

REFED, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

REFED, INC.
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Table of Contents

| | <u>Page</u> |
|-------------------------------------|--------------------|
| Independent Auditor's Report | 1 - 2 |
| Financial Statements | |
| Statements of financial position | 3 |
| Statements of activities | 4 - 5 |
| Statements of functional expenses | 6 - 7 |
| Statements of cash flows | 8 |
| Notes to financial statements | 9 - 17 |

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
ReFED, Inc.

Opinion

We have audited the accompanying financial statements of ReFED, Inc., which comprise the statements of financial position as of December 31, 2024 and 2023, and 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 ReFED, Inc. 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 ReFED, Inc. 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.

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 ReFED, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

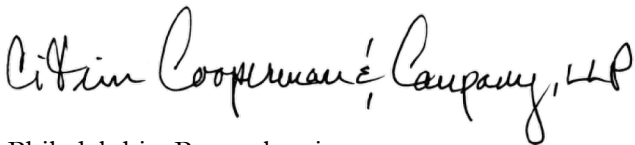
Auditor's Responsibilities for the Audit of the Financial Statements

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 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 ReFED, Inc.'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 ReFED, Inc.'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.



Philadelphia, Pennsylvania
July 21, 2025

REFED, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|---|-----------------------------|-----------------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 8,983,088 | \$ 8,637,854 |
| Contributions receivable | 1,069,000 | 1,190,000 |
| Sponsorships receivable | 10,000 | - |
| Accounts receivable | 1,480 | 29,303 |
| Recoverable grants, net | 100,000 | 100,000 |
| Investments | 4,924,634 | - |
| Prepaid expenses | 108,182 | 33,016 |
| Security deposits | <u>22,290</u> | <u>22,290</u> |
| TOTAL ASSETS | \$ <u>15,218,674</u> | \$ <u>10,012,463</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 565,749 | \$ 48,527 |
| Accrued expenses and other liabilities | 274,889 | 231,361 |
| Deferred revenue | <u>43,029</u> | <u>20,961</u> |
| Total liabilities | <u>883,667</u> | <u>300,849</u> |
| Commitments and contingencies (Notes 5 and 9) | | |
| Net assets: | | |
| Without donor restrictions: | | |
| Undesignated | 9,480,154 | 6,499,300 |
| Board designated | <u>3,745,021</u> | <u>851,769</u> |
| | 13,225,175 | 7,351,069 |
| With donor restrictions | <u>1,109,832</u> | <u>2,360,545</u> |
| Total net assets | <u>14,335,007</u> | <u>9,711,614</u> |
| TOTAL LIABILITIES AND NET ASSETS | \$ <u>15,218,674</u> | \$ <u>10,012,463</u> |

See accompanying notes to financial statements.

REFED, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|--|---|-----------------------------|
| Revenue, support and gains: | | | |
| Contributions | \$ 9,827,419 | \$ 2,229,072 | \$ 12,056,491 |
| Program service fees | 136,860 | - | 136,860 |
| Conferences | 733,355 | - | 733,355 |
| In-kind contributions | 100,000 | - | 100,000 |
| Net assets released from restrictions | <u>3,479,785</u> | <u>(3,479,785)</u> | <u>-</u> |
| Total revenue, support and gains | <u>14,277,419</u> | <u>(1,250,713)</u> | <u>13,026,706</u> |
| Expenses: | | | |
| Program services expenses: | | | |
| Capital and innovation | 2,457,234 | - | 2,457,234 |
| Data and insights | 2,056,370 | - | 2,056,370 |
| Business initiatives | 1,885,722 | - | 1,885,722 |
| Policy | <u>420,722</u> | <u>-</u> | <u>420,722</u> |
| Total program services expenses | <u>6,820,048</u> | <u>-</u> | <u>6,820,048</u> |
| Supporting services expenses: | | | |
| Management and general | 1,409,515 | - | 1,409,515 |
| Fundraising | <u>500,441</u> | <u>-</u> | <u>500,441</u> |
| Total supporting services expenses | <u>1,909,956</u> | <u>-</u> | <u>1,909,956</u> |
| Total expenses | <u>8,730,004</u> | <u>-</u> | <u>8,730,004</u> |
| Change in net assets from operating activities | <u>5,547,415</u> | <u>(1,250,713)</u> | <u>4,296,702</u> |
| Non-operating income: | | | |
| Interest income | 295,732 | - | 295,732 |
| Net investment income | <u>30,959</u> | <u>-</u> | <u>30,959</u> |
| Total non-operating income | <u>326,691</u> | <u>-</u> | <u>326,691</u> |
| Change in net assets | 5,874,106 | (1,250,713) | 4,623,393 |
| Net assets - beginning | <u>7,351,069</u> | <u>2,360,545</u> | <u>9,711,614</u> |
| NET ASSETS - ENDING | <u>\$ 13,225,175</u> | <u>\$ 1,109,832</u> | <u>\$ 14,335,007</u> |

See accompanying notes to financial statements.

REFED, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|--|---|----------------------------|
| Revenue, support and gains: | | | |
| Contributions | \$ 7,424,809 | \$ 4,161,213 | \$ 11,586,022 |
| Program service fees | 121,686 | - | 121,686 |
| Conferences | 661,133 | - | 661,133 |
| In-kind contributions | 100,000 | - | 100,000 |
| Net assets released from restrictions | <u>3,595,141</u> | <u>(3,595,141)</u> | <u>-</u> |
| Total revenue, support and gains | <u>11,902,769</u> | <u>566,072</u> | <u>12,468,841</u> |
| Expenses: | | | |
| Program services expenses: | | | |
| Capital and innovation | 2,276,933 | - | 2,276,933 |
| Data and insights | 1,364,745 | - | 1,364,745 |
| Business initiatives | 1,085,070 | - | 1,085,070 |
| Policy | <u>295,922</u> | <u>-</u> | <u>295,922</u> |
| Total program services expenses | <u>5,022,670</u> | <u>-</u> | <u>5,022,670</u> |
| Supporting services expenses: | | | |
| Management and general | 856,004 | - | 856,004 |
| Fundraising | <u>489,399</u> | <u>-</u> | <u>489,399</u> |
| Total supporting services expenses | <u>1,345,403</u> | <u>-</u> | <u>1,345,403</u> |
| Total expenses | <u>6,368,073</u> | <u>-</u> | <u>6,368,073</u> |
| Change in net assets from operating activities | 5,534,696 | 566,072 | 6,100,768 |
| Non-operating income: | | | |
| Interest income | <u>25,942</u> | <u>-</u> | <u>25,942</u> |
| Change in net assets | 5,560,638 | 566,072 | 6,126,710 |
| Net assets - beginning | <u>1,790,431</u> | <u>1,794,473</u> | <u>3,584,904</u> |
| NET ASSETS - ENDING | <u>\$ 7,351,069</u> | <u>\$ 2,360,545</u> | <u>\$ 9,711,614</u> |

See accompanying notes to financial statements.

REFED, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

| | Program Services | | | | | Support Services | | |
|--------------------------------------|-----------------------------------|------------------------------|---------------------------------|-------------------|---------------------------------------|-----------------------------------|--------------------|---------------------------|
| | Capital and Innovation | Data and Insights | Business Initiatives | Policy | Total Program Services | Management and General | Fundraising | Total Expenses |
| Salaries and wages | \$ 592,109 | \$ 963,590 | \$ 670,756 | \$ 88,891 | \$ 2,315,346 | \$ 600,845 | \$ 261,680 | \$ 3,177,871 |
| Employee benefits | 88,435 | 143,919 | 100,182 | 13,276 | 345,812 | 128,028 | 39,084 | 512,924 |
| Payroll taxes | 49,166 | 80,011 | 55,696 | 7,381 | 192,254 | 49,891 | 21,729 | 263,874 |
| Professional fees | 464,139 | 589,959 | 145,828 | 275,489 | 1,475,415 | 201,094 | 102,513 | 1,779,022 |
| Accounting fees | - | - | - | - | - | 78,043 | - | 78,043 |
| Legal fees | 5,654 | 848 | 33,505 | 665 | 40,672 | 16,575 | 1,303 | 58,550 |
| Office expenses | 42,347 | 72,890 | 28,018 | 16,565 | 159,820 | 131,465 | 52,892 | 344,177 |
| Rent | 604 | 533 | 13,501 | 1,172 | 15,810 | 8,269 | 355 | 24,434 |
| Database and technology | - | 163,971 | - | - | 163,971 | - | - | 163,971 |
| Travel | 33,531 | 36,554 | 146,182 | 13,188 | 229,455 | 142,008 | 5,247 | 376,710 |
| Educational conferences | 19,403 | 4,095 | 609,876 | 4,095 | 637,469 | 29,322 | 15,638 | 682,429 |
| Insurance | - | - | 7,178 | - | 7,178 | 23,390 | - | 30,568 |
| Grants to organizations | 1,161,346 | - | 75,000 | - | 1,236,346 | - | - | 1,236,346 |
| Miscellaneous | <u>500</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>500</u> | <u>585</u> | <u>-</u> | <u>1,085</u> |
| TOTAL FUNCTIONAL EXPENSES | <u>\$ 2,457,234</u> | <u>\$ 2,056,370</u> | <u>\$ 1,885,722</u> | <u>\$ 420,722</u> | <u>\$ 6,820,048</u> | <u>\$ 1,409,515</u> | <u>\$ 500,441</u> | <u>\$ 8,730,004</u> |

See accompanying notes to financial statements.

REFED, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Program Services | | | | | Support Services | | |
|--------------------------------------|-----------------------------------|------------------------------|---------------------------------|-------------------|---------------------------------------|-----------------------------------|--------------------|---------------------------|
| | Capital and Innovation | Data and Insights | Business Initiatives | Policy | Total Program Services | Management and General | Fundraising | Total Expenses |
| Salaries and wages | \$ 908,340 | \$ 529,865 | \$ 328,012 | \$ 100,927 | \$ 1,867,144 | \$ 353,243 | \$ 302,780 | \$ 2,523,167 |
| Employee benefits | 142,630 | 83,201 | 51,505 | 15,848 | 293,184 | 71,145 | 47,543 | 411,872 |
| Payroll taxes | 74,871 | 43,675 | 27,037 | 8,319 | 153,902 | 29,117 | 24,957 | 207,976 |
| Professional fees | 284,880 | 450,177 | 153,606 | 129,163 | 1,017,826 | 140,139 | 64,367 | 1,222,332 |
| Accounting fees | - | - | - | - | - | 89,203 | - | 89,203 |
| Legal fees | 38,292 | 706 | 5,063 | 12,014 | 56,075 | 13,192 | 3,530 | 72,797 |
| Office expenses | 29,791 | 66,482 | 30,588 | 16,893 | 143,754 | 63,701 | 29,981 | 237,436 |
| Rent | 9,017 | 5,478 | 10,711 | - | 25,206 | 6,320 | 759 | 32,285 |
| Database and technology | 250 | 171,684 | 250 | 250 | 172,434 | - | - | 172,434 |
| Travel | 20,276 | 13,477 | 79,754 | 12,508 | 126,015 | 72,274 | 15,482 | 213,771 |
| Educational conferences | 1,836 | - | 398,544 | - | 400,380 | 11,861 | - | 412,241 |
| Insurance | - | - | - | - | - | 5,809 | - | 5,809 |
| Grants to organizations | <u>766,750</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>766,750</u> | <u>-</u> | <u>-</u> | <u>766,750</u> |
| TOTAL FUNCTIONAL EXPENSES | <u>\$ 2,276,933</u> | <u>\$ 1,364,745</u> | <u>\$ 1,085,070</u> | <u>\$ 295,922</u> | <u>\$ 5,022,670</u> | <u>\$ 856,004</u> | <u>\$ 489,399</u> | <u>\$ 6,368,073</u> |

See accompanying notes to financial statements.

REFED, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|---|-----------------------------------|-----------------------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 4,623,393 | \$ 6,126,710 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Net realized and unrealized gain on investments | (31,059) | - |
| Provision for doubtful accounts | 587,750 | 287,750 |
| Changes in operating assets and liabilities: | | |
| Contributions receivable | 121,000 | 825,000 |
| Sponsorship receivable | (10,000) | 32,500 |
| Accounts receivable | 27,823 | 24,785 |
| Recoverable grants | (587,750) | (387,750) |
| Security deposits | - | 300 |
| Prepaid expenses | (75,166) | 18,812 |
| Accounts payable | 517,222 | (28,871) |
| Accrued expenses and other liabilities | 43,528 | 81,242 |
| Deferred revenue | <u>22,068</u> | <u>(55,049)</u> |
| Net cash provided by operating activities | <u>5,238,809</u> | <u>6,925,429</u> |
| Cash flows from investing activities: | | |
| Purchases of investments | (6,361,260) | - |
| Proceeds from sales of investments | <u>1,467,685</u> | <u>-</u> |
| Net cash used in investing activities | <u>(4,893,575)</u> | <u>-</u> |
| Net increase in cash and cash equivalents | 345,234 | 6,925,429 |
| Cash and cash equivalents - beginning | <u>8,637,854</u> | <u>1,712,425</u> |
| CASH AND CASH EQUIVALENTS - ENDING | <u><u>\$ 8,983,088</u></u> | <u><u>\$ 8,637,854</u></u> |

See accompanying notes to financial statements.

REFED, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1. **PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

ReFED, Inc. (the "Organization") is a national nonprofit that catalyzes the food system toward evidence-based action to stop wasting food - for the climate, environment, people, and the economy. The Organization leverages data and insights to highlight supply chain inefficiencies and economic opportunities; mobilize and connect supporters to take targeted action; and catalyze capital to spur innovation and scale high-impact initiatives. The Organization's vision is a sustainable, resilient, and inclusive food system that makes the best use of the food we grow. The Organization is mainly funded through contributions and grants. The Organization is organized as a nonprofit, nonstock corporation in the state of Delaware and operates nationally, including as a registered charity in New York and California. The Organization incorporated in July 2018 and is recognized by the Internal Revenue Services ("IRS") as a 501(c)3 charitable organization.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net assets classifications:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for future operating needs.

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

REFED, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1. **PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Receivables and Credit Policies

Contributions and sponsorships receivable consist primarily of noninterest-bearing amounts due for contributions and sponsorships. Accounts receivable consist primarily of noninterest-bearing amounts due for program services provided. The Organization determines the allowance for uncollectible receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. At December 31, 2024, 2023 and 2022, program service receivables were \$1,480, \$29,303 and \$54,088, respectively. Receivables are written off when deemed uncollectible. At December 31, 2024 and 2023, there was no allowance for uncollectible amounts.

Recoverable Grants and Allowance for Doubtful Accounts

Recoverable grants are stated at the amount the Organization expects to collect. The Organization maintains allowances for doubtful accounts, and changes in the allowance are included in capital and innovation expense in the statements of activities. The Organization assesses collectability by reviewing recoverable grants and its contract assets on a collective basis where similar risk characteristics exist. In determining the allowance for doubtful accounts, management considers historical collectability and makes judgments about the creditworthiness of the pool of customers based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions adjust the historical losses to determine the appropriate allowance for doubtful accounts. Uncollectible accounts are written off when all collection efforts have been exhausted.

As of December 31, 2024 and 2023, recoverable grants were \$687,750 and \$387,750, respectively. At December 31, 2024 and 2023, the allowance for doubtful accounts totaled \$587,750 and \$287,750, respectively.

The allowance for doubtful accounts for the years ended December 31, 2024 and 2023, is comprised of the following:

| | <u>2024</u> | <u>2023</u> |
|---------------------------------|-------------------|-------------------|
| Beginning balance | \$ 287,750 | \$ 100,000 |
| Provisions | <u>300,000</u> | <u>187,750</u> |
| Allowance for doubtful accounts | <u>\$ 587,750</u> | <u>\$ 287,750</u> |

Investments

Investments are stated at fair value in the statements of financial position. Gains and losses on investments, including unrealized gains and losses, are reported as increases or decreases in unrestricted investment income unless the use of the investment is limited by donor-imposed restrictions or law.

REFED, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1. **PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue Recognition

Program service and conference revenue

The Organization applies the provisions of Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). Revenue is measured based on the consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. Under ASC 606, the Organization recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. The majority of the Organization's services represent a bundle of services that are not capable of being distinct and as such, are treated as a single performance obligation that is satisfied as the services are rendered. The Organization determines the transaction price based on contractually agreed upon rates, adjusted for any variable consideration, if any.

Program services are offered by the Organization throughout the course of the year. Revenues from these services are recognized over time as services are rendered. Conference and sponsorship revenue is recognized over the period the event takes place.

Contributions

Contribution revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Contributions of cash and other assets are presented as restricted support if they are received with donor stipulations that limit the use of the donated assets. Expenses are reported as decreases in net assets without donor restrictions. 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.

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give, that is, those with a measurable performance or other barrier, are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met.

Contract Liabilities

Contract liabilities include event and sponsorship payments received in advance of the event. Contract liabilities are presented as "Deferred revenue" in the accompanying statements of financial position. Deferred revenue amounted to \$43,029, \$20,961 and \$76,010 as of December 31, 2024, 2023 and 2022, respectively.

Donated Services and In-Kind Contributions

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received.

REFED, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1. PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The expenses that are allocated include the following:

| <u>Expense</u> | <u>Method of Allocation</u> |
|--------------------------------|-----------------------------|
| Salaries and employee benefits | Time and effort |
| Rent | Time and effort |

Income Taxes

The Organization is organized as a Delaware nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under Internal Revenue Code ("IRC") Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and have been determined not to be private foundations under IRC Sections 509(a)(1) and (3), respectively. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash and cash equivalents with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed the Federal Deposit Insurance Corporation (the "FDIC") insurance limits or include uninsured investments in money market mutual funds. As of December 31, 2024 and 2023, cash amounts on hand exceeded the FDIC limit of \$250,000.

The Organization has not experienced losses in any of these accounts. Credit risk associated with contributions and accounts receivable is considered to be limited due to assessed collectibility because substantial portions of the outstanding amounts are due from organizations supportive of its mission.

REFED, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1. PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments and Credit Risk (Continued)

As of December 31, 2024, two grantors accounted for 65% and 10% of the Organization's contributions receivable. For the year ended December 31, 2024, two grantors accounted for 41% and 10% of the Organization's contribution revenue.

As of December 31, 2023, two grantors accounted for 63% and 17% of the Organization's contributions receivable. For the year ended December 31, 2023, one grantor accounted for 43% of the Organization's contribution revenue.

Subsequent Events

The Organization has evaluated subsequent events through July 21, 2025, the date on which the financial statements were available to be issued. The Organization is not aware of any material events that require recognition or disclosure in the accompanying financial statements.

NOTE 2. LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets as of December 31, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|---|----------------------|---------------------|
| Financial assets at year end: | | |
| Cash and cash equivalents | \$ 8,983,088 | \$ 8,637,854 |
| Contributions receivable | 1,069,000 | 1,190,000 |
| Sponsorships receivable | 10,000 | - |
| Accounts receivable | 1,480 | 29,303 |
| Recoverable grants, net | 100,000 | 100,000 |
| Investments | <u>4,924,634</u> | <u>-</u> |
| Total financial assets at year end | <u>15,088,202</u> | <u>9,957,157</u> |
| Less: amounts not available to be used within one year | | |
| designated by the board for operating reserves | 3,745,021 | 851,769 |
| Net assets with donor restrictions | <u>909,832</u> | <u>1,740,545</u> |
| Financial assets not available to be used within one | | |
| year | <u>4,654,853</u> | <u>2,592,314</u> |
| Financial assets available to meet general expenditures | | |
| over the next 12 months | <u>\$ 10,433,349</u> | <u>\$ 7,364,843</u> |

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization strives to operate with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

REFED, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 3. CONTRIBUTIONS RECEIVABLE

Contributions receivable are estimated to be collected as follows at December 31, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|----------------------|---------------------|---------------------|
| Within one year | \$ 1,069,000 | \$ 1,090,000 |
| In one to five years | <u>-</u> | <u>100,000</u> |
| | <u>\$ 1,069,000</u> | <u>\$ 1,190,000</u> |

NOTE 4. INVESTMENTS

Investments consisted of the following as of December 31, 2024:

| | |
|-------------------------|---------------------|
| U.S. Treasury Bills | \$ 3,712,842 |
| Certificates of deposit | <u>1,211,792</u> |
| Total investments | <u>\$ 4,924,634</u> |

Net realized and unrealized gain on investments for the year ended December 31, 2024, was \$31,059.

Fair Value Measurements

The Organization follows Financial Accounting Standards Board ASC 820, *Fair Value Measurement* ("ASC 820"). ASC 820 defines fair value, sets the framework for measuring fair value, and requires disclosures about fair value measurements.

Assets and liabilities recorded at fair value in the statements of financial position are categorized according to the level of judgment associated with the inputs used to measure the fair value. Level inputs as defined by ASC 820 are as follows:

Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

The asset's 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

REFED, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4. INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

Assets and liabilities measured at fair value are based on one or more of three valuation techniques identified in the table below. The valuation techniques are as follows:

- (a) *Market approach.* Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- (b) *Cost approach.* Amount that would be required to replace the service capacity of an asset (replacement cost); and
- (c) *Income approach.* Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

The following table presents the fair value by asset category and their level within the fair value hierarchy as of December 31, 2024:

| | Total | Level 1 | Level 2 | Level 3 |
|---|---------------------|---------------------|-------------|-------------|
| U.S. Treasury Bills | \$ 3,712,842 | \$ <u>3,712,842</u> | \$ <u>-</u> | \$ <u>-</u> |
| Certificates of deposit, held at cost plus accrued interest | | <u>1,211,792</u> | | |
| Total investments | \$ <u>4,924,634</u> | | | |

The Organization holds several six-month certificates of deposit issued by a commercial bank totaling \$1,211,792 as of December 31, 2024, with fixed interest rates ranging from 3.49% to 4.64%. The certificates of deposit are recorded at cost plus accrued interest.

The fair value of U.S. Treasury Bills is determined based on the closing price reported in the active markets in which they are traded. During the year ended December 31, 2024, there were no transfers between levels of the fair value hierarchy.

NOTE 5. LEASES

The Organization leases office and storage space under various operating leases. All lease agreements are cancelable within 30 days notification.

The Organization leased office space on a month-to-month basis for \$600 per month. In May 2024, the Organization terminated the agreement. Rent expense paid under this arrangement totaled \$2,400 for the year ended December 31, 2024.

Total rent expense was \$24,434 and \$32,285 for the years ended December 31, 2024 and 2023, respectively.

REFED, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at December 31, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|---|----------------------------|----------------------------|
| Subject to expenditure for specified purpose: | | |
| Data and insights | \$ - | \$ 406,180 |
| Catalytic grant fund | 909,832 | 1,148,766 |
| Capital and innovation | <u>-</u> | <u>85,599</u> |
| | 909,832 | 1,640,545 |
| Subject to the passage of time | <u>200,000</u> | <u>720,000</u> |
| | <u><u>\$ 1,109,832</u></u> | <u><u>\$ 2,360,545</u></u> |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|---------------------------------------|----------------------------|----------------------------|
| Expiration of time restrictions | \$ <u>620,000</u> | \$ <u>600,000</u> |
| Satisfaction of purpose restrictions: | | |
| Data and insights | 1,163,680 | 1,004,320 |
| Catalytic grant fund | 1,038,934 | 1,048,734 |
| Business initiatives | 157,500 | 280,000 |
| Policy | 7,500 | 196,974 |
| Capital and innovation | <u>492,171</u> | <u>465,113</u> |
| | <u>2,859,785</u> | <u>2,995,141</u> |
| Total | <u><u>\$ 3,479,785</u></u> | <u><u>\$ 3,595,141</u></u> |

NOTE 7. DONATED PROFESSIONAL SERVICES

The Organization received donated consulting services valued at \$100,000 for each of the years ended December 31, 2024 and 2023, related to the Data and Insights program, which is reported as a component of "Database and technology" in the accompanying statements of functional expenses. Donated services are valued at the standard hourly rates charged for those services.

NOTE 8. EMPLOYEE BENEFITS

The Organization participates in a multiple employer 401(k) plan. The plan provides that employees who have attained the age of 21 and completed three months of service may voluntarily contribute up to the maximum contribution allowed by the IRS. The Organization will also provide a matching contribution up to 4% of eligible compensation. For the years ended December 31, 2024 and 2023, the Organization made matching contributions of \$99,333 and \$86,134, respectively.

The Organization also participates in a Registered Retirement Savings Plan for one employee located in Canada. For the years ended December 31, 2024 and 2023, the Organization made contributions of \$4,034 and \$3,890, respectively.

REFED, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 9. CONTINGENCIES

The Organization may be subject to legal action or claims in the ordinary course of its business. Management is not aware of any current legal matters pending which would have a material adverse impact on the financial statements of the Organization.