

**SPIRIT OF AMERICA WORLDWIDE**  
**AUDITED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

# Spirit of America Worldwide

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## **Independent Auditors' Report**

To the Board of Directors  
**Spirit of America Worldwide**  
Arlington, Virginia

### ***Opinion***

We have audited the accompanying financial statements of **Spirit of America Worldwide** (a California nonprofit public benefit corporation), which comprise the Statements of Financial Position as of December 31, 2024 and 2023 and the related Statements of Activities and Changes in Net Assets, 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 **Spirit of America Worldwide** 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Spirit of America Worldwide** 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 **Spirit of America Worldwide's** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' 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 auditors' 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

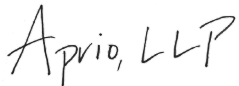
## Independent Auditors' Report (Continued)

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 **Spirit of America Worldwide'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 **Spirit of America Worldwide'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.



Rockville, Maryland  
April 25, 2025

# Spirit of America Worldwide

## Statements of Financial Position

<i>December 31,</i>	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 27,927,652	\$ 27,062,845
Investments	10,926	-
Grants and pledges receivable, current portion	4,450,000	4,000,000
Prepaid expenses and other current assets	205,093	127,598
<b>Total current assets</b>	<b>32,593,671</b>	<b>31,190,443</b>
<b>Other assets</b>		
Cash held for endowment	5,540	7,065
Investments held for endowment	122,305	116,464
Grants and pledges receivable, net of current portion and discount	-	3,883,496
Property and equipment, net	11,867	18,742
Right of use asset - operating lease	-	61,552
Right of use asset - finance leases	20,638	51,510
<b>Total other assets</b>	<b>160,350</b>	<b>4,138,829</b>
<b>Total assets</b>	<b>\$ 32,754,021</b>	<b>\$ 35,329,272</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

# Spirit of America Worldwide

## Statements of Financial Position (continued)

<i>December 31,</i>	<b>2024</b>	<b>2023</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 485,005	\$ 3,668,235
Accrued liabilities	615,260	294,717
Lease liabilities - finance leases, current portion	11,874	31,186
Lease liability - operating lease	-	60,578
<b>Total current liabilities</b>	<b>1,112,139</b>	<b>4,054,716</b>
Lease liabilities - finance leases, net of current portion	1,572	20,949
<b>Total long-term liabilities</b>	<b>1,572</b>	<b>20,949</b>
<b>Total liabilities</b>	<b>1,113,711</b>	<b>4,075,665</b>
<b>Net assets</b>		
Without donor restrictions	25,065,869	18,119,606
With donor restrictions	6,574,441	13,134,001
<b>Total net assets</b>	<b>31,640,310</b>	<b>31,253,607</b>
<b>Total liabilities and net assets</b>	<b>\$ 32,754,021</b>	<b>\$ 35,329,272</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

# Spirit of America Worldwide

## Statement of Activities and Changes in Net Assets

<i>Year Ended December 31, 2024</i>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and revenue</b>			
Contributions and grants	\$ 15,941,426	\$ 9,061,762	\$ 25,003,188
Contributed goods and professional services	70,962	-	70,962
Investment income	907,894	-	907,894
Net assets released from restrictions	15,621,322	(15,621,322)	-
<b>Total support and revenue</b>	<b>32,541,604</b>	<b>(6,559,560)</b>	<b>25,982,044</b>
<b>Expenses</b>			
Program services	19,844,492	-	19,844,492
Management and general	3,345,607	-	3,345,607
Fundraising	2,405,242	-	2,405,242
<b>Total expenses</b>	<b>25,595,341</b>	<b>-</b>	<b>25,595,341</b>
<b>Change in net assets</b>	<b>6,946,263</b>	<b>(6,559,560)</b>	<b>386,703</b>
<b>Net assets, beginning of year</b>	<b>18,119,606</b>	<b>13,134,001</b>	<b>31,253,607</b>
<b>Net assets, end of year</b>	<b>\$ 25,065,869</b>	<b>\$ 6,574,441</b>	<b>\$ 31,640,310</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

# Spirit of America Worldwide

## Statement of Activities and Changes in Net Assets

<i>Year Ended December 31, 2023</i>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and revenue</b>			
Contributions and grants	\$ 12,366,459	\$ 28,611,859	\$ 40,978,318
Contributed goods and professional services	27,378	-	27,378
Investment income	360,195	-	360,195
Net assets released from restrictions	29,804,895	(29,804,895)	-
<b>Total support and revenue</b>	<b>42,558,927</b>	<b>(1,193,036)</b>	<b>41,365,891</b>
<b>Expenses</b>			
Program services	30,409,672	-	30,409,672
Management and general	2,683,050	-	2,683,050
Fundraising	2,166,014	-	2,166,014
<b>Total expenses</b>	<b>35,258,736</b>	<b>-</b>	<b>35,258,736</b>
<b>Change in net assets</b>	<b>7,300,191</b>	<b>(1,193,036)</b>	<b>6,107,155</b>
<b>Net assets, beginning of year</b>	<b>10,819,415</b>	<b>14,327,037</b>	<b>25,146,452</b>
<b>Net assets, end of year</b>	<b>\$ 18,119,606</b>	<b>\$ 13,134,001</b>	<b>\$ 31,253,607</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.



## Spirit of America Worldwide

### Statement of Functional Expenses

<i>Year Ended December 31, 2024</i>	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Expenses</b>
Salaries and fringe benefits	\$ 3,061,779	\$ 1,796,634	\$ 1,566,159	\$ 6,424,572
Goods distributed	15,479,469	-	-	15,479,469
Travel	600,515	79,890	110,134	790,539
Consulting services	326,298	795,121	469,448	1,590,867
Office expenses	88,651	177,413	146,415	412,479
Occupancy	56,811	34,410	29,530	120,751
Legal and accounting services	31,559	91,947	1,002	124,508
Information technology	27,814	233,925	70,552	332,291
Depreciation and amortization	22,699	13,781	11,827	48,307
Insurance	148,897	51,524	175	200,596
In-kind contributions	-	70,962	-	70,962
<b>Total Expenses</b>	<b>\$ 19,844,492</b>	<b>\$ 3,345,607</b>	<b>\$ 2,405,242</b>	<b>\$ 25,595,341</b>
<i>Percent of total expenses</i>	<i>77.5%</i>	<i>13.1%</i>	<i>9.4%</i>	<i>100.0%</i>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

## Spirit of America Worldwide

### Statement of Functional Expenses

<i>Year Ended December 31, 2023</i>	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Expenses</b>
Salaries and fringe benefits	\$ 2,801,776	\$ 1,118,986	\$ 1,370,614	\$ 5,291,376
Goods distributed	26,473,396	-	-	26,473,396
Travel	561,966	113,690	147,740	823,396
Consulting services	114,412	402,098	385,907	902,417
Office expenses	119,933	79,626	137,049	336,608
Occupancy	65,645	30,807	29,336	125,788
Legal and accounting services	22,077	55,958	-	78,035
Information technology	100,724	45,999	72,367	219,090
Depreciation and amortization	39,332	18,459	17,577	75,368
Insurance	110,411	36,110	5,424	151,945
Bad debt	-	755,839	-	755,839
In-kind contributions	-	25,478	-	25,478
<b>Total Expenses</b>	<b>\$ 30,409,672</b>	<b>\$ 2,683,050</b>	<b>\$ 2,166,014</b>	<b>\$ 35,258,736</b>
<i>Percent of total expenses</i>	<i>86.3%</i>	<i>7.6%</i>	<i>6.1%</i>	<i>100.0%</i>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

# Spirit of America Worldwide

## Statements of Cash Flows

<i>Years Ended December 31,</i>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 386,703	\$ 6,107,155
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation	17,435	35,594
Amortization of right of use assets - finance leases	30,872	39,774
Realized and unrealized gain on investments	(6,639)	(16,730)
Donated securities	(60,969)	(38,423)
Bad debt expense	-	750,000
Change in present value discount on grants and pledges receivable	(116,504)	(251,249)
<b>Decrease (increase) in:</b>		
Grants and pledges receivable	3,550,000	4,250,000
Prepaid expenses and other current assets	(77,495)	(45,102)
Right-of-use asset - operating lease	61,552	4,287
<b>Increase (decrease) in:</b>		
Accounts payable	(3,183,230)	3,476,655
Accrued liabilities	320,543	121,176
Lease liability - operating lease	(60,578)	(10,578)
<b>Net cash provided by operating activities</b>	<b>861,690</b>	<b>14,422,559</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(10,560)	-
Purchase of investments	(22,076)	(43,454)
Proceeds from sales of investments	72,917	102,777
<b>Net cash provided by investing activities</b>	<b>40,281</b>	<b>59,323</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

# Spirit of America Worldwide

## Statements of Cash Flows (continued)

<i>Years Ended December 31,</i>	<b>2024</b>	<b>2023</b>
<b>Cash flows from financing activities</b>		
Payments on lease liabilities - finance leases	(38,689)	(39,362)
<b>Net cash used by financing activities</b>	<b>(38,689)</b>	<b>(39,362)</b>
<b>Net change in cash and cash equivalents</b>	<b>863,282</b>	<b>14,442,520</b>
<b>Cash, cash equivalents and restricted cash, beginning of year</b>	<b>27,069,910</b>	<b>12,627,390</b>
<b>Cash, cash equivalents and restricted cash, end of year</b>	<b>\$ 27,933,192</b>	<b>\$ 27,069,910</b>
<b>Supplemental information</b>		
Recognition of right-of-use asset - finance leases	\$ -	\$ 16,392
Recognition of lease liability - finance leases	\$ -	\$ (16,392)

The accompanying Notes to Financial Statements are an integral part of these financial statements.

# Spirit of America Worldwide

## Notes to the Financial Statements

### 1. Organization and significant accounting policies

**Organization:** Spirit of America Worldwide ("SOA" or the "Organization") is a 501(c)(3) California nonprofit public benefit corporation headquartered in Arlington, Virginia. Spirit of America's mission is to engage citizens in preserving the promise of a free and better life. We do this by working alongside troops and diplomats to help them save and improve lives, promote values shared by Americans and our allies, strengthen relationships with allies, friends and partners, and demonstrate that the United States is a friend of those who seek a better life.

The Organization has a policy that 100% of a donation to a specific project goes to the expenses of implementing the project and providing the assistance chosen. Restricted donations in excess of a project's need will be offered a refund.

**Basis of accounting:** The accompanying financial statements of the Organization are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Use of estimates:** The preparation of financial statements in conformity with general accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and cash equivalents:** The Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Organization maintains cash balances which may exceed federally insured limits. Management does not believe that this results in any significant credit risk. The Organization maintains a cash balance at two commercial banks, its balance can exceed the Federal Deposit Insurance Corporation (FDIC) insured deposit limit of \$250,000 per financial institution. At December 31, 2024 and 2023, the Organization's cash balances held at these commercial banks exceeded the FDIC limit by approximately \$26,970,000 and \$25,770,000, respectively. The Organization has not experienced any losses through the date when the financial statements were available to be issued.

On the Statements of Financial Position, cash and cash equivalents are presented separately from cash held for endowment, which has donor imposed restrictions. The following table provides a reconciliation of cash and cash equivalents and cash held for endowment reported within the Statements of Financial Position that sum to the totals of the same such amounts in the Statements of Cash Flows.

	2024	2023
Cash and cash equivalents	\$ 27,927,652	\$ 27,062,845
Cash held for endowment	5,540	7,065
<b>Total cash and cash equivalents</b>	<b>\$ 27,933,192</b>	<b>\$ 27,069,910</b>

# Spirit of America Worldwide

## Notes to the Financial Statements

**Investments:** Investments represent marketable securities that are stated at fair value. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Investment income includes the Organization's net realized and unrealized gains and losses on investments bought and sold as well as held during the year.

**Fair value measurement:** The Organization values its investments at fair value in accordance with a three-tier hierarchy, which prioritizes the inputs used in measuring fair value as follows:

**Level 1:** Observable inputs such as quoted prices in active markets for identical assets or liabilities;

**Level 2:** Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and,

**Level 3:** Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no changes in the fair value methodologies used at December 31, 2024 or 2023.

**Grants and pledges receivable:** Grants and pledges receivable are recorded when unconditionally awarded and are stated at the amount management expects to collect. For grants and pledges receivable collectible more than one year after the financial statement date, a discount is recorded against the face amount of the receivable. Management provides an allowance for uncollectible amounts through a provision of bad debt expense and an adjustment to valuation allowance based on its assessment of the current status of individual receivables. The Organization has determined that no allowance against grant and pledges receivable is necessary at December 31, 2024 and 2023.

Grants and pledges receivable are anticipated to be paid as follows at December 31:

	2024	2023
Within one year	\$ 4,450,000	\$ 4,000,000
One to five years	-	4,000,000
Total grants and pledges receivable	4,450,000	8,000,000
Less: discount	-	(116,504)
<b>Grants and pledges receivable, net</b>	<b>\$ 4,450,000</b>	<b>\$ 7,883,496</b>

# Spirit of America Worldwide

## Notes to the Financial Statements

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For the year ended December 31, 2024 all grants and pledges receivable are due within one year and no discount is calculated. For the year ended December 31, 2023 the discount was calculated using rates between 1.04% and 3.00%. Rates are determined using a risk-adjusted treasury borrowing rate on the date the grant or pledge is awarded. The discount is amortized over the grant or pledge payment period to contribution revenue using the effective interest method.

**Property and equipment:** Acquisition of property and equipment in excess of \$1,000 is capitalized at cost or, if donated, at approximate fair value at the date of donation. Repairs and maintenance are charged to operations as incurred. Depreciation expense for property and equipment is calculated using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 5 years. Depreciation expense for the years ended December 31, 2024 and 2023 was \$17,435 and \$35,594 respectively.

**Leases:** Operating lease right-of-use assets (ROU) and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. ROU assets also include adjustments related to lease payments made and lease incentives received at or before the commencement date. The ROU assets resulting from finance leases are disclosed as right-of-use assets – finance leases and the related liabilities are included in lease liabilities – finance leases in the Statements of Financial Position. The ROU assets resulting from operating leases are disclosed as right-of-use asset – operating lease and the related liabilities are included in lease liability – operating in the Statements of Financial Position. At lease commencement, lease liabilities are recognized based on the present value of the remaining lease payments and discounted using the risk-free rate. Operating lease cost is recognized on a straight-line basis over the lease term as occupancy in the accompanying Statements of Functional Expenses. Lease and non-lease components of office lease agreements are accounted as a single component. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The Organization determines if an arrangement is a lease at inception. All leases are recorded on the Statements of Financial Position except for leases with an initial term less than 12 months for which the Organization made the short-term lease election.

**Impairment of long-lived assets:** Long-lived assets to be held are reviewed for events or changes in circumstances which indicate that their carrying value may not be recoverable. Long-lived assets held for sale are to be stated at the lower of cost or fair market value less costs to sell. The Organization has determined that no events occurred during the years ended December 31, 2024 and 2023 that would give rise to impairment of its long-lived assets.

# Spirit of America Worldwide

## Notes to the Financial Statements

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**Classification of net assets:** Net assets and revenue are classified based on the existence or absence of donor-imposed restrictions as follows:

**Net assets without donor restrictions:** Net assets without donor restrictions represent the portion of expendable funds that are available to support the Organization's operations and are not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by actions of the board of directors or may otherwise be limited by contractual agreements with outside parties.

**Net assets with donor restrictions:** Net assets with donor restrictions are subject to donor-imposed restrictions that limit the use of their contributions. Donor restrictions may result in either temporary or permanent restrictions. Temporary donor restrictions expire either by passage of time or when used for specified purposes. Permanent donor restrictions represent restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by the Organization's actions. At December 31, 2024 and 2023, the Organization had net assets with temporary donor restrictions of \$6,474,441 and \$13,034,001, respectively. At December 31, 2024 and 2023, the Organization had net assets with permanent donor restrictions of \$100,000. The net assets with permanent donor restrictions consist of one endowed gift.

### Revenue recognition:

**Contributions:** Contributions are recognized when they are received, or unconditionally promised, or when conditions related to the contribution are satisfied. The Organization reports such support as donor-restricted if it is subject to time or donor-imposed purpose restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions when a stipulated time restriction ends, purpose restriction is satisfied, or both.

**Contributed goods and professional services:** The Organization receives contributed professional services and goods from corporations and individuals.

Contributed services are recognized if the services received a) increase or enhance long-lived assets or b) require specialized skills and would otherwise need to be purchased by the Organization if not contributed. Contributed services are recognized at the estimated fair value of the services received.



# Spirit of America Worldwide

## Notes to the Financial Statements

Contributed goods are recognized when received at management's estimate of their fair value. Upon distribution, the goods are recorded as a decrease in either net assets with donor restrictions or net assets without donor restrictions, depending on the presence of any donor-imposed restrictions on their use.

**Income taxes:** The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Organization generated no unrelated business income during 2024 and 2023. Management has concluded that the Organization has maintained their exempt status.

**Uncertainty in income taxes:** The Organization evaluates uncertainty in income tax positions based on a more-likely-than-not recognition standard. If that threshold is met, the tax position is then measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement. As of December 31, 2024 and 2023, there are no accruals for uncertain tax positions. If applicable, the Organization records interest and penalties as a component of income tax expense. Tax years from 2021 through the current year remain open for examination by tax authorities.

**Allocation of functional expenses:** The costs of providing various programs and activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the supporting services benefited. Such allocations are determined by management on an equitable basis.

Expenses that are allocated include the following:

Expenses	Method of Allocation
Salaries and fringe benefits	Time and effort
Consulting services	Time and effort
Occupancy	Time and effort
Legal and accounting services	Time and effort
Information technology	Time and effort
Depreciation and amortization	Time and effort
Insurance	Time and effort

**Subsequent events:** Management has evaluated subsequent events for disclosure in the financial statements through April 25, 2025, which is the date the financial statements were available to be issued.

# Spirit of America Worldwide

## Notes to the Financial Statements

### 2. Liquidity and availability of resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position comprised the following at December, 31:

	2024	2023
Financial assets at year end:		
Cash and cash equivalents	\$ 27,933,192	\$ 27,069,910
Investments	133,231	116,464
Grants and pledges receivable, net	4,450,000	7,883,496
<b>Total financial assets</b>	<b>32,516,423</b>	<b>35,069,870</b>
Less amounts not available to be used within one year:		
Donor restrictions:		
Temporary purpose restrictions	(2,474,441)	(5,150,505)
Temporary time restrictions (long-term)	-	(3,883,496)
Permanent restrictions	(100,000)	(100,000)
<b>Total</b>	<b>(2,574,441)</b>	<b>(9,134,001)</b>
Financial assets available to meet general expenditures over the next twelve months	\$ 29,941,982	\$ 25,935,869

The Organization has an investment policy authorized by the Board of Directors that provides guidance and oversight for the management of cash and cash equivalents, and investments. The policy provides that the Organization maintain an adequate level of cash to meet ongoing operational and liquidity requirements.

### 3. Investments

The fair value of the Organization's investments is as follows:

		Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	No Quoted Prices in Active Markets nor Observable Inputs (Level 3)
December 31, 2024	Total			
Stocks	\$ 10,926	\$ 10,926	\$ -	\$ -
Mutual funds – fixed income	63,606	63,606	-	-
Mutual funds – equities	58,699	58,699	-	-
<b>Total</b>	<b>\$ 133,231</b>	<b>\$ 133,231</b>	<b>\$ -</b>	<b>\$ -</b>

# Spirit of America Worldwide

## Notes to the Financial Statements

		Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	No Quoted Prices in Active Markets nor Observable Inputs (Level 3)
December 31, 2023	Total			
Mutual funds – fixed income	\$ 63,632	\$ 63,632	\$ -	\$ -
Mutual funds – equities	52,832	52,832	-	-
Total	\$ 116,464	\$ 116,464	\$ -	\$ -

The Organization invests in various investment securities that are exposed to different risks such as interest rate, credit, and market volatility risks. Due to the level of risk associated with certain securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the Organization's account balances and amounts reported in the Statements of Financial Position.

### 4. Property and equipment

Property and equipment consisted of the following at December 31:

	2024	2023
Field operations equipment	\$ 30,231	\$ 30,231
Furniture and equipment	84,955	74,395
Leasehold improvements	6,755	6,755
Software and website	221,574	221,574
Total property and equipment	343,515	332,955
Less: accumulated depreciation	(331,648)	(314,213)
<b>Property and equipment, net</b>	<b>\$ 11,867</b>	<b>\$ 18,742</b>

Depreciation expense for the years ended December 31, 2024 and 2023 was \$17,435 and \$35,594, respectively and included in depreciation and amortization in the accompanying Statements of Functional Expenses.

# Spirit of America Worldwide

## Notes to the Financial Statements

### 5. Net assets with donor restrictions

Restricted contributions consist of contributions earmarked by donors for specific project funds and long-term grants that are allocated to multiple years of operations. Project funds are purpose restricted for the direct expenses of the project selected by the donor. Category/country funds are purpose restricted for the direct expenses of various projects in the funding category or country. When projects are overfunded, the Organization's policy is to offer the donor a refund or to reallocate their donation to another project. No such refunds were requested in 2024 or 2023 but rather, donors requested their funds be reallocated to other priority areas.

The Organization had net assets restricted by donors related to the following specific purposes or time restrictions at December 31:

	2024	2023
Temporary purpose restrictions	\$ 2,474,441	\$ 5,150,505
Temporary time restrictions	4,000,000	7,883,496
Permanent restrictions:		
Endowment (see Note 6)	100,000	100,000
<b>Total net assets with donor restrictions</b>	<b>\$ 6,574,441</b>	<b>\$ 13,134,001</b>

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the restricted purposes or by the passage of time as follows for the years ended December 31:

	2024	2023
Time restrictions	\$ 4,000,000	\$ 4,750,000
Africom regional projects	42,128	192,594
Centcom regional projects	463,212	602,495
Eucom regional projects	10,905,364	23,963,704
Pacom regional projects	209,618	162,840
Other purposes	1,000	133,262
<b>Total amount released from restriction</b>	<b>\$ 15,621,322</b>	<b>\$ 29,804,895</b>

# Spirit of America Worldwide

## Notes to the Financial Statements

### 6. Endowment

Permanently restricted net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as net assets with temporary donor restrictions or net assets without donor restrictions, in accordance with the donor's intent, until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the donor-restricted endowment funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policy of the Organization

During 2015, the Organization received one donor-restricted endowment fund which is held in an investment account. Correlating net assets are classified as permanently restricted. Investment income and gains from these investments are available to be appropriated for general operational use. The donor has requested the nominal value of the gift be retained in perpetuity to support the Organization's activities. The Organization's policy is to appropriate earnings from this endowment to support its program purpose activities.

There were no new endowments, gifts to the existing endowment, or other changes to permanently restricted endowment net assets during 2024 or 2023. Permanently restricted endowment net assets totaled \$100,000 at December 31, 2024 and 2023. The singular endowment gift's donor has allotted all income on the endowment to be used for unrestricted purposes. Accordingly, all endowment income during 2024 and 2023 was classified as unrestricted income.

# Spirit of America Worldwide

## Notes to the Financial Statements

Endowment assets were held in an investment portfolio composed of the following at December 31:

	2024	2023
Cash and cash equivalents	\$ 5,540	\$ 7,065
Investments	122,305	116,464
<b>Total endowment assets</b>	<b>\$ 127,845</b>	<b>\$ 123,529</b>

The following is a summary of changes in the endowed cash and investment accounts during the years ended December 31:

	2024	2023
Endowment net assets, beginning of year	\$ 123,529	\$ 114,844
Dividend and interest income	2,854	2,516
Realized and unrealized gains	6,403	10,763
Appropriated for expenditure	(4,941)	(4,594)
<b>Endowment net assets, end of year</b>	<b>\$ 127,845</b>	<b>\$ 123,529</b>

### 7. Leases

The Organization leases office space in Arlington, Virginia under an operating lease agreement. This lease was amended to extend the term of the lease through April 2025. The lease agreement is cancellable with 90 days advance notice and a \$5,000 penalty.

In October 2024, the Organization entered into a lease agreement for new office space in Arlington, Virginia. The lease commencement date will begin in 2025 when the tenant improvements are substantially complete, and the premises are delivered to the Organization. The lease term is 98 months, and rent is abated for the first 14 months and for an additional six months for a portion of the premises. Once the abatement period ends, the Organization will begin paying base monthly rental payments of \$27,335 with a 2.5% annual escalation plus its share of the estimated operating costs.

The Organization has entered into various finance lease agreements which extend through 2026 for various IT equipment.

The right-of-use (ROU) assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU asset and lease liability from the operating lease and finance leases were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate, in lieu of its incremental borrowing rate to discount future lease payments.

# Spirit of America Worldwide

## Notes to the Financial Statements

The following table summarizes the components of lease cost for the year ended December 31:

	2024	2023
Finance lease cost:		
Amortization of right of use assets	\$ 30,872	\$ 39,774
Interest expense on lease liabilities	1,117	1,828
Operating lease cost	69,542	125,787
Total lease cost	\$ 101,531	\$ 167,389

Amortization of right of use assets is included in depreciation and amortization in the accompanying Statements of Functional Expenses. Interest expense is included in office expenses in the accompanying Statements of Functional Expenses. Operating lease costs is included in occupancy in the accompanying Statements of Functional Expenses.

Weighted average remaining lease terms and discount rates were as follows for the year ended December 31:

	2024	2023
Weighted average lease term (years):		
Operating lease	-	.80
Finance lease	2.00	3.00
Weighted average discount rate:		
Operating lease	-	3.82%
Finance lease	2.63%	2.63%

Future maturities of lease liabilities under the operating and finance leases were as follows as of December 31, 2024:

Year ending December 31,	Operating lease	Finance leases
2025	\$ -	\$ 11,874
2026	-	1,898
Total lease payments	-	13,772
Less: imputed interest	-	(326)
Present value of lease liabilities	\$ -	\$ 13,446

# Spirit of America Worldwide

## Notes to the Financial Statements

### 8. Contributed materials and services

The Organization records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received.

For the years ended December 31, contributed nonfinancial assets recognized within the statement of activities included:

	2024	2023
Legal services	\$ 20,962	\$ 25,478
Electronics	-	1,900
Consulting services	50,000	-
<b>Total</b>	<b>\$ 70,962</b>	<b>\$ 27,378</b>

### 9. Retirement plan

The Organization sponsors a qualified 403(b) defined contribution plan that covers substantially all full-time employees meeting certain eligibility requirements. Employees may contribute a portion of their annual compensation to the plan, limited to the maximum annual amount as set periodically by the Internal Revenue Service. The Organization may also make a discretionary employer match contribution to the plan, calculated as up to 4.0% of each eligible employee's annual compensation. Plan participants are fully vested in all employer match contributions. During the years ended December 31, 2024 and 2023, the Organization contributed \$184,713 and \$174,324, respectively, in discretionary employer match to the plan.

### 10. Concentration

For the years ended December 31, 2024 and 2023, four donors accounted for 78% and 61% of all contributions recognized, respectively. At December 31, 2024 and 2023, four and two donors accounted for 100% of grants and pledges receivable outstanding, respectively.

### 11. Subsequent event

On April 8, 2025 the Organization signed an amendment to the current office lease to renew the lease through May 2025.