



**THE FAITH AND POLITICS INSTITUTE**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

THE FAITH AND POLITICS INSTITUTE

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DECEMBER 31, 2024

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## **Independent Auditor's Report**

Board of Directors  
The Faith and Politics Institute  
Washington, D.C.

### ***Opinion***

We have audited the accompanying financial statements of The Faith and Politics Institute (the Institute), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Institute as of December 31, 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 Institute 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 the Institute's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute'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 Institute'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.

***Report on Summarized Comparative Information***

We have previously audited the Institute's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 2, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Councilor, Buchanan + Mitchell, P.C.*

Bethesda, Maryland  
May 1, 2025

Certified Public Accountants

**THE FAITH AND POLITICS INSTITUTE**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2024**  
**(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)**

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
<b>Assets</b>		
Cash and Cash Equivalents	\$ 2,446,802	\$ 1,714,285
Grants and Contributions Receivable, Net	369,261	767,207
Investments	518,018	497,447
Prepaid Expenses and Other Assets	87,646	62,271
Finance Right-of-Use Asset, Net	7,675	10,850
Operating Right-of-Use Asset	434,271	523,158
Property and Equipment, Net	<u>12,156</u>	<u>3,620</u>
<b>Total Assets</b>	<u><u>\$ 3,875,829</u></u>	<u><u>\$ 3,578,838</u></u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 71,341	\$ 46,210
Refundable Deposits	29,030	8,810
Deferred Revenue	133,400	86,000
Finance Lease Liability	8,089	11,359
Operating Lease Liability	<u>455,498</u>	<u>536,130</u>
Total Liabilities	697,358	688,509
<b>Net Assets</b>		
Without Donor Restrictions	2,443,748	1,800,522
With Donor Restrictions	<u>734,723</u>	<u>1,089,807</u>
Total Net Assets	<u>3,178,471</u>	<u>2,890,329</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 3,875,829</u></u>	<u><u>\$ 3,578,838</u></u>

*See accompanying Notes to Financial Statements.*

THE FAITH AND POLITICS INSTITUTE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
<b>Revenues</b>				
Grants and Contributions	\$ 1,151,081	\$ 1,048,123	\$ 2,199,204	\$ 2,031,672
Donated Services and Facilities	222,072	-	222,072	158,400
Pilgrimage Fees	393,231	-	393,231	374,857
John Robert Lewis Program Fees	123,650	-	123,650	69,050
Interest and Other Income	113,003	-	113,003	98,949
Net Assets Released from Restrictions	1,403,207	(1,403,207)	-	-
Total Revenues	3,406,244	(355,084)	3,051,160	2,732,928
<b>Expenses</b>				
Programs	2,101,599	-	2,101,599	2,114,195
Management and General	559,224	-	559,224	320,783
Fundraising and Development	102,195	-	102,195	150,758
Total Expenses	2,763,018	-	2,763,018	2,585,736
Change in Net Assets	643,226	(355,084)	288,142	147,192
Net Assets, Beginning of Year	1,800,522	1,089,807	2,890,329	2,743,137
<b>Net Assets, End of Year</b>	<b>\$ 2,443,748</b>	<b>\$ 734,723</b>	<b>\$ 3,178,471</b>	<b>\$ 2,890,329</b>

See accompanying Notes to Financial Statements.

THE FAITH AND POLITICS INSTITUTE

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	Forums	Pilgrimages	Communications	JRL Fellows Scholars and Rising Leaders	Total Programs	Management and General	Fundraising and Development	2024 Total	2023 Total
Salaries, Benefits, and Payroll Taxes	\$ 127,846	\$ 126,052	\$ 17,379	\$ 290,113	\$ 561,390	\$ 275,198	\$ 30,264	\$ 866,852	\$ 898,202
Professional Fees	3,027	212,604	45,343	126,545	387,519	216,294	65,605	669,418	474,515
Office Expenses	2,825	1,845	142	5,233	10,045	6,070	485	16,600	14,233
Postage and Shipping	16	2,963	10	1,107	4,096	-	20	4,116	9,920
Printing and Copying	333	7,372	26	6,986	14,717	518	56	15,291	16,371
Supplies	1,141	26,825	38	3,793	31,797	1,829	80	33,706	16,530
Telecommunications	1,476	994	86	2,979	5,535	2,459	139	8,133	8,208
Bank and Credit Card Fees	1,482	2,434	191	2,456	6,563	5,146	2,143	13,852	11,601
Dues, Subscriptions, and Publications	-	4,577	8,962	8,723	22,262	2,440	-	24,702	17,049
IT Services	4,378	2,588	322	9,218	16,506	7,614	457	24,577	25,541
Operating Lease Expense	20,072	11,909	1,132	41,370	74,483	34,709	2,014	111,206	93,498
Travel	-	6,815	-	3,363	10,178	144	513	10,835	6,498
Conferences, Meetings, and Related Travel	-	625,297	-	325,579	950,876	4,096	262	955,234	988,091
Depreciation and Amortization	1,503	780	83	3,266	5,632	2,707	157	8,496	5,479
<b>Total Expenses</b>	<b>\$ 164,099</b>	<b>\$ 1,033,055</b>	<b>\$ 73,714</b>	<b>\$ 830,731</b>	<b>\$ 2,101,599</b>	<b>\$ 559,224</b>	<b>\$ 102,195</b>	<b>\$ 2,763,018</b>	<b>\$ 2,585,736</b>

See accompanying Notes to Financial Statements.

THE FAITH AND POLITICS INSTITUTE

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	2024	2023
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 288,142	\$ 147,192
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	8,496	5,479
Investment Gain	(1,505)	(34,180)
Operating Lease Expense	111,206	93,498
<u>(Increase) Decrease in Assets</u>		
Grants and Contributions Receivable, Net	397,946	(59,071)
Prepaid Expenses and Other Assets	(25,375)	(40,741)
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Expenses	25,131	14,467
Refundable Deposits	20,220	(7,070)
Deferred Revenue	47,400	35,650
Operating Lease Liability	(102,951)	(95,464)
Net Cash Provided by Operating Activities	768,710	59,760
<b>Cash Flows from Investing Activities</b>		
Purchases of Investments	(236,854)	(108,315)
Sales of Investments	217,788	121,149
Purchases of Property and Equipment	(13,857)	(2,741)
Net Cash (Used in) Provided by Investing Activities	(32,923)	10,093
<b>Cash Flows from Financing Activities</b>		
Principal Payments on Finance Lease Liability	(3,270)	(3,225)
Net Cash Used in Financing Activities	(3,270)	(3,225)
Net Increase in Cash and Cash Equivalents	732,517	66,628
Cash and Cash Equivalents, Beginning of Year	1,714,285	1,647,657
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 2,446,802</b>	<b>\$ 1,714,285</b>
<b>Noncash Transactions from Investing and Financing Activities</b>		
Establishment of Operating Right-of-Use Asset	\$ -	\$ 495,892
Establishment of Operating Lease Liability	-	495,892

See accompanying Notes to Financial Statements.



## THE FAITH AND POLITICS INSTITUTE

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

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#### 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### *Organization*

The Faith and Politics Institute (the Institute) was organized in 1991 for the purpose of facilitating spiritual growth and moral and ethical reflection among persons actively engaged in the political life of the United States at the local, state, and federal level. The mission is accomplished by creating opportunities for members of Congress and their staffs that facilitate dialogue on moral and ethical issues such as race, economic life, and conflict resolution. The Institute is a District of Columbia not-for-profit organization.

The activities of the Institute are funded primarily through grants and contributions.

The following programs are included in the accompanying financial statements:

*Forums* - Lecture and discussion series designed for moral reflection and dialogue around divisive or unifying issues in the nation, and the way forward.

*Pilgrimages* - Nonpartisan delegations of Congressional members, Congressional staff leaders, and guests travel together to study leadership lessons during particular periods of the nation's history and their implications today, particularly around civil rights.

*Communications* - Activities related to promotion of exempt purpose. Activities include media outreach, digital media, production and mailing of newsletters, annual reports, and website development.

*JRL Fellows, Scholars, and Rising Leaders* - Programming to honor the legacy of Congressman John Robert Lewis through promoting nonviolent social impact as a way of achieving lasting positive change.

##### *Financial Statement Presentation*

The Institute has presented its financial statements in accordance with accounting principles generally accepted in the United States of America. Under those principles, the Institute is required to report information regarding its financial position and activities according to two classes of net assets:

- *Net Assets Without Donor Restrictions* - resources that are available for general operations and resources designated by the Institute's board of directors for approved expenditures.
- *Net Assets With Donor Restrictions* - resources that are subject to donor-imposed restrictions; some donor restrictions are temporary in nature which will be met by actions of the Institute or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

##### *Tax Status*

The Institute is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code except on net income derived from unrelated business activities and is not considered a "private foundation" by the Internal Revenue Service.

The Institute requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The Institute does not believe its financial statements include, or reflect, any uncertain tax positions.

THE FAITH AND POLITICS INSTITUTE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Tax Status (Continued)*

The Institute's Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the taxing authorities generally for three years after filing.

*Cash and Cash Equivalents*

The Institute considers highly liquid investments with an original maturity of three months or less, when purchased, to be cash and cash equivalents except for amounts held in investment accounts.

*Grants and Contributions Receivable*

Grants and contributions receivable consist primarily of unconditional pledges from corporations, foundations, and individuals that were not received by the Institute prior to year end and are reflected at either net realizable value or at net present value based on projected cash flows. As of December 31, 2024, all grants and contributions receivable are due within one year. The management of the Institute reviews the collectability of the grants and contributions receivable on a regular basis. No reserve for doubtful accounts has been established since management expects to collect all contributions receivable in full.

*Investments*

Investments consist of cash, government and agency securities, corporate bonds, and mutual funds that are recorded at fair value based on quoted market prices obtained from national securities exchanges; where securities are not listed on an exchange, quotations are obtained from other published sources.

*Right-of-Use Assets and Lease Liabilities*

The determination of whether an arrangement is a lease is made at the lease's inception. Under the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Lease liabilities are initially measured at the present value of minimum lease payments using a risk-free rate that approximates the remaining term of the lease. The right-of-use asset is the lease liability adjusted for other lease-related accounts. Management considers the likelihood of exercising renewal or termination clauses (if any) in measuring the Institute's right-of-use assets and lease liabilities. Operating lease expense and finance lease amortization expense is allocated over the remaining lease term on a straight-line basis. Finance lease interest expense is calculated using a risk-free rate that approximates the remaining term of the lease multiplied by the outstanding finance lease liability.

THE FAITH AND POLITICS INSTITUTE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Right-of-Use Assets and Lease Liabilities (Continued)*

The Institute considers leases with initial terms of twelve months or less, and no option to purchase the underlying asset, to be short-term leases. Accordingly, short-term lease costs are expensed over the remaining lease term, with no corresponding right-of-use asset or lease liability. In addition, the Institute does not separate non-lease components from lease components (if any) when determining the payments for leases of office equipment.

*Property and Equipment*

The Institute capitalizes all property and equipment acquisitions of \$1,000 and above. Property and equipment are recorded at cost, if purchased, or at fair market value at date of donation, if contributed. Depreciation and amortization is provided using the straight-line method over the estimated useful life of the asset.

*Donated Services*

Donated 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 Institute.

*Grants and Contributions*

Unconditional grants and contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. The Institute reports unconditional gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Grants and contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

*Pilgrimage Fees*

Pilgrimage fees, which are considered contract revenues, consist of amounts received from guests to attend the event. The transaction price is based on the estimated cost to attend the event, including airfare, ground transportation, lodging, and meals. The fees are recognized as revenue at the point in time that the event occurs. Funds received in advance of the event are included in refundable deposits on the statement of financial position. The Institute recognized \$8,810 of prior year refundable deposits during the year ended December 31, 2024.

*John Robert Lewis Program Fees*

John Robert Lewis (JRL) program fees, which are considered contract revenues, consist of amounts received for “rising leaders” to attend the JRL program events. The transaction price is based on the estimated cost to attend the events, including airfare, ground transportation, lodging, and meals. The fees are recognized as revenue at the point in time that the events occur.

THE FAITH AND POLITICS INSTITUTE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*John Robert Lewis Program Fees (Continued)*

Funds received in advance of the events are included in deferred revenue on the statement of financial position. Amounts received as part of the JRL program that are not considered contract revenues are recognized as unconditional contributions when the donor makes a promise to give, and is included in grants and contributions with donor restrictions on the statement of activities. The Institute recognized \$77,100 of prior year deferred revenue during the year ended December 31, 2024.

*Functional Expense Allocation*

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, benefits, and payroll taxes, certain professional fees, operating lease expense, IT services, depreciation and amortization, and other general office expenses. These expenses are allocated on the basis of estimates of time and effort by employees. Expenses directly identifiable to specific programs and supporting activities are presented accordingly.

*Prior Year Information*

The financial statements include certain prior year summarized comparative totals as of and for the year ended December 31, 2023. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2023, from which the summarized information was derived.

*Estimates*

The preparation 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. LIQUIDITY AND AVAILABLE RESOURCES**

The Institute's cash flows have seasonal variations due to the timing of grants, contributions, event revenue, and vendor payments. The Institute manages its liquidity to meet general expenditures, liabilities, and other obligations as they become due.

THE FAITH AND POLITICS INSTITUTE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

2. LIQUIDITY AND AVAILABLE RESOURCES (CONTINUED)

As of December 31, 2024, the following financial assets and liquidity sources are available for general operating expenditures in the year ending December 31, 2025:

*Financial Assets*

Cash and Cash Equivalents	\$ 2,446,802
Grants and Contributions Receivable, Net	369,261
Investments	518,018
Less Amounts for Donor Purpose Restrictions	<u>(125,200)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 3,208,881</u>

3. FAIR VALUE MEASUREMENTS

The Institute invests in professionally managed portfolios that contain various investments. Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amount reported in the financial statements.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels 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; and

**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.

The following presents the Institute's investments measured at fair value as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Government and Agency Securities	\$ -	\$ 335,098	\$ -	\$ 335,098
Corporate Bonds	-	32,373	-	32,373
Mutual Funds	150,547	-	-	150,547
Total	<u>\$ 150,547</u>	<u>\$ 367,471</u>	<u>\$ -</u>	<u>\$ 518,018</u>

The Institute's Level 2 investments are valued based on readily available pricing sources for comparable investments.

# THE FAITH AND POLITICS INSTITUTE

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

### 4. PROPERTY AND EQUIPMENT

As of December 31, 2024, the Institute's property and equipment consisted of the following:

Computer Equipment and Software	\$ 39,254
Furniture and Fixtures	<u>44,440</u>
	83,694
Less Accumulated Depreciation and Amortization	<u>(71,538)</u>
Property and Equipment, Net	<u>\$ 12,156</u>

### 5. DONATED SERVICES AND FACILITIES

For the year ended December 31, 2024, the Institute received donated media relations and social media strategy services valued at \$47,000 for the Communications and JRL Fellows and Scholars programs. The value of donated media relations and social media strategy services is based on current market rates for similar services.

The Institute also received donated airfare valued at approximately \$175,000 and used it for travel to the Pilgrimage. The value of donated airfare is based on current market rates (for chartered flights) and estimated current market rates for similar flights (for flight vouchers).

Rent of \$500 was donated to the Institute in 2024 and has been allocated among programs, management and general, and fundraising and development expenses. The value of donated facilities is based on rent discounts provided by the lessor.

The Institute's policy related to donated services and facilities is to utilize the assets given to carry out the mission of the Institute. All donated services and facilities received by the Institute for the year ended December 31, 2024, were considered without donor restrictions and able to be used by the Institute as determined by the board of directors and management.

The value of professional services, donated airfare, and rent included as revenue and expenses in the financial statements are as follows:

	Professional Fees	Conferences, Meetings, and Related Travel	Operating Lease Expense	Total
Forums	\$ -	\$ -	\$ 90	\$ 90
Pilgrimages	-	174,572	54	174,626
Communications	40,000	-	5	40,005
JRL Fellows and Scholars	7,000	-	186	7,186
Management and General	-	-	156	156
Fundraising	-	-	9	9
Total	<u>\$ 47,000</u>	<u>\$ 174,572</u>	<u>\$ 500</u>	<u>\$ 222,072</u>

# THE FAITH AND POLITICS INSTITUTE

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

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### 6. RETIREMENT PLANS

The Institute has a defined contribution retirement plan for all employees. The Institute matches one hundred percent of employee elective deferral contributions up to five percent of compensation for employees who have attained the age of twenty-one and completed at least one year of service. Contributions are fully vested when made. Retirement plan expense was approximately \$21,000 for the year ended December 31, 2024.

### 7. CONCENTRATIONS

The Institute maintains cash balances at financial institutions. Balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The Institute also maintains an investment account with a brokerage firm. Balances are insured up to certain limits by the Securities Investor Protection Corporation (SIPC). At times during the year, the Institute's cash and investment balances exceeded the FDIC and SIPC limits, respectively. Management believes the risk in these situations to be minimal.

As of December 31, 2024, approximately 62% of grants and contributions receivable consisted of amounts due from four donors. For the year ended December 31, 2024, approximately 14% of grants and contributions revenue was received from one donor. For the year ended December 31, 2024, approximately 13% of total revenue was for pilgrimage fees.

### 8. LEASES

#### *Finance Lease*

The Institute is obligated under a non-cancelable finance lease for office equipment through June 2027. Amortization on the finance right-of-use asset was approximately \$3,200 and is included in depreciation and amortization expense on the statement of functional expenses for the year ended December 31, 2024. Interest expense on the finance lease liability was \$135 for the year ended December 31, 2024.

Maturity of the finance lease liability as of December 31, 2024, is as follows:

#### For the Years Ending December 31,

2025	\$ 3,405
2026	3,405
2027	<u>1,419</u>
Total Undiscounted Minimum Lease Payments	8,229
Less Discount to Present Value	<u>(140)</u>
Total Finance Lease Liability	<u>\$ 8,089</u>

THE FAITH AND POLITICS INSTITUTE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

8. LEASES (CONTINUED)

*Finance Lease (Continued)*

As of December 31, 2024, the Institute's finance right-of-use asset consisted of the following:

Finance Right-of-Use Asset	\$ 16,408
Less Accumulated Amortization	<u>(8,733)</u>
Finance Right-of-Use Asset, Net	<u><u>\$ 7,675</u></u>

The supplementary qualitative finance lease information is as follows:

Supplementary Qualitative Finance Lease Information

Weighted-Average Remaining Lease Term (Years)	2.50
Weighted-Average Discount Rate (Risk-Free Rate)	1.37%

*Operating Lease*

The Institute is obligated under a lease for office space through April 2029. Under the terms of the lease agreement, the base rent increases annually based on scheduled increases. Under accounting principles generally accepted in the United States of America (GAAP), operating lease expense is recognized on a straight-line basis over the remaining lease term. The lease does not contain an option to extend the lease term or terminate early. The Institute had no variable or short-term lease expense in 2024.

Maturity of the operating lease liability as of December 31, 2024, is as follows:

For the Years Ending December 31,

2025	\$ 108,753
2026	113,103
2027	117,627
2028	122,332
2029	<u>41,307</u>
Total Undiscounted Minimum Lease Payments	503,122
Less Discount to Present Value	<u>(47,624)</u>
Total Operating Lease Liability	<u><u>\$ 455,498</u></u>

The supplementary qualitative operating lease information is as follows:

Supplementary Qualitative Operating Lease Information

Weighted-Average Remaining Lease Term (Years)	4.33
Weighted-Average Discount Rate (Risk-Free Rate)	4.46%



THE FAITH AND POLITICS INSTITUTE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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**9. NET ASSETS WITH DONOR RESTRICTIONS**

As of December 31, 2024, the Institute's net assets with donor restrictions consisted of the following:

Time Restricted Subsequent Year Activity	\$ 609,523
Purpose Restricted for John Robert Lewis Program	75,200
Purpose Restricted for Other Programs	<u>50,000</u>
Total Net Assets With Donor Restrictions	<u>\$ 734,723</u>

Net assets released from restrictions for the year ended December 31, 2024, were as follows:

Time Restricted Subsequent Year Activity	\$ 989,607
Purpose Restricted for John Robert Lewis Program	<u>413,600</u>
Total Releases from Donor Restrictions	<u>\$ 1,403,207</u>

**10. COMMITMENTS AND CONTINGENCIES**

The Institute has entered into contracts with hotels in connection with future pilgrimage and JRL program events. In the event of cancellation by the Institute or if attendance is less than agreed-upon minimum levels, the Institute would be responsible for certain fees. Management does not anticipate significant fees due to cancellation of these events or attendance below minimum levels.

**11. SUBSEQUENT EVENTS**

Subsequent events were evaluated through May 1, 2025, which is the date the financial statements were available to be issued.