The Independent Institute
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For the Year Ended June 30, 2023

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Independent Auditor's Report

Board of Directors
The Independent Institute
Oakland, California

Opinion
We have audited the financial statements of The Independent Institute, a California nonprofit corporation (the Organization), which comprise the statement of financial position as of June 30, 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of The Independent Institute as of June 30, 2023, 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Independent 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 these 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 the 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 Independent Institute's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.
In performing an audit in accordance with GAAS, we:

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

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.

Ashland, Oregon
June 12, 2024
The Independent Institute  
Statement of Financial Position  
June 30, 2023  

## Assets

### Current assets
- Cash and cash equivalents: $2,187,965
- Contributions and grants receivable: 190,000
- Accounts receivable, net: 218,576
- Inventory, net: 195,826
- Investments: 5,187,472
- Prepaid expenses: 55,953
- Leased assets, current: 51,815

**Total current assets**: $8,087,607

### Property and equipment
- Property and equipment: 267,597
- Accumulated depreciation: (196,300)

**Total property and equipment, net**: 71,297

### Other assets
- Leased assets, long-term: 43,072

**Total assets**: $8,201,976

## Liabilities and Net Assets

### Current liabilities
- Accounts payable: $155,038
- Accrued expenses: 297,462
- Lease liability, current: 51,897

**Total current liabilities**: 504,397

- Lease liability, long-term: 43,072

**Total liabilities**: 547,469

### Net assets
- Without donor restriction: 6,491,711
- With donor restriction: 1,162,796

**Total net assets**: 7,654,507

**Total liabilities and net assets**: $8,201,976
The Independent Institute
Statement of Activities
For the Year Ended June 30, 2023

### Revenues, Gains and Support

<table>
<thead>
<tr>
<th>Contributions and grants:</th>
<th>Without Donor Restriction</th>
<th>With Donor Restriction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual and foundations</td>
<td>$ 2,999,620</td>
<td>$ 822,484</td>
<td>$ 3,822,104</td>
</tr>
<tr>
<td>In-kind</td>
<td>453,322</td>
<td>-</td>
<td>453,322</td>
</tr>
<tr>
<td>Book and publication sales, net</td>
<td>302,685</td>
<td>-</td>
<td>302,685</td>
</tr>
<tr>
<td>Subscription revenue</td>
<td>30,800</td>
<td>-</td>
<td>30,800</td>
</tr>
<tr>
<td>Other income</td>
<td>29,929</td>
<td>-</td>
<td>29,929</td>
</tr>
<tr>
<td>Investment return, net</td>
<td>351,783</td>
<td>-</td>
<td>351,783</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>2,874,754</td>
<td>(2,874,754)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total support and revenue</strong></td>
<td>7,042,893</td>
<td>(2,052,270)</td>
<td>4,990,623</td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th>Program services</th>
<th>Without</th>
<th>With</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sparking Entrepreneurship &amp; Innovation</td>
<td>1,297,972</td>
<td>-</td>
<td>1,297,972</td>
</tr>
<tr>
<td>Defending Civil Liberties</td>
<td>360,606</td>
<td>-</td>
<td>360,606</td>
</tr>
<tr>
<td>Disseminating Ideas</td>
<td>1,711,412</td>
<td>-</td>
<td>1,711,412</td>
</tr>
<tr>
<td>Educating the Next Generation</td>
<td>1,469,305</td>
<td>-</td>
<td>1,469,305</td>
</tr>
<tr>
<td><strong>Total program services</strong></td>
<td>4,839,295</td>
<td>-</td>
<td>4,839,295</td>
</tr>
</tbody>
</table>

| Support services                                 |         |      |       |
| General and administrative                       | 386,557  | -    | 386,557 |
| Fundraising                                      | 473,170  | -    | 473,170 |
| **Total expenses**                               | 5,699,022 | -    | 5,699,022 |

| Change in net assets                             |         |      |       |
| 1,343,871                                        | (2,052,270) | (708,399) |

| Net assets, beginning of year                    | 5,147,840 | 3,215,066 | 8,362,906 |

<p>| Net assets, end of year                          | $ 6,491,711 | $ 1,162,796 | $ 7,654,507 |</p>
<table>
<thead>
<tr>
<th>Program Services</th>
<th>Supporting Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sparking &amp; Innovation</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>$525,352</td>
</tr>
<tr>
<td>Professional services &amp; book preparation</td>
<td>462,246</td>
</tr>
<tr>
<td>Author honoraria</td>
<td>120,660</td>
</tr>
<tr>
<td>Advertising</td>
<td>55,257</td>
</tr>
<tr>
<td>Printing and postage</td>
<td>14,370</td>
</tr>
<tr>
<td>Office and supplies</td>
<td>26,025</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>-</td>
</tr>
<tr>
<td>Distribution fees</td>
<td>-</td>
</tr>
<tr>
<td>Occupancy</td>
<td>10,260</td>
</tr>
<tr>
<td>Travel &amp; meetings</td>
<td>17,916</td>
</tr>
<tr>
<td>Depreciation</td>
<td>3,082</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$1,297,972</strong></td>
</tr>
</tbody>
</table>
The Independent Institute
Statement of Cash Flows
For the Year Ended June 30, 2023

Cash flows from operating activities

Change in net assets $ (708,399)

Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities

Depreciation 13,778
Unrealized gain on investments, net (254,791)
Realized loss on investments, net 57,865
Donated securities included in support (433,466)

Decrease (increase) in assets

Contributions and grants receivable (3,516)
Accounts receivable, net (133,689)
Inventory, net (61,888)
Prepaid expenses (34,730)
Leased assets, current (94,887)

Increase (decrease) in liabilities

Accounts payable (324,130)
Accrued expenses 75,524
Lease liability 94,969

Net cash provided by (used in) operating activities (1,807,360)

Cash flows from investing activities

Purchases of equipment (3,749)
Purchases on investments (1,530,779)
Proceeds from sales of investments 3,836,986

Net cash provided by (used in) investing activities 2,302,458

Net increase (decrease) in cash and cash equivalents, 495,098

Cash and cash equivalents, beginning of year 1,692,867

Cash and cash equivalents, end of year $ 2,187,965
Note 1 - Nature of Activities

The Independent Institute, Inc. (the Organization) is a non-profit corporation founded in 1986. The Organization's purpose is to sponsor comprehensive studies, which deal with critical social and economic issues. These studies, adhering to the highest standard of independent inquiry, are disseminated through books and other publications and are publicly debated through numerous conference and media programs.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation
The accompanying financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The net assets, revenues, gains and losses, expenses and other changes in the accompanying financial statements are classified based on the existence or absence of donor imposed restrictions. Accordingly, for reporting purposes, net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions - Represent net assets that are not subject to or are no longer subject to donor-imposed stipulations and are available to support the Organization's operations. This includes certain amounts designated by the board for specified uses.

Net assets with donor restrictions - Represent contributions that are limited in use by the Organization in accordance with donor-imposed stipulations. These stipulations may expire with time or may be satisfied and removed by actions of the Organization according to the terms of the contribution. Upon satisfaction of such stipulations, the associated net assets are released from net assets with donor restrictions and recognized as net assets without donor restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There are no net assets with perpetual donor restrictions at June 30, 2023.

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 certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents
The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Periodically, such deposits may exceed the federally insured limits. At June 30, 2023 no bank accounts exceeded the federally insured limits.

Contributions and Grants Receivable
Contributions and grants receivable are recognized when the donor makes an unconditional promise to give to the Organization. Multi-year pledges are recorded at present value, unless the discount to present value is deemed insignificant to the financial statements as a whole.

Accounts Receivable, Net
Accounts receivable are derived from exchange transactions, which consist of the sale of print and e-books and other publications. Sale transactions and related accounts receivable due from a third party distributor are presented net of estimated sales returns and allowances. As of June 30, 2023, estimated sales returns and allowances is $5,820.

Allowance for Doubtful Accounts
The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor or customer, as applicable. There are no allowance for doubtful accounts as of June 30, 2023.
Note 2 - Summary of Significant Accounting Policies (continued)

Inventory
Inventory is carried at the lower of cost or net realizable value and consists primarily of printed publications and books. Inventory cost is determined on the basis of the average cost method.

Inventory Reserve Allowance
A reserve for inventory obsolescence is estimated based on any unsold inventory at the end of the reporting period, excluding newly published books and reprints. As of June 30, 2023, the inventory reserve allowance is $86,000.

Investments
The Organization has reported investments in marketable securities with readily determinable fair market values and all investments in debt securities at their fair market values in the statement of financial position. Realized and unrealized gains and losses are reflected in the statement of activities. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Prepublication Costs
Prepublication costs include costs incurred to create and develop the art, prepress, editorial, digital conversion and other content required for the creation of the master copy of a book or other media. Management determined that the prepublication costs do not provide a future economic benefit and are expensed as incurred.

Property and Equipment
Purchased land, buildings and equipment are recorded at cost and donated property and equipment are recorded at the fair value at the date of the contribution. Management has established a capitalization threshold of $1,000 per item with useful lives greater than one year. Maintenance and repairs are charged to operations when incurred. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations. Depreciation of property and equipment is determined using the straight-line method over the following estimated useful lives, which ranges from 3 to 33 years. Depreciation expense was $13,778 for the year ended June 30, 2023.

Revenue Recognition

Contributions and Grants
Contributions and grants, including promises to give, are defined as voluntary, non-reciprocal transfers and are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a 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 Statements of Activities as net assets released from restrictions.

Gifts In-Kind
The Organization received in-kind advertising services through Google AdWords. Gifts in-kind are valued at fair value and are recorded as unrestricted contributions in the period received.

Book and Publication Sales Revenue, Net
Book and publication sales revenue are derived from the sale of print and e-books and other publications. Revenue is recognized when the performance obligations are satisfied and control is transferred to the customer, which generally occurs upon shipment of books or delivery of e-books. Print books are sold with a right of return. The Organization records a return reserve, and corresponding decrease in accounts receivable and revenue based upon historical trends.
Note 2 - Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Subscription Revenue
The Organization derives revenue from the sale of its quarterly magazine, The Independent Review, available in print and digital format. Due to overall insignificance, the Organization recognizes revenue at the point of time the sale occurs, which is when payment has been received, instead of deferring the revenue and recognizing it ratably over the subscription period.

Advertising Expenses
The Organization uses advertising to promote its books, publications, and other multimedia content. Advertising costs are expensed as incurred. For the year ended June 30, 2023, total advertising expenses are $946,575 of which $453,322 represent in-kind advertising services provided by Google AdWords.

Functional Allocation of Expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Direct expenses have been allocated accordingly, and certain costs have been allocated among the program services and supporting services benefited. Such allocations are determined by management on an equitable basis based on time and effort of personnel within the Organization.

Board Designated Endowment Fund
The Organization maintains a board designated endowment fund as a component of net assets without donor restrictions. The board designated endowment funds are invested in publicly traded securities. The Organization's policy is to spend 5% of the annual value of its endowment fund on current programs, which can be modified at any time by the Board of Directors.

Note 3 - Availability and Liquidity

The following represents the Organization's financial assets at June 30, 2023:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,187,965</td>
</tr>
<tr>
<td>Contributions and grants receivable</td>
<td>$190,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>$218,576</td>
</tr>
<tr>
<td>Investments</td>
<td>$5,187,472</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td><strong>$7,784,013</strong></td>
</tr>
<tr>
<td>Less amounts unavailable due to:</td>
<td></td>
</tr>
<tr>
<td>Quasi-endowment established by the Board</td>
<td>($936,609)</td>
</tr>
<tr>
<td>Financial assets available to meet general expenditures within one year</td>
<td>$6,847,404</td>
</tr>
</tbody>
</table>

The Organization’s goal is generally to maintain financial assets to meet 180 days of operating expenses (approximately $2.6 million). As part of its liquidity plan, the Board has designated net assets to support current programs of the Organization as determined by the Board (see Note 10).
Note 4 - Investments

The Organization's investments consist of the following at June 30, 2023:

<table>
<thead>
<tr>
<th></th>
<th>Fair Value</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange-traded funds</td>
<td>$1,642,874</td>
<td>$1,595,625</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>3,544,598</td>
<td>3,073,429</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td><strong>$5,187,472</strong></td>
<td><strong>$4,669,054</strong></td>
</tr>
</tbody>
</table>

Net investment return has been classified as increases in net assets without donor restrictions and was comprised of the following for the year ended June 30, 2023:

- Interest and dividends: $154,858
- Realized gain (loss) on investments: $(57,865)
- Change in unrealized gain (loss), net: $254,791
- **Total net investment return**: $351,784

Note 5 - Investments and Fair Value Measurement

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

**Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

**Level 2** - Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- 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 overall 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.

The following is a description of the valuation methodologies used for assets measured at fair value:

**Exchange-traded funds**
Exchange-traded equity securities are generally valued based on quoted prices from the exchange. To the extent these securities are actively traded, valuation adjustments are not applied. Listed fund units are generally marked to the exchange-traded price, while listed fund units if not actively traded and unlisted fund units are generally marked to Net Asset Value (“NAV”).
Note 5 - Fair Value Measurement (continued)

Mutual funds
Valued at the net asset value (NAV) of shares, based on quoted market prices, held by the Organization at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization management believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2023:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange-traded funds</td>
<td>$1,642,874</td>
<td>-</td>
<td>-</td>
<td>$1,642,874</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>3,544,598</td>
<td>-</td>
<td>-</td>
<td>3,544,598</td>
</tr>
<tr>
<td>Total investments</td>
<td>$5,187,472</td>
<td>-</td>
<td>-</td>
<td>$5,187,472</td>
</tr>
</tbody>
</table>

Note 6 - Property and Equipment

Property and equipment consists of the following at June 30, 2023:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>$96,092</td>
</tr>
<tr>
<td>Furniture</td>
<td>46,815</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>124,691</td>
</tr>
<tr>
<td>Total property and equipment</td>
<td>267,597</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(196,300)</td>
</tr>
<tr>
<td>Total property and equipment, net</td>
<td>$71,297</td>
</tr>
</tbody>
</table>

Note 7 - Income Taxes

The Organization was granted tax-exempt status other than a private foundation as provided by Internal Revenue Code Section 501(c)(3) in a determination letter dated September 23, 1986. As a result, the Organization is exempt from paying income taxes, except with respect to income unrelated to its tax exempt purpose. As of June 30, 2023, the Organization does not have any unrelated business income, and thus no provision for income taxes has been reflected in these financial statements.

The Organization has analyzed tax positions taken for filings with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization’s financial position, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions as of June 30, 2023. The Organization’s policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

As of June 30, 2023, periods subsequent to 2019 are subject to audit by various taxing authorities; however, there are currently no audits for any tax periods in progress.
Note 8 - Concentrations

Contributions and Grants Receivable and Revenue
As of June 30, 2023, 100% or $190,000 of the Organization's total contributions and grants receivable are due from two donors or grantors. In addition, for the year ended June 30, 2023, approximately 41% or $659,395 of contribution and grant revenue was derived from four contributors or grantors. Lastly, approximately 44% or $709,528 was provided by related parties (see Note 11 below).

Note 9 - Lease Agreements

The Organization leases office and warehouse space at its headquarters in Oakland, California, under terms of a lease dated July 1, 2015. The Organization also leases copier and office equipment, under terms of a 60-month lease dated February 25, 2019. All leases are considered to be operating lease and as such, costs are expensed as incurred. For the year ended June 30, 2023, lease expense under these agreements totaled $60,719 and is included under rent and printing expense.

As of June 30, 2023, the Organization's weighted-average remaining lease term was 16 months, and the weighted-average discount rate was 5.18%.

The lease liability is equal to the present value of the remaining lease payments, discounted using the implicit interest rate on the fair market of the leased property.

The following table summarized the maturities of the Company's undiscounted lease liabilities outstanding as of June 30, 2023:

<table>
<thead>
<tr>
<th>Year</th>
<th>Long-Term Lease Obligations</th>
<th>Imputed Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>$55,180</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>$44,100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note 10 - Net Assets

Net assets with donor restrictions at June 30, 2023 are available for the following purposes or periods:

<table>
<thead>
<tr>
<th>Specific Purpose</th>
<th>Balance July 1, 2022</th>
<th>Earnings &amp; Contributions</th>
<th>Expenditures &amp; Releases</th>
<th>Balance June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sparking Eng</td>
<td>1,886,464</td>
<td>279,984</td>
<td>(1,746,653)</td>
<td>419,795</td>
</tr>
<tr>
<td>Defending Civil Liberty</td>
<td>12,577</td>
<td>5,000</td>
<td>(17,577)</td>
<td>-</td>
</tr>
<tr>
<td>Disseminating Ideas</td>
<td>68,800</td>
<td>25,000</td>
<td>(38,000)</td>
<td>55,800</td>
</tr>
<tr>
<td>Educating the Next Generation</td>
<td>1,122,225</td>
<td>422,500</td>
<td>(1,047,524)</td>
<td>497,201</td>
</tr>
</tbody>
</table>

Specific Purpose and Passage of Time

<table>
<thead>
<tr>
<th>Contribution Receivable</th>
<th>Balance July 1, 2022</th>
<th>Earnings &amp; Contributions</th>
<th>Expenditures &amp; Releases</th>
<th>Balance June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>125,000</td>
<td>90,000</td>
<td>(25,000)</td>
<td>190,000</td>
</tr>
<tr>
<td>Total net assets</td>
<td>3,215,066</td>
<td>822,484</td>
<td>(2,874,754)</td>
<td>1,162,796</td>
</tr>
</tbody>
</table>

The Board has designated certain unrestricted net assets for the Organization's board designated endowment fund. The board designated endowment fund is used to support current programs of the Organization as determined by the Board. Funds are invested and have been designated as follows:

Quasi-endowment balance, beginning of year $924,172
Investment income (loss), net 96,993
Disbursements (84,556)
Quasi-endowment balance, end of year $936,609
Note 11 - Related Parties

During the year ended June 30, 2023, the Organization received donations of $409,395 and $300,133 from Board Members and from Foundations controlled by Board Members, respectively.

The Organization leases its office from an entity wholly owned by the Chief Executive Officer and Board Member of the Organization. During the year ended June 30, 2023, total rent payments were $45,868.

Note 12 - Subsequent Events

The Organization's management has evaluated subsequent events through June 12, 2024, the date which the financial statements were available for issue. Subsequent to year-end, the Organization entered into a new lease for its office space subsequent to the end of the fiscal year, which increases their rent expense to $7,000 per month for a 60-month period, beginning October 1, 2023.