets	**$ 24,928,180**
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	**7,105,381**
Amortization of right-of-use assets	**736,752**
Loss on disposal of assets	**16,993**
Contributed investments	**(1,493,572)**
Unrealized and realized gains on investments	**(21,968,962)**
Change in operating assets and liabilities	
Grants receivable	**(1,907,800)**
Accounts receivable	**(71,671)**
Accrued interest receivable	**(287,498)**
Inventory	**(204,478)**
Prepaid expenses	**(579,454)**
Other assets	**(407,945)**
Accounts payable	**3,144,191**
Accrued liabilities	**75,006**
Operating lease liabilities	**(736,752)**
Performance obligation liability	**(19,432)**
Net cash provided by operating activities	**8,328,939**
Investing activities	
Construction in progress	**(43,366,349)**
Purchases of property and equipment	**(28,713,301)**
Proceeds from maturities of certificates of deposit, non-negotiable	**10,305,968**
Purchases of investments	**(150,040,894)**
Proceeds from sales of investments	**197,204,287**
Purchases and reinvestments of certificates of deposit, non-negotiable	**(1,398,794)**
Net cash used in investing activities	**(16,009,083)**
Net change in cash and cash equivalents	**(7,680,144)**
Cash and cash equivalents, beginning of year	**23,028,493**
Cash and cash equivalents, end of year	**$ 15,348,349**

Note 1: NATURE OF OPERATIONS

Equal Justice Initiative, Inc. (EJI) (the Organization) is a non-profit law organization working to improve justice and fairness in America for the poor, disadvantaged, and incarcerated. EJI provides legal assistance to condemned prisoners, people wrongly convicted or unfairly sentenced, children in the criminal justice system, and the mentally ill and disabled facing imprisonment. EJI is actively engaged in efforts to improve conditions of confinement, provide legal aid to children and the disabled, assist condemned prisoners, and help the formerly incarcerated with re-entry, while also fighting to eliminate mass imprisonment, extreme punishments, and cruel sentencing practices. EJI also continues to expand and intensify work on race and poverty in America, and to bring increased knowledge and awareness of the connections between its nation's history of racial injustice and the current era of mass incarceration, disproportionate educational and economic opportunity, and abuse of racial minorities. EJI remains committed to advocating for more hopeful solutions to the violence, powerlessness, and despair that plague many marginalized communities.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Consolidated Financial Statements

The financial statements of SCD Holdings, LLC have been consolidated with the Organization. The Organization is the sole member of SCD Holdings, LLC, an Alabama limited liability company. Intercompany accounts, transactions and earnings have been eliminated in consolidation. SCD Holdings, LLC was formed and organized in 2021 to hold title to property for the benefit of the Organization.

Use of Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to useful lives of property and equipment, allocation of functional expenses, discount rate of long-term receivables, and the fair value measurement of investments.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Program Services

The Organization's program services consist of the following:

Legal assistance – EJI provides direct legal services to people who have been illegally convicted, unfairly sentenced, or abused in state jails and prisons. EJI works to end mass incarceration by challenging excessive punishment in court, advocating for parole and providing re-entry support, and advancing systemic reform through research, education, and narrative work.

Education – EJI operates the Legacy Museum: From Enslavement to Mass Incarceration, the National Memorial for Peace and Justice, and Freedom Monument Sculpture Park as part of EJI's national effort to create new spaces, markers, and memorials that address the legacy of slavery, lynching, and racial segregation, which shapes many issues today.

Anti-poverty – EJI works to reduce poverty and assist vulnerable people by creating new services and support around hunger, unjust fees and fines and health care.

Cash and Cash Equivalents

Cash and cash equivalents consist of amounts on deposit subject to immediate withdrawal. In presenting the statements of cash flows, the Organization considers all short-term, highly liquid investments to be cash equivalents that are readily convertible to known amounts of cash, and so near their maturities that they present insignificant risk of changes in value because of interest rates.

Certificates of Deposit – Non-negotiable

Non-negotiable certificates of deposit are carried at amortized cost.

Grants and Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for credit losses. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of members to meet their obligations.

Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted as to use until payments due are received. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Allowance for Credit Losses

Management evaluates its receivables on an ongoing basis by analyzing customer relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of expected credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in the change in net assets as received. As of September 30, 2024, all receivables are deemed by management to be fully collectible, and therefore, no allowance has been recorded.

Inventory

The Organization maintains an inventory of various publications available for distribution to its colleagues and other users in connection with its primary exempt purposes. The Organization also maintains an inventory of various merchandise, books and apparel available for sale from the EJI Gift Shop and Bookstore. The cost of these items is recorded in program expenses once the items are distributed or sold. Inventory is stated at the lower of cost or net realizable value, with cost being determined by the first in, first out method.

Investments

The Organization reports investments in equity securities, including negotiable certificates of deposit, with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in Non-marketable Securities

Limited partnership interests are reported at estimated fair value as determined by the general partner. The Organization records its initial investment and subsequent contributions at cost and adjusts for its share of income/appreciation, losses/depreciation, and distributions received from the investments. The Organization believes that the carrying amount of these investments is a reasonable estimate of fair value as of September 30, 2024. Because these investments are not readily marketable, the estimated value is subject to uncertainty, and therefore may differ from the value that would have been used had a ready market for the investments existed and such difference could be material. These fair values are estimated by the general partner of each limited partnership using various valuation techniques.

Property and Equipment

Property and equipment and works of art are stated at cost less accumulated depreciation. Expenditures over $5,000 for major renewals and betterments that extend the useful life of an asset for more than one year are capitalized. These assets are depreciated using the straight line method with useful lives of three to forty years.

Construction in Process

Construction in process is stated at cost and not depreciated. Property is transferred to property and equipment when completed and placed in service. There was $49,756,243 included in construction in process as of September 30, 2024.

Leases

The Organization leases property, office space and equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities the statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Organization a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in it corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Donor restricted resources that are received and spent in the same year are included in changes in net assets without donor restrictions.

Revenue Recognition and Performance Obligation Liabilities

Contributions and grants are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Admission fee income, merchandise sales income and service income are accounted for under ASC Topic 606, Revenue from Contracts with Customers (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied.

Certain performance obligations are satisfied at a specific point in time, while others are satisfied over time. As of September 30, 2024, there was $20,432 of performance obligations yet to be satisfied, of which all is expected to be recognized in revenue during the year ended September 30, 2025.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition and Performance Obligation Liabilities (Continued)

Revenue for admission fee income and service income are recognized at a point in time. The Organization has an obligation to provide services at a specified time determined on the transaction date. The Organization considers the income to be earned at a point in time once the relevant performance obligation is satisfied.

Revenue for merchandise sales income relates to fees charged for goods. The Organization has an obligation to provide goods to customers who purchase them and recognizes revenue at a point in time when the purchase is made and the obligation is satisfied.

100% of non-contribution type revenue earned in the current year was at a point in time consisting of admission fee income, merchandise sales income and service income.

Contract Balances

September 30,		**2024**		2023
Performance obligation liabilities, beginning of year	**$**	**39,864**	$	28,265
Performance obligation liabilities, end of year	**$**	**20,432**	$	39,864

Non-cash Contributions

The Organization receives in-kind contributions from time to time (e.g. investment securities). These contributions are recognized at fair market value on the date of the contribution.

The Organization receives contributed assets, materials and services from time to time that improve or contribute value to property and equipment. These contributed assets, materials and services are recognized by the Organization at fair value on the date of the contribution.

Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Functional Allocation of Expenses

Expenses that can be directly identified with a function are so classified. Payroll, occupancy, and related expenditures are distributed on a percentage basis determined from estimates of time and effort, square footage, and certain other factors that are adjusted for significant changes affecting a particular function.

Advertising

The Organization expenses advertising costs incurred. For the year ended September 30, 2024, advertising costs were $208,649.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

The Organization is a tax-exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to income tax. The Organization's subsidiary, SDC Holdings LLC, is tax exempt under section 501(c)(3) as a single member LLC where the Organization is the single member. The Organization is required to file an annual information return on Federal Form 990.

The Organization has not recognized any respective liability for unrecognized tax benefits as it has no known tax positions that would subject the Organization to any material income tax exposure. The tax years that remain subject to examination are the periods ending September 30, 2021 through 2024 for all major tax jurisdictions.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 21, 2025.

Recent Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which is often referred to as the CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses.

The Organization adopted ASU 2016-13 on October 1, 2023. The impact of the adoption was not considered significant to the Organization's financial statements and primarily resulted in enhanced disclosures only.

Note 3: FINANCIAL ASSET AVAILABILITY

The Organization regularly monitors liquidity required to meet operating needs and other contractual commitments, while also striving to maximize the investment of available funds. The Organization has various sources of liquidity at their disposal, including cash and cash equivalents, grants and accounts receivables and operating investments. The Organization manages liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves.

The Organization operates with a cash positive budget and anticipates collecting sufficient revenues to meet current expenditures. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

September 30,	**2024**
Cash and cash equivalents	**$ 15,348,349**
Certificates of deposit, non-negotiable	**34,944,245**
Accounts receivable	**252,061**
Operating investments	**94,454,393**
Total	**$ 144,999,048**

As part of the Organization's liquidity management plan, cash in excess of daily requirements is invested in operating investments.

Note 4: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

September 30,	**2024**
Petty cash	**$ 6,073**
Business checking and money market accounts	**15,342,276**
Total cash and cash equivalents	**$ 15,348,349**

Note 5: GRANTS RECEIVABLE

Grants receivable are time restricted according to the specified time periods over which amounts will be paid. Grants receivable as of September 30, 2024 is expected to be collected as follows:

September 30,		**2024**
Less than one year	**$**	**5,450,000**
One year to five years		**4,200,000**
Total grants receivable		**9,650,000**
Less discount to net present value (discount rate 3.81%)		**(224,856)**
Present value of grants receivable	**$**	**9,425,144**

Note 6: INVESTMENTS

The Organization’s investments and negotiable certificates of deposit are stated at fair market value and consisted of the following:

September 30, 2024	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Certificates of deposit - negotiable	$ 10,986,145	$ 43,773	$ (70,471)	$ 10,959,447
Common stocks	22,390,794	12,916,929	(215,391)	35,092,332
Equity mutual funds	1,226,868	156,587	(4,818)	1,378,637
Fixed income mutual funds	2,641,025	28,907	(80,528)	2,589,404
Corporate bonds	92,771,564	1,953,548	(544,254)	94,180,858
Limited partnership interest	8,447,955	1,382,020	-	9,829,975
Government securities	57,782,541	833,791	(632,908)	57,983,424
Total	**$ 196,246,892**	**$ 17,315,555**	**$ (1,548,370)**	**$ 212,014,077**

Note 7: PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

September 30,	Estimated Useful Lives (in years)	**2024**
Land		**$ 12,091,052**
Buildings, museum, and memorial	3-20	**146,689,287**
Furniture and fixtures	3-7	**98,818**
Computer, office, and media equipment	3-5	**382,065**
Automobiles	5	**2,282,320**
Leasehold improvements	3-10	**218,281**
Total property and equipment at cost		**161,761,823**
Less accumulated depreciation		**(37,792,424)**
Property and equipment, net		**$ 123,969,399**

Depreciation expense was $7,105,381 for the year ended September 30, 2024.

Note 8: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
    - observable; or
    - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Note 8: FAIR VALUE MEASUREMENTS (Continued)

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used for September 30, 2024.

Certificates of deposit: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Common stocks, fixed income mutual funds, and equity mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

U.S. Treasuries, fixed income securities, corporate bonds, asset-backed securities and government securities: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

The Organization uses the net asset value (NAV) per share or its equivalent reported by the general partners as a practical expedient to estimate fair value for limited partnership interests. The NAV per share of its equivalent is applied to limited partnership interests that do not have readily determinable fair values unless it is probable that all or a portion of the investment will be sold for an amount different than NAV. As of September 30, 2024, the Organization had no plans or intentions to sell those investments at amounts different from NAV. While these investments may contain varying degrees of risk, the Organization's risk with respect to such transactions is limited to its capital balance in each investment and the amounts of any unfunded commitments.

Note 8: FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities measured at fair value on a recurring basis, are summarized for the year ended September 30, 2024:

September 30, 2024	Level 1	Level 2	Level 3	Total
Certificates of deposit - negotiable	$ -	$ 10,959,447	$ -	**$ 10,959,447**
Common stocks	35,092,332	-	-	**35,092,332**
Equity mutual funds	1,378,637	-	-	**1,378,637**
Fixed income mutual funds	2,589,404	-	-	**2,589,404**
Corporate bonds	-	94,180,858	-	**94,180,858**
Government securities	-	57,983,424	-	**57,983,424**
Total	$ 39,060,373	$ 163,123,729	$ -	**$ 202,184,102**

September 30, 2024	
Investments at net asset value (NAV):	
Limited partnership interest	**$ 9,829,975**

September 30, 2024

Description	Fair Value	Unfunded Commitments	Redemption fequency (If Currently Eligible)	Redemption Notice Period
Limited partnership interest	**$ 9,829,975**	**$ -**	Quarterly	60 days

The changes in amounts valued as Level 3 are as follows:

	2024
Level 3, beginning of year	**$ 4,207,204**
Sales	**(4,977,251)**
Investment return, net	**770,047**
Level 3, end of year	**$ -**

Note 9: LEASES

The Organization has operating leases for property, office space and equipment. The leases have remaining lease terms of 1 to 9 years, some of which include options to extend the leases for up to 5 years. As of September 30, 2024, right-of-use assets recorded under operating leases were $7,252,532 and accumulated amortization associated with right-of-use assets was $1,893,641.

The components of lease expense consist of the following:

Year ended September 30,	**2024**
Operating lease cost	**$ 964,557**

Weighted average remaining lease term and discount rates consist of the following:

Years ended September 30,	**2024**
Weighted average remaining lease term	
Operating leases	7 years
Discount rate	
Operating leases	1.60%

Future minimum lease payments under non-cancellable leases as of September 30, 2024 were as follows:

Years ended September 30,	
2025	**$ 747,056**
2026	**690,960**
2027	**708,800**
2028	**726,640**
2029	**726,640**
Thereafter	**2,098,720**
Total future minimum lease payments	**5,698,816**
Less imputed interest	**(339,925)**
Present value of lease liabilities	**$ 5,358,891**

Note 10: CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents and certificates of deposit balances maintained at financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures these balances up to a total of $250,000 at each institution. Cash and investment balances are also maintained in broker accounts that are insured up to $500,000 by the Securities Investors Protection Corporation (SIPC). Money market deposit accounts and certificates of deposit are divided into amounts under the standard FDIC insurance maximum of $250,000 by the IntraFi Cash Service (ICS) and Certificate of Deposit Account Registry Service (CDARS). For the year ended September 30, 2024, the Organization had a total of $235,013,201 in excess of insured amounts. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to these accounts.

Note 11: EMPLOYEE BENEFITS

The Organization has a 403(b) pension plan under which employees may defer a portion of their gross earnings. All full-time employees are eligible to participate. The plan is funded fully by employee contribution deferrals. During the year ended September 30, 2021, the Organization changed the 403(b) pension plan to be a discretionary matching plan. During the year ended September 30, 2024, the Organization funded $644,353 for employee pension. All full time employees are eligible and fully vested on day one. During the year ended September 30, 2024, the Organization paid $1,773,503 for employee health insurance.

Note 12: RELATED PARTY

The Legacy Foundation

Certain employees and board members also serve as board members of The Legacy Foundation (Foundation). The employees of the Organization administer the Foundation on a day-to-day basis and operations are conducted in common facilities that are owned by the Organization. During the year ended September 30, 2024, contributed $30,000,000 to the Foundation. No amounts were due to or from the Foundation at September 30, 2024.