

**Atlas Economic Research Foundation
dba Atlas Network**

Financial Statements
and Independent Auditor's Report

December 31, 2023 and 2022

Atlas Economic Research Foundation dba Atlas Network

Financial Statements
December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Atlas Economic Research Foundation
dba Atlas Network

Opinion

We have audited the accompanying financial statements of Atlas Economic Research Foundation dba Atlas Network ("the Organization"), which comprise the statements of financial position as of December 31, 2023 and 2022; 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 Organization as of December 31, 2023 and 2022, 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 Organization 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Organization adopted Financial Accounting Standards Board issued Accounting Standards Update 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 Organization's internal control. Accordingly, no such opinion is expressed.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

A handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia
April 17, 2024

Atlas Economic Research Foundation dba Atlas Network

Statements of Financial Position December 31, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,319,350	\$ 3,287,612
Contributions receivable	2,204,702	3,319,273
Accounts receivable	13,432	14,856
Prepaid expenses	322,766	103,792
	3,860,250	6,725,533
Total current assets		
Long-term assets:		
Investments	17,471,853	6,293,763
Contributions receivable, long-term portion, net	84,793	1,176,872
Deposit	31,007	62,016
Property and equipment, net	388,810	480,538
Intangible assets	215,942	251,091
Right-of-use assets – operating leases	1,532,281	1,830,749
	19,724,686	10,095,029
Total long-term assets		
Total assets	\$ 23,584,936	\$ 16,820,562
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 386,946	\$ 278,792
Grants payable	611,604	496,653
Lease liabilities – operating leases	2,083,731	2,464,917
	3,082,281	3,240,362
Total liabilities		
Net Assets		
Without donor restrictions	15,347,243	3,493,065
With donor restrictions	5,155,412	10,087,135
	20,502,655	13,580,200
Total net assets		
Total liabilities and net assets	\$ 23,584,936	\$ 16,820,562

See accompanying notes.

Atlas Economic Research Foundation dba Atlas Network

Statement of Activities For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 22,011,840	\$ 6,196,457	\$ 28,208,297
In-kind contributions	419,770	-	419,770
Registration income	289,481	-	289,481
Miscellaneous income	71,870	-	71,870
Investment return	460,665	-	460,665
Released from restrictions	11,128,180	(11,128,180)	-
Total revenue and support	<u>34,381,806</u>	<u>(4,931,723)</u>	<u>29,450,083</u>
Expenses			
Program services	19,636,259	-	19,636,259
Supporting services:			
Management and general	1,019,755	-	1,019,755
Fundraising	1,871,614	-	1,871,614
Total supporting services	<u>2,891,369</u>	<u>-</u>	<u>2,891,369</u>
Total expenses	<u>22,527,628</u>	<u>-</u>	<u>22,527,628</u>
Change in Net Assets	11,854,178	(4,931,723)	6,922,455
Net Assets, beginning of year	<u>3,493,065</u>	<u>10,087,135</u>	<u>13,580,200</u>
Net Assets, end of year	<u><u>\$ 15,347,243</u></u>	<u><u>\$ 5,155,412</u></u>	<u><u>\$ 20,502,655</u></u>

See accompanying notes.

Atlas Economic Research Foundation dba Atlas Network

Statement of Activities For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 10,017,174	\$ 9,110,212	\$ 19,127,386
In-kind contributions	540,726	-	540,726
Registration income	192,300	-	192,300
Miscellaneous income	52,987	-	52,987
Investment return	82,625	-	82,625
Released from restrictions	9,332,464	(9,332,464)	-
Total revenue and support	<u>20,218,276</u>	<u>(222,252)</u>	<u>19,996,024</u>
Expenses			
Program services	18,878,086	-	18,878,086
Supporting services:			
Management and general	953,850	-	953,850
Fundraising	1,571,190	-	1,571,190
Total supporting services	<u>2,525,040</u>	<u>-</u>	<u>2,525,040</u>
Total expenses	<u>21,403,126</u>	<u>-</u>	<u>21,403,126</u>
Change in Net Assets	(1,184,850)	(222,252)	(1,407,102)
Net Assets, beginning of year	<u>4,677,915</u>	<u>10,309,387</u>	<u>14,987,302</u>
Net Assets, end of year	<u><u>\$ 3,493,065</u></u>	<u><u>\$ 10,087,135</u></u>	<u><u>\$ 13,580,200</u></u>

See accompanying notes.

Atlas Economic Research Foundation dba Atlas Network

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

	Program Services	Supporting Services			Total Expenses
		Management and General	Fundraising	Total Supporting Services	
Fellowships and grants	\$ 7,625,731	\$ 1,658	\$ 8,043	\$ 9,701	\$ 7,635,432
Conferences, meetings, and travel	3,938,291	24,341	221,081	245,422	4,183,713
Salaries, payroll taxes, and benefits	4,204,839	678,245	1,123,413	1,801,658	6,006,497
Professional fees	1,976,201	181,165	95,110	276,275	2,252,476
Advertising	764,131	23,927	188,789	212,716	976,847
Occupancy	333,597	13,725	25,190	38,915	372,512
Office expenses	499,240	74,710	173,239	247,949	747,189
Bank service charges	43,583	1,264	4,817	6,081	49,664
Amortization – leasehold build-out	58,031	2,387	4,382	6,769	64,800
Depreciation and amortization	79,935	3,289	6,036	9,325	89,260
Insurance	23,387	12,837	2,345	15,182	38,569
Miscellaneous	89,293	2,207	19,169	21,376	110,669
Total Expenses	\$ 19,636,259	\$ 1,019,755	\$ 1,871,614	\$ 2,891,369	\$ 22,527,628

See accompanying notes.

Atlas Economic Research Foundation dba Atlas Network

Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program Services	Supporting Services			Total Expenses
		Management and General	Fundraising	Total Supporting Services	
Fellowships and grants	\$ 8,830,995	\$ 915	\$ 2,407	\$ 3,322	\$ 8,834,317
Conferences, meetings, and travel	3,789,423	22,128	181,532	203,660	3,993,083
Salaries, payroll taxes, and benefits	3,218,660	658,449	1,099,809	1,758,258	4,976,918
Professional fees	948,549	131,925	69,373	201,298	1,149,847
Advertising	750,466	23,842	44,971	68,813	819,279
Occupancy	325,311	13,140	21,645	34,785	360,096
Office expenses	721,606	83,780	115,121	198,901	920,507
Bank service charges	60,791	1,578	3,758	5,336	66,127
Amortization – leasehold build-out	62,412	2,521	4,153	6,674	69,086
Depreciation and amortization	83,810	3,384	5,577	8,961	92,771
Insurance	17,921	10,985	1,196	12,181	30,102
Miscellaneous	68,142	1,203	21,648	22,851	90,993
Total Expenses	\$ 18,878,086	\$ 953,850	\$ 1,571,190	\$ 2,525,040	\$ 21,403,126

See accompanying notes.

Atlas Economic Research Foundation dba Atlas Network

Statements of Cash Flows For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	\$ 6,922,455	\$ (1,407,102)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Realized and unrealized gain on investments	(246,132)	(8,653)
Stock donations	(44,698)	(38,278)
Amortization – leasehold build-out	64,800	69,086
Depreciation and amortization	89,260	92,771
Loss on fixed assets disposal	1,869	1,034
Change in discount on contributions receivable	(142,200)	258,625
Change in operating assets and liabilities:		
(Increase) decrease in:		
Contributions receivable	2,348,850	618,155
Accounts receivable	1,424	1,615
Prepaid expenses	(218,974)	317,756
Deposit	31,009	-
Right-of-use assets – operating leases	298,468	(1,830,749)
Increase (decrease) in:		
Accounts payable and accrued expenses	108,154	(339,117)
Grants payable	114,951	(375,452)
Deferred rent and lease incentives	-	(706,722)
Lease liabilities – operating leases	(381,186)	2,464,917
Net cash provided by (used in) operating activities	8,948,050	(882,114)
Cash Flows from Investing Activities		
Purchases of property and equipment	(23,183)	(26,978)
Purchases of intangible assets	(5,869)	(13,488)
Purchases of investments	(28,647,958)	(11,693,797)
Proceeds from sales of investments	17,760,698	13,827,000
Net cash (used in) provided by investing activities	(10,916,312)	2,092,737
Net (Decrease) Increase in Cash and Cash Equivalents	(1,968,262)	1,210,623
Cash and Cash Equivalents, beginning of year	3,287,612	2,076,989
Cash and Cash Equivalents, end of year	\$ 1,319,350	\$ 3,287,612

See accompanying notes.

Atlas Economic Research Foundation dba Atlas Network

Notes to Financial Statements
December 31, 2023 and 2022

1. Nature of Operations

The Atlas Economic Research Foundation dba Atlas Network (“the Organization”) is a publicly supported, nonprofit, educational foundation established and incorporated in Delaware in 1981.

The Organization increases opportunity and prosperity by strengthening a global network of independent civil society organizations that promote individual freedom and remove barriers to human flourishing.

The Organization’s Core Services division implements a strategy called Coach, Compete, Celebrate™:

- *Coach* – provides world-class training and mentoring to inspire professionalism and improve performance among its independent partners.
- *Compete* – offers grant and prize competitions that fuel its partners’ efforts to achieve extraordinary outcomes.
- *Celebrate* – fosters camaraderie and stokes ambitions among its partners by celebrating their greatest accomplishments through its events and media outreach.

The Organization’s Innovation Lab incubates special initiatives that develop new capabilities for the worldwide freedom movement.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The Organization’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.

Classification of Net Assets

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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Notes to Financial Statements
December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Classification of Net Assets (continued)

- *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. 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 Equivalents

For the purpose of the statements of cash flows, the Organization considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase.

Contributions Receivable

Contributions receivable represent unconditional amounts committed to the Organization. All contributions receivable are reflected at either net realizable value or at net present value based on projected cash flows. Amount receivable in more than one year at December 31, 2023 and 2022 were discounted at an average annual rate of 5.26% and 4.55%, respectively. The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Management believes that all contributions receivable are collectible at December 31, 2023 and 2022, and accordingly, no allowance for uncollectible accounts has been established.

Investments

Investments are recorded at fair value based on quoted market prices. Realized and unrealized gains and losses are reported as a component of investment return in the accompanying statements of activities.

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Notes to Financial Statements
December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment acquisitions of \$500 or more, with a projected useful life exceeding one year, are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, 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, which is 10.5 years.

Intangible Assets

Intangible assets include website and intellectual property in the form of trademarks. Intangible assets were initially measured at their fair value, which was determined based on the consideration exchanged in conjunction with acquisition of the assets.

The Organization has capitalized certain costs associated with the development of the website. Website development costs are amortized on a straight-line basis over the estimated useful life of up to five years starting in 2022. Costs related to the planning stage of the website, as well as ongoing website operating and supporting costs, are expensed as incurred. The Organization has trademarks with a value of \$145,908 and \$140,039 at December 31, 2023 and 2022, respectively, that are registered globally and have indefinite lives. These assets are periodically reviewed when impairment indicators are present to assess recoverability from future operations using discounted cash flows. No impairment loss was recognized for the years ended December 31, 2023 and 2022.

Operating Leases

The Organization determines if an arrangement is a lease at inception. Operating lease is included in right-of-use (“ROU”) assets, which represent the Organization’s right to use an underlying asset for the lease term, and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. 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 Organization’s lease does not provide an implicit rate, the Organization 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 Organization’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

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Notes to Financial Statements
December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Contributions are recorded as revenue when received or promised and are recorded net of any current year allowance or discount activity. The Organization 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 Organization's programs or to a future year. 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 statements of activities as net assets released from restrictions. Net assets with donor restrictions are reported as net assets without donor restrictions if the restrictions are met in the same period as received.

In-kind contributions meeting the criteria for recognition under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Revenue Recognition – Contributions Received*, are recognized at fair value at the time of receipt. These services benefit the general programs and consist primarily of advertising, and legal and professional services. The value of these donated services is included in the financial statements as both revenue and expense in the amounts of \$419,770 and \$540,726 for the years ended December 31, 2023 and 2022, respectively.

Revenue Accounted for as Contracts with Customers

Registration income is recognized at the time of the event, which corresponds to when the performance obligation is satisfied.

Revenue from all other sources is recognized when earned.

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.

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Notes to Financial Statements
December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

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.

Adopted Accounting Pronouncement

In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which is intended to increase transparency of contributed nonfinancial assets for nonprofit entities through enhancements in presentation and disclosure requirements. Nonprofit entities are required to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash or other financial contributions. Nonprofit entities are also required to disclose various information related to contributed nonfinancial assets. The Organization has implemented ASU 2020-07, and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented, and the implementation had no impact on previously reported net assets.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 17, 2024, the date the financial statements were available to be issued.

3. Liquidity and Availability

The Organization has a goal to maintain financial assets on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$3,500,000. As part of this liquidity management, the Organization invests cash and cash equivalents in excess of daily requirements in various short-term investments, including certificates of deposit.

Atlas Economic Research Foundation dba Atlas Network

Notes to Financial Statements
December 31, 2023 and 2022

3. Liquidity and Availability (continued)

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:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,319,350	\$ 3,287,612
Contributions receivable, net	2,289,495	4,496,145
Accounts receivable	13,432	14,856
Investments	<u>17,471,853</u>	<u>6,293,763</u>
Total financial assets	21,094,130	14,092,376
Less: restricted by donors with purpose and time restrictions	<u>(5,155,412)</u>	<u>(10,087,135)</u>
Total available for general expenditures	<u><u>\$ 15,938,718</u></u>	<u><u>\$ 4,005,241</u></u>

4. Concentrations of Risk

Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and cash equivalents, and investments. The Organization maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Organization has not experienced any credit losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

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Notes to Financial Statements
December 31, 2023 and 2022

4. Concentrations of Risk (continued)

Revenue Risk

For the years ended December 31, 2023 and 2022, a substantial portion of the Organization's revenue was generated from a few donors. For the years ended December 31, 2023 and 2022, \$14,100,000 and \$7,283,474, respectively, was received from two donors. These contributions approximate 48% and 36% of the Organization's total revenue and support for the years ended December 31, 2023 and 2022, respectively.

5. Investments and Fair Value Measurements

The Organization follows FASB ASC 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. The Organization recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

Level 1 investments include mutual funds, the fair value for which was based on quoted prices for identical assets in active markets. Level 2 investments include certificates of deposit, which are generally valued at original cost plus accrued interest, and government securities, which are valued by pricing vendors using a market approach and pricing spreads based on the credit risk of the issuer, maturity, current yield, and other terms and conditions.

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Notes to Financial Statements
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5. Investments and Fair Value Measurements (continued)

The following table presents the Organization's fair value hierarchy for those investments measured on a recurring basis at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Mutual funds – equities	\$ 11,709	\$ -	\$ -	\$ 11,709
Government securities	-	17,460,144	-	17,460,144
Total investments	\$ 11,709	\$ 17,460,144	\$ -	\$ 17,471,853

The following table presents the Organization's fair value hierarchy for those investments measured on a recurring basis at December 31, 2022:

	Level 1	Level 2	Level 3	Total
Mutual funds – equities	\$ 5,852	\$ -	\$ -	\$ 5,852
Certificates of deposit	-	249,843	-	249,843
Government securities	-	6,038,068	-	6,038,068
Total investments	\$ 5,852	\$ 6,287,911	\$ -	\$ 6,293,763

Investment return consists of the following for the years ended December 31:

	2023	2022
Interest and dividends	\$ 214,533	\$ 73,972
Realized and unrealized gain	246,132	8,653
Total investment return	\$ 460,665	\$ 82,625

The Organization did not have any investment management expenses for the years ended December 31, 2023 and 2022.

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Notes to Financial Statements
December 31, 2023 and 2022

6. Contributions Receivable

Contributions receivable are promised as follows at December 31:

	<u>2023</u>	<u>2022</u>
Due in less than one year	\$ 2,204,702	\$ 3,319,273
Due in one to five years	<u>225,112</u>	<u>1,459,391</u>
Total contributions receivable	2,429,814	4,778,664
Less: present-value discount	<u>(140,319)</u>	<u>(282,519)</u>
Contributions receivable, net	<u><u>\$ 2,289,495</u></u>	<u><u>\$ 4,496,145</u></u>

7. Property and Equipment

Property and equipment consists of the following at December 31:

	<u>2023</u>	<u>2022</u>
Furniture and equipment	\$ 215,055	\$ 194,623
Leasehold improvements	<u>725,398</u>	<u>725,398</u>
Total property and equipment	940,453	920,021
Less: accumulated depreciation	<u>(551,643)</u>	<u>(439,483)</u>
Property and equipment, net	<u><u>\$ 388,810</u></u>	<u><u>\$ 480,538</u></u>

Atlas Economic Research Foundation dba Atlas Network

Notes to Financial Statements
December 31, 2023 and 2022

8. Intangible Assets

Intangible assets consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Website	\$ 152,070	\$ 152,070
Trademarks	<u>145,908</u>	<u>140,039</u>
Total intangible assets	297,978	292,109
Less: accumulated amortization	<u>(82,036)</u>	<u>(41,018)</u>
Total intangible assets	<u>\$ 215,942</u>	<u>\$ 251,091</u>

Amortization expense for the estimated remaining life of the intangible assets with definite life is as follows for the years ending December 31:

2024	\$ 30,414
2025	30,414
2026	<u>9,206</u>
Future estimated amortization expense	<u>\$ 70,034</u>

9. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following purposes at December 31:

	<u>2023</u>	<u>2022</u>
Program restricted	\$ 3,048,488	\$ 4,029,930
Time restricted	<u>2,106,924</u>	<u>6,057,205</u>
Total net assets with donor restrictions	<u>\$ 5,155,412</u>	<u>\$ 10,087,135</u>

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Notes to Financial Statements
December 31, 2023 and 2022

10. Commitments and Contingencies

Operating Leases

During 2017, the Organization entered into an agreement to lease office space in Arlington, Virginia under the terms of an operating lease that commenced on May 25, 2018 and is set to expire on November 30, 2028. The terms of the lease contain provisions for a free rent period and future rent increases of 2.75% per year. In addition, the Organization was provided a build-out allowance totaling \$680,400 as another incentive to lease the office space. Other lease provisions include the Organization's proportionate share of real estate taxes and operating expenses, which are not included in base rental payments.

Occupancy expense totaled \$372,512 and \$360,096 for the years ended December 31, 2023 and 2022, respectively.

In December 2020, the Organization also entered into a 60-month operating lease for office equipment. The terms of the lease require fixed monthly payments of \$487, and provide the option to purchase the equipment at fair value at the end of the lease.

Supplemental qualitative information related to the office lease is as follows at December 31:

	2023	2022
Operating lease costs	\$ 333,993	\$ 333,993
Cash paid for amounts included in the measurement of lease liabilities – operating cash flows	\$ 416,711	\$ 406,548
ROU assets obtained in exchange for lease obligations	\$ 1,532,281	\$ 1,830,749
Weighted-average remaining lease term (in years)	4.8	5.1
Weighted-average discount rate	1.55%	1.55%

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10. Commitments and Contingencies (continued)

Operating Leases (continued)

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

2024	\$	427,129
2025		437,808
2026		448,753
2027		459,972
2028		<u>392,086</u>
Total minimum lease payments		2,165,748
Less: discount to present value at 1.55%		<u>(82,017)</u>
Present value of operating lease liabilities	\$	<u><u>2,083,731</u></u>

Hotel Agreements

The Organization has entered into contracts with several hotels for space for meetings and events through the year 2027. In the event of cancellation, the Organization can be held liable for liquidated damages up to the amount of lost profit less the hotel's mitigation, depending upon the date of cancellation. Management believes that no material liability is likely.

11. Methods Used for 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. Expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries, payroll taxes, and benefits, professional fees, office expenses, insurance, and other, which are allocated on the basis of estimates of time and effort.

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12. Pension Plan

In 2020, the Organization started to sponsor a 403(b) retirement plan, which covers substantially all employees. Participants may contribute a percentage of their annual compensation on a pretax basis and after-tax basis subject to limitations established by the Internal Revenue Service. The Organization matches 3% of participating employees' salaries. The Organization contributed \$113,529 and \$106,321 to the plan for the years ended December 31, 2023 and 2022, respectively.

13. Income Taxes

The Organization is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from income taxes except for taxes on unrelated business activities. No tax expense is recorded in the accompanying financial statements as there was no significant net unrelated business taxable income. Contributions to the Organization are deductible as provided in IRC Section 170(b)(1)(A)(vi). Management evaluated the Organization's tax positions and concluded that the Organization's financial statements do not include any uncertain tax positions.