

Represent.Us Education Fund

Financial Statements
and Independent Auditor's Report

December 31, 2024 and 2023

Represent.Us Education Fund

Financial Statements
December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Represent.Us Education Fund

Opinion

We have audited the accompanying financial statements of Represent.Us Education Fund ("the Fund"), which comprise the statements of financial position as of December 31, 2024 and 2023; the related statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Handwritten signature of Rogers + Company PLLC in black ink.

Vienna, Virginia
May 22, 2025

Represent.Us Education Fund

Statements of Financial Position December 31, 2024 and 2023

	2024	2023
Assets		
Cash	\$ 1,815,287	\$ 2,678,146
Grants and contributions receivable, net	1,214,176	3,074,035
Employee Retention Credit receivable	-	469,707
Prepaid expenses and other assets	84,338	43,705
Property and equipment, net	125,361	151,468
Right-of-use asset – operating lease	110,198	210,012
Total assets	<u>\$ 3,349,360</u>	<u>\$ 6,627,073</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 472,319	\$ 479,833
Due to affiliate	5,260,198	4,482,468
Lease liability – operating lease	131,407	246,960
Total liabilities	<u>5,863,924</u>	<u>5,209,261</u>
Net (Deficit) Assets		
Without donor restrictions	(5,130,967)	(3,086,639)
With donor restrictions	2,616,403	4,504,451
Total net (deficit) assets	<u>(2,514,564)</u>	<u>1,417,812</u>
Total liabilities and net assets	<u>\$ 3,349,360</u>	<u>\$ 6,627,073</u>

See accompanying notes.

Represent.Us Education Fund

Statement of Activities For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grants and contributions	\$ 2,446,223	\$ 1,270,543	\$ 3,716,766
Interest income	73,496	-	73,496
Other income	38,143	-	38,143
Released from restrictions	3,158,591	(3,158,591)	-
	<hr/>	<hr/>	<hr/>
Total revenue and support	5,716,453	(1,888,048)	3,828,405
	<hr/>	<hr/>	<hr/>
Expenses			
Program services:			
Education and communications	2,921,964	-	2,921,964
Research and planning	55,531	-	55,531
Awards and grants	513,793	-	513,793
Other projects	1,245,072	-	1,245,072
	<hr/>	<hr/>	<hr/>
Total program services	4,736,360	-	4,736,360
	<hr/>	<hr/>	<hr/>
Supporting services:			
Management and general	2,146,992	-	2,146,992
Fundraising	877,429	-	877,429
	<hr/>	<hr/>	<hr/>
Total supporting services	3,024,421	-	3,024,421
	<hr/>	<hr/>	<hr/>
Total expenses	7,760,781	-	7,760,781
	<hr/>	<hr/>	<hr/>
Change in Net Assets	(2,044,328)	(1,888,048)	(3,932,376)
	<hr/>	<hr/>	<hr/>
Net (Deficit) Assets, beginning of year	(3,086,639)	4,504,451	1,417,812
	<hr/>	<hr/>	<hr/>
Net (Deficit) Assets, end of year	<u><u>\$ (5,130,967)</u></u>	<u><u>\$ 2,616,403</u></u>	<u><u>\$ (2,514,564)</u></u>

See accompanying notes.

Represent.Us Education Fund

Statement of Activities For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grants and contributions	\$ 1,483,826	\$ 3,325,000	\$ 4,808,826
Event revenue:			
Sponsorships	535,000	-	535,000
Ticket sales	94,055	-	94,055
In-kind contributions	1,260	-	1,260
Interest income	47,695	-	47,695
Other income	10,579	-	10,579
Released from restrictions	3,754,049	(3,754,049)	-
Total revenue and support	5,926,464	(429,049)	5,497,415
Expenses			
Program services:			
Education and communications	2,989,432	-	2,989,432
Research and planning	11,362	-	11,362
Awards and grants	531,110	-	531,110
Other projects	1,382,912	-	1,382,912
Total program services	4,914,816	-	4,914,816
Supporting services:			
Management and general	2,018,284	-	2,018,284
Fundraising	781,641	-	781,641
Restructuring	40,148	-	40,148
Total supporting services	2,840,073	-	2,840,073
Total expenses	7,754,889	-	7,754,889
Change in Net Assets	(1,828,425)	(429,049)	(2,257,474)
Net (Deficit) Assets, beginning of year	(1,258,214)	4,933,500	3,675,286
Net (Deficit) Assets, end of year	\$ (3,086,639)	\$ 4,504,451	\$ 1,417,812

See accompanying notes.

Represent.Us Education Fund

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

	Program Services					Supporting Services			
	Education and Communications	Research and Planning	Awards and Grants	Other Projects	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Personnel	\$ 1,841,881	\$ 51,371	\$ -	\$ 376,462	\$ 2,269,714	\$ 1,191,728	\$ 591,930	\$ 1,783,658	\$ 4,053,372
Payroll taxes	308,901	3,840	-	13,791	326,532	200,579	80,116	280,695	607,227
Grants	-	-	513,793	60,000	573,793	-	-	-	573,793
Consulting	671,260	-	-	460,258	1,131,518	100,697	64,098	164,795	1,296,313
Office expenses	47,512	-	-	21,185	68,697	133,617	84,055	217,672	286,369
Communication costs	-	-	-	49,741	49,741	7	2,435	2,442	52,183
Occupancy	7,962	-	-	11,375	19,337	116,865	-	116,865	136,202
Professional fees	-	119	-	10,836	10,955	135,649	3,717	139,366	150,321
Advertising and promotion	10,157	-	-	-	10,157	-	-	-	10,157
Insurance	4,242	132	-	482	4,856	178,276	1,247	179,523	184,379
Travel	29,849	69	-	24,351	54,269	48,573	35,006	83,579	137,848
Depreciation and amortization	-	-	-	-	-	26,107	-	26,107	26,107
Conferences and meetings	200	-	-	216,591	216,791	-	14,825	14,825	231,616
Information technology	-	-	-	-	-	14,894	-	14,894	14,894
Total Expenses	\$ 2,921,964	\$ 55,531	\$ 513,793	\$ 1,245,072	\$ 4,736,360	\$ 2,146,992	\$ 877,429	\$ 3,024,421	\$ 7,760,781

See accompanying notes.

Represent.Us Education Fund

Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program Services					Supporting Services				Total
	Education and Communications	Research and Planning	Awards and Grants	Other Projects	Total Program Services	Management and General	Fundraising	Restructuring	Total Supporting Services	
Personnel	\$ 1,729,611	\$ 10,624	\$ -	\$ 176,250	\$ 1,916,485	\$ 1,242,180	\$ 508,040	\$ 40,148	\$ 1,790,368	\$ 3,706,853
Payroll taxes	130,570	695	-	-	131,265	79,530	39,342	-	118,872	250,137
Grants	30,000	-	531,110	-	561,110	-	-	-	-	561,110
Consulting	881,123	-	-	663,050	1,544,173	36,962	141,029	-	177,991	1,722,164
Office expenses	52,965	-	-	10,719	63,684	187,658	63,698	-	251,356	315,040
Communication costs	1,540	-	-	190	1,730	-	2,695	-	2,695	4,425
Occupancy	30,300	-	-	10,114	40,414	82,189	37	-	82,226	122,640
Professional fees	3,842	21	-	18,840	22,703	87,170	1,693	-	88,863	111,566
Advertising and promotion	73,459	-	-	-	73,459	-	2,530	-	2,530	75,989
Insurance	4,279	22	-	8,214	12,515	200,067	1,003	-	201,070	213,585
Travel	50,835	-	-	116,549	167,384	68,874	21,574	-	90,448	257,832
Depreciation and amortization	-	-	-	-	-	32,879	-	-	32,879	32,879
Conferences and meetings	908	-	-	378,986	379,894	775	-	-	775	380,669
Total Expenses	\$ 2,989,432	\$ 11,362	\$ 531,110	\$ 1,382,912	\$ 4,914,816	\$ 2,018,284	\$ 781,641	\$ 40,148	\$ 2,840,073	\$ 7,754,889

See accompanying notes.

Represent.Us Education Fund

Statements of Cash Flows For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ (3,932,376)	\$ (2,257,474)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Change in present value discount on receivables	(42,327)	(20,142)
Depreciation and amortization	26,107	32,879
Amortization of right-of-use asset – operating lease	99,814	98,066
Change in operating assets and liabilities:		
Decrease (increase) in:		
Grants and contributions receivable	1,902,186	695,549
Employee Retention Credit receivable	469,707	860,651
Prepaid expenses and other assets	(40,633)	33,810
(Decrease) increase in:		
Accounts payable and accrued expenses	(7,514)	(1,043)
Due to affiliate	777,730	1,426,321
Lease liability – operating lease	(115,553)	(110,352)
Net cash (used in) provided by operating activities	<u>(862,859)</u>	<u>758,265</u>
Net (Decrease) Increase in Cash	(862,859)	758,265
Cash, beginning of year	<u>2,678,146</u>	<u>1,919,881</u>
Cash, end of year	<u><u>\$ 1,815,287</u></u>	<u><u>\$ 2,678,146</u></u>

Represent.Us Education Fund

Notes to Financial Statements
December 31, 2024 and 2023

1. Nature of Operations

Represent.Us Education Fund (“the Fund”) was incorporated in 2008 as the Change Congress Forum, and subsequently conducted business as the Change V2 Foundation, Democracy Fund, Fund for the Republic, and United Republic Education Fund.

The Fund is a national, nonpartisan, nonprofit 501(c)(3) organization working to educate the public on democratic reform efforts to fix our broken political system. Through education, research, and grantmaking, the Fund promotes equality, ethics, representation, and transparency in elections and government.

The Fund’s principal program service activities consist of the following:

Education and Communications

The Fund elevates the national pro-democracy dialogue by taking complex ideas and presenting them in a way that resonates with diverse audiences. In 2023, the Fund launched public education campaigns around our Election Protection education platform. These videos reached 12 million people.

Research and Planning

The Fund conducts in-depth research related to electoral reform to support its campaign work and identify the most impactful policies for improving our political system. Ongoing research aims to evaluate the impact of public policy on state and local communities, provide campaigns and partner organizations with necessary information, and generate products that further understanding of and support for reform.

Awards and Grants

The Fund provides grants to Represent.Us to support public education, research, and cross-partisan outreach activities. Grant funds were used to develop multi-channel public education campaigns to inform voters about the challenges faced by our democracy and on viable policy solutions. Funds were also used to promote educational content about popular, smart political reforms including independent redistricting commissions, ranked choice voting, and ethics/campaign finance reform; to produce compelling videos; and to provide of-the-moment communications on news items impacting our democracy. Grantmaking also underwrote the recruitment and training of volunteers.

Represent.Us Education Fund

Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The Fund's financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. The Fund reports grants and contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted grants and contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Grants and Contributions Receivable

Grants and contributions receivable represent unconditional amounts committed to the Fund. Grants and contributions receivable due in more than one year are discounted to present value based on management's estimate of the risk-adjusted rate of return, which was 5.00% at both December 31, 2024 and 2023. Management determines the allowance for doubtful accounts based upon review of outstanding receivables, historical collection information, and existing economic conditions. No allowance for uncollectible grants and contributions receivable has been established at both December 31, 2024 and 2023, as all amounts are deemed fully collectible.

Property and Equipment

Property and equipment acquisitions with a cost in excess of \$1,000 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation is computed using the straight-line method over their estimated useful lives, which range from three to 10 years. Leasehold improvements are stated at cost, and are amortized using the straight-line method over the shorter of their estimated useful lives or the lease term. Repairs and maintenance costs are expensed as incurred.

Represent.Us Education Fund

Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Operating Leases

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

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

Grant Expenses

Grants awarded by the Fund are recognized ratably over the period of performance, as conditions are met, in accordance with the grant agreements. Grant expenses recognized but not paid are recognized as grants payable. Grants paid in advance, if any, are recognized as prepaid expenses.

Use of 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Represent.Us Education Fund

Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

The Fund recognizes grants and contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. The Fund reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated assets to one of the Fund's programs or to a future year.

Revenue from event ticket sales is recognized at the time the event takes place, which is when the sole performance obligation is satisfied. Event sponsorships that do not qualify as contributions are recognized as revenue once the program or event occurs, which is when the sole performance obligation is satisfied.

In-Kind Contributions

The value of contributions that enhance a nonfinancial asset, which are considered specialized and can be estimated, and would have been purchased if not donated, are reflected in the accompanying statements of activities as in-kind contributions. In-kind contributions consist of donated telecommunication services, and is recognized as revenue and expense in the accompanying statements of activities at their estimated fair value, as provided by the donor, at the date of receipt, or calculated fair value of use of property in the period the property is used.

The Fund also receives services donated by volunteers in carrying out its program services. These donated services are not reflected in the accompanying financial statements since they do not meet the criteria for recognition.

Represent.Us Education Fund

Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Advertising and Promotion Costs

Advertising and promotion costs are expensed as incurred.

Subsequent Events

In preparing these financial statements, the Fund has evaluated events and transactions for potential recognition or disclosure through May 22, 2025, the date the financial statements were available to be issued.

3. Liquidity and Availability

The Fund strives to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management periodically reviews the Fund's liquid asset needs and adjusts the cash balance as necessary.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at December 31:

	2024	2023
Cash	\$ 1,815,287	\$ 2,678,146
Grants and contributions receivable, net	1,214,176	3,074,035
Employee Retention Credit receivable	-	469,707
Total financial assets	3,029,463	6,221,888
Less: net assets with donor restrictions	(2,616,403)	(4,504,451)
Total available for general expenditures	<u>\$ 413,060</u>	<u>\$ 1,717,437</u>

Represent.Us Education Fund

Notes to Financial Statements
December 31, 2024 and 2023

4. Concentrations of Risk

Credit Risk

Financial instruments that potentially subject the Fund to significant concentrations of credit risk consist of cash. The Fund maintains cash deposit and transaction accounts with various financial institutions and these values, from time to time, may exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC). The uninsured portions of these accounts are backed solely by the asset of the underlying financial institution. Therefore, the failure of an underlying institution could result in financial loss for the Fund. The Fund has not experienced any credit losses on its cash to date as it relates to FDIC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Revenue Risk

There was no revenue concentration for the year ended December 31, 2024.

For the year ended December 31, 2023, a substantial portion of the Organization's revenue was generated from a small number of grantors and donors. For the year ended December 31, 2023, \$750,000 was received from one donor in the form of a three-year grant, which approximated 14% of the Fund's total revenue and support. Multi-year grant commitments from grantors create year-over-year revenue stability for the Fund. Any significant reduction in revenue and support may impact the Fund's financial position and operations.

5. Grants and Contributions Receivable

Grants and contributions receivable consist of the following at December 31:

	2024	2023
Due in less than one year	\$ 952,389	\$ 2,180,000
Due in one to five years	274,876	949,451
Total grants and contributions receivable	1,227,265	3,129,451
Less: present value discount at 5%	(13,089)	(55,416)
Grants and contributions receivable, net	<u>\$ 1,214,176</u>	<u>\$ 3,074,035</u>

Represent.Us Education Fund

Notes to Financial Statements
December 31, 2024 and 2023

6. Property and Equipment

The Fund held the following property and equipment at December 31:

	2024	2023
Leasehold improvements	\$ 161,722	\$ 161,722
Furniture and fixtures	64,183	64,183
Computer equipment	55,601	57,299
Total property and equipment	281,506	283,204
Less: accumulated depreciation and amortization	(156,145)	(131,736)
Property and equipment, net	<u>\$ 125,361</u>	<u>\$ 151,468</u>

7. Net Assets

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

	2024	2023
Purpose restricted:		
Ranked Choice Voting Campaigns	\$ 837,546	\$ 150,000
Anti Gerrymandering	390,531	-
ADS Grant	150,000	-
Majority Rules	28,000	-
Campaign Accelerator Program	-	1,000,000
Time restricted	1,210,326	3,354,451
Total net assets with donor restrictions	<u>\$ 2,616,403</u>	<u>\$ 4,504,451</u>

8. Related Party Transactions

Contributions from Board of Directors

The Fund receives contributions from members of its Board of Directors, which totaled \$904,223 and \$1,003,708 for the years ended December 31, 2024 and 2023, respectively. These contributions are recorded in grants and contributions revenue in the accompanying statements of activities for the years then ended.

Represent.Us Education Fund

Notes to Financial Statements
December 31, 2024 and 2023

8. Related Party Transactions (continued)

Affiliate

The Fund is affiliated with Represent.Us, a tax-exempt organization under Section 501(c)(4) of the Internal Revenue Code (IRC), sharing some common governing body. Consolidated financial statements are not presented as the Fund lacks sufficient controlling financial interest in Represent.Us as it does not have a majority voting in Represent.Us' Board.

The Fund maintains a cost-sharing agreement with Represent.Us, whereby the Fund provides personnel, equipment, and facilities to Represent.Us. Costs associated with these services and the use of the Fund's facilities are allocated to the Fund under the terms of this cost-sharing agreement. For the years ended December 31, 2024 and 2023, Represent.Us reimbursed the Fund \$500,000 and \$1,215,000, respectively, for these costs.

During the years ended December 31, 2024 and 2023, Represent.Us was awarded unconditional grants from the Fund totaling \$513,793 and \$511,110, respectively, for program services. At December 31, 2024 and 2023, the Fund had a net payable in the amount of \$5,260,198 and \$4,482,468, respectively, to Represent.Us.

9. Commitments and Contingencies

Operating Leases

The Fund maintains an operating lease agreement for its office space in Florence, Massachusetts, which commenced on February 1, 2018 and is set to expire on January 31, 2026. Beginning on January 1, 2023, and on each remaining anniversary of the lease, the rent will increase by the multiplier obtained by dividing the most recent Consumer Price Index (All Urban Consumers Index), by the December 31, 2019 CPI-U index. The lease also requires the Fund to pay an additional 7% for general real estate taxes and necessary operating expenses of the building. Monthly rent for the years ended December 31, 2024 and 2023 was \$9,880 and \$9,592, respectively.

The Fund subleases a portion of its office space. The sublease agreement expires on January 31, 2026. Rent receivable associated with the sublease was not recorded due to immateriality.

Represent.Us Education Fund

Notes to Financial Statements
December 31, 2024 and 2023

9. Commitments and Contingencies (continued)

Operating Leases (continued)

Lease costs were as follows for the years ended December 31:

	2024	2023
	<hr/>	<hr/>
Operating lease cost	\$ 102,823	\$ 102,823
Less: sublease income	<hr/> (53,411) <hr/>	<hr/> (48,120) <hr/>
Total lease cost	<hr/> <hr/> \$ 49,412 <hr/> <hr/>	<hr/> <hr/> \$ 54,703 <hr/> <hr/>

Other supplemental qualitative information related to the office lease is as follows at, and for the years ended December 31:

	2024	2023
	<hr/>	<hr/>
Cash paid for amounts included in the measurement of lease liability – operating cash flows	\$ 118,562	\$ 115,109
Weighted-average remaining lease term (in years)	1.1	2.1
Weighted-average discount rate	1.55%	1.55%

Maturities of the lease liability under the Fund's office lease are as follows for the years ending December 31:

2025	\$ 122,119
2026	<hr/> 10,482 <hr/>
Total minimum lease payments	132,601
Less: discount to present value at 1.55%	<hr/> (1,194) <hr/>
Present value of operating lease liability	<hr/> <hr/> \$ 131,407 <hr/> <hr/>

Represent.Us Education Fund

Notes to Financial Statements
December 31, 2024 and 2023

9. Commitments and Contingencies (continued)

Grant Contingencies

Grants received by the Fund are governed by various guidelines and contractual agreements and are subject to audit or review by the applicable funding source that could result in requests for reimbursements for expenditures that are not allowed. Therefore, a contingency to refund amounts received in excess of allowable costs exists. Management is of the opinion that no material liability exists.

10. Retirement Plan

The Fund maintains a defined contribution 401(k) retirement plan for all eligible employees. Employees are eligible to join the plan after three months of employment. The plan allows for direct funding by employees through payroll deductions and for an employer contribution up to 3% of the eligible employees' annual salary. Employer contributions totaled \$211,311 and \$188,710 for the years ended December 31, 2024 and 2023, respectively.

11. Allocation of Expenses from Management and General Activities

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include expense categories in the accompanying statements of functional expenses, which are allocated on the basis of estimates of time and effort.

12. Employee Retention Credit

The Employee Retention Credit (ERC) was established by the CARES Act in March 2020. It was intended to help businesses retain their workforces and avoid layoffs during the coronavirus pandemic. It provides a per employee credit to eligible businesses based on a percentage of qualified wages and health insurance benefits paid to employees. It works as a refundable payroll tax credit claimed quarterly, and it can provide reductions to payroll taxes or cash refunds. The CARES Act did not allow businesses that received Paycheck Protection Program (PPP) loans to also claim the ERC, but the Consolidated Appropriations Act, which was enacted at the end of 2020, retroactively removed the limitation so entities that had applied for or received PPP loans could still get the ERC.

Represent.Us Education Fund

Notes to Financial Statements
December 31, 2024 and 2023

12. Employee Retention Credit (continued)

With this restriction removed, the Fund was eligible for total credits of \$1,510,013 for the year ended December 31, 2021. Outstanding credits totaled \$469,707 at December 31, 2023 and was shown as employee retention credit receivable in the accompanying statements of financial position. During the year ended December 31, 2024, all outstanding credits were received and no other activities related to the ERC incurred.

Laws and regulations concerning government programs, including the ERC established by the CARES Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Fund's claim to the ERC, and it is not possible to determine the impact, if any, this would have upon the Fund.

13. Income Taxes

The Fund is exempt from the payment of income taxes on its exempt activities under IRC Section 501(c)(3). No provision for income taxes has been made, as there were no unrelated business activities for the years ended December 31, 2024 and 2023. Management has evaluated the Fund's tax positions and concluded that no uncertain tax positions qualify for either recognition or disclosure in the financial statements.

14. Result of Operations and Management's Plans

The Fund had a total net deficit of \$2,514,564 at December 31, 2024. The net deficit was primarily driven by consecutive losses sustained through its operations in prior years. Although losses may occur in the future, management of the Fund continually maintains and reviews contingency plans as a prudent measure to ensure the continued viability of its operations.

In addition, management is taking steps to reorganize operations, augment cash reserves, cut expenses, enhance unrestricted funding streams, and seek contributions from broader contribution sources. In addition, management is actively pursuing additional grants, with the goal of absorbing an increased portion of the overhead costs. The Fund will be working to increase its level of reserves and is cognizant of the importance of bringing all net asset balances to positive levels. The ability of the Fund to continue as a going concern is dependent upon the success of management's plan to raise unrestricted funding during the coming fiscal year, as well as its effort to decrease budgeting expenditures. The financial statements do not include any adjustments that may be necessary if the Fund is unable to continue as a going concern.