

**W. HAYWOOD BURNS INSTITUTE
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**



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**W. HAYWOOD BURNS INSTITUTE
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YEAR ENDED DECEMBER 31, 2024**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
W. Haywood Burns Institute
Oakland, California

Opinion

We have audited the accompanying financial statements of W. Haywood Burns Institute (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 W. Haywood Burns Institute as of December 31, 2024, and the changes in 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. 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 W. Haywood Burns 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 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 W. Haywood Burns Institute's ability to continue as a going concern for one year after the date 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 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 W. Haywood Burns 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 W. Haywood Burns Institute'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Roseville, California
August 12, 2025

**W. HAYWOOD BURNS INSTITUTE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024**

ASSETS

Cash and Cash Equivalents	\$ 1,007,407
Investments	10,180,693
Accounts Receivables	648,886
Contract Assets	486,200
Grants Receivable	827,500
Prepaid Expenses and Deposits	176,995
Property and Equipment, Net	112,964
Right-of-Use Asset - Operating Lease	<u>29,342</u>
Total Assets	<u><u>\$ 13,469,987</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable and Accrued Expenses	\$ 121,349
Accrued Vacation	220,561
Deferred Revenue	1,500,000
Operating Lease Liability	<u>33,475</u>
Total Liabilities	<u>1,875,385</u>

NET ASSETS

Without Donor Restrictions	9,797,636
With Donor Restrictions	<u>1,796,966</u>
Total Net Assets	<u>11,594,602</u>
Total Liabilities and Net Assets	<u><u>\$ 13,469,987</u></u>

See accompanying Notes to Financial Statements.

W. HAYWOOD BURNS INSTITUTE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Support:			
Foundation and Corporate	\$ 10,000	\$ 3,255,000	\$ 3,265,000
Individuals	5,038	-	5,038
Total Support	15,038	3,255,000	3,270,038
Revenue:			
Site Contracts	2,943,952	-	2,943,952
Honoraria and Other	206,286	-	206,286
Interest	2,515	-	2,515
SWB Certificate Training	99,000	-	99,000
Sublease Income	174,891	-	174,891
Investment Activity, Net	446,692	-	446,692
Total Revenue	3,873,336	-	3,873,336
Net Assets Released From Restriction	2,944,676	(2,944,676)	-
Total Support and Revenue	6,833,050	310,324	7,143,374
EXPENSES			
Program	4,683,226	-	4,683,226
Management and General	1,155,601	-	1,155,601
Fundraising	243,284	-	243,284
Total Expenses	6,082,111	-	6,082,111
CHANGE IN NET ASSETS	750,939	310,324	1,061,263
Net Assets - Beginning of Year	9,046,697	1,486,642	10,533,339
NET ASSETS - END OF YEAR	\$ 9,797,636	\$ 1,796,966	\$ 11,594,602

See accompanying Notes to Financial Statements.

**W. HAYWOOD BURNS INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 2,368,082	\$ 584,332	\$ 123,017	\$ 3,075,431
Retirement Contributions	35,114	8,665	1,824	45,603
Employee Benefits	466,568	115,127	24,237	605,932
Payroll Taxes	185,243	45,709	9,623	240,575
Total Personnel	<u>3,055,007</u>	<u>753,833</u>	<u>158,701</u>	<u>3,967,541</u>
Accounting and Audit	17,672	4,361	917	22,950
Consultants & Contractors	577,800	142,574	30,016	750,390
Supplies and Office Expenses	101,300	24,996	5,263	131,559
Rent	286,130	70,604	14,864	371,598
Information Technology	117,383	28,965	6,097	152,445
Travel, Board Meetings & Meetings	263,900	65,118	13,709	342,727
Insurance	12,325	3,041	641	16,007
Dues and Service Fees	54,805	13,523	2,847	71,175
SWB CTS Expenses	111,422	27,494	5,788	144,704
Depreciation and Amortization	58,003	14,312	3,013	75,328
Professional Development	24,911	6,147	1,294	32,352
Miscellaneous	2,568	633	134	3,335
Total Functional Expenses	<u><u>\$ 4,683,226</u></u>	<u><u>\$ 1,155,601</u></u>	<u><u>\$ 243,284</u></u>	<u><u>\$ 6,082,111</u></u>

See accompanying Notes to Financial Statements.

**W. HAYWOOD BURNS INSTITUTE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 1,061,263
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Investment Activity, Net	(446,692)
Depreciation and Amortization	75,328
Changes in Assets and Liabilities:	
Accounts Receivables	305,143
Contract Assets	(416,315)
Contributions Receivable	(827,500)
Prepaid Expenses and Deposits	(25,546)
Right-of-Use-Assets and Lease Liabilities	(32,770)
Accounts Payable and Accrued Expenses	10,041
Accrued Vacation	(1,564)
Deferred Revenue	<u>1,500,000</u>
Net Cash Provided by Operating Activities	<u>1,201,388</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Property and Equipment	(57,000)
Purchases of Investments	(20,897,447)
Sales and Redemptions of Investments	<u>19,765,474</u>
Net Cash Used by Investing Activities	<u>(1,188,973)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	12,415
Cash and Cash Equivalents - Beginning of Year	<u>994,992</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,007,407</u></u>

See accompanying Notes to Financial Statements.

**W. HAYWOOD BURNS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 NATURE OF ACTIVITIES

W. Haywood Burns Institute (the Organization) is a California nonprofit public benefit corporation, incorporated in 2003. The Organization works intensively with local jurisdictions to reduce the over-representation of youth of color in their youth justice systems by leading a group of traditional and non-traditional stakeholders through a data driven, consensus-based process.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for specific purposes.

Net Assets With Donor Restrictions – Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular period. Some donor restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor restrictions are perpetual in nature; there were no restrictions of this nature as of December 31, 2024.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

**W. HAYWOOD BURNS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Revenue and Revenue Recognition

Revenue is measured based on the amount of consideration specified in a contract with a customer or grantor. Revenue is recognized when earned and as the performance obligations under the terms of the contract are satisfied which generally occurs when the services are provided.

Grants and Contract Revenue – For grants and contracts where the Organization has the right to consideration from the customer or grantor in an amount that corresponds directly with the value received by the customer or client based on our performance to date, revenue is recognized when services are performed and contractually billable. For all other types of grants and contracts, revenue is recognized over time, as performance obligations are satisfied and related reimbursable expenses are incurred, in accordance with the terms of applicable grant awards or contracts. Contract costs include all direct costs and an allocation of indirect costs related to contract performance.

Under the typical payment terms of the Organization contracts, amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly, quarterly, or annually), upon achievement of contractual milestones, or when services are provided. From time to time, the Organization may require the customer or grantor to make advance payments as well as interim payments as work progresses. The advance payment generally is not considered a significant financing component as the Organization expects to recognize those amounts in revenue within a year of receipt as work progresses on the related performance obligation. The Organization has conditional grants in the amount of \$3,000,000 that have not been recognized as of June 30, 2024 because qualifying expenditures have not yet been incurred, with advance payments of \$1,500,000, recognized in the statement of financial position as deferred revenue.

Honoraria –The Organization recognizes honoraria revenue when the related speaking engagements have been completed (a point in time).

Sublease Income –The Organization recognized on a straight-line basis over the term of the lease. The Organization recognizes sublease income from its sub-leasing operations when earned in accordance with the terms of the lease agreements.

**W. HAYWOOD BURNS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable are unsecured non-interest-bearing trade receivables. The Organization carries accounts receivable at the face amount less a reserve for estimated credit losses. At December 31, 2024 and 2023, the Organization held \$648,886 and \$954,029, respectively, that was outstanding in accounts receivable in relation to exchange transactions. It is the practice of the Organization to expense uncollectibles only after exhausting all efforts to collect the amounts due. The Organization estimates its reserve for credit losses using relevant available information from internal and external sources relating to past events, current conditions, and reasonable and supportable forecasts. As of December 31, 2024 and 2023, the estimated reserve for credit losses was determined to be \$-0-.

Contract Assets

Contract assets arise when the Organization transfers a good or performs a service in advance of receiving consideration from the customer as agreed upon in a contract. The Organization has certain longer-term contracts for which invoicing occurs on a milestone or other basis that is less frequent than monthly. The Organization accounts for compensation for such unbilled services as contract assets, which become receivables once the Organization bills for such services. At December 31, 2024 and 2023, the Organization held \$486,200 and \$69,885, respectively, that was outstanding in accounts receivable in relation to contract assets. The Organization estimates its reserve for credit losses using relevant available information from internal and external sources relating to past events, current conditions, and reasonable and supportable forecasts. As of December 31, 2024 and 2023, the estimated reserve for credit losses was determined to be \$-0-.

Grants Receivable

Grants receivable including pledges and grants receivable are unconditional promises to give that are recognized as contributions when the promise is received. Grant receivable that are expected to be collected in less than one year are reported at net realizable value. Grants receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. The Organization considers all grants receivable to be fully collectible at December 31, 2024. Accordingly, no allowance for credit losses was deemed necessary.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under IRC 501(c)(3) and California RTC 23701(d). Accordingly, no provision for income taxes has been recorded in these financial statements. The Organization has evaluated its current tax positions as of December 31, 2024 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively, after they are filed.

**W. HAYWOOD BURNS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the 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. Accordingly, actual results could differ from those estimates.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statement of financial position. Net investment return/(loss) is reported in the statement of activities and changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Property and Equipment

Property and equipment purchased by the Organization are recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$2,500; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms as follows:

Furniture and Equipment	5 to 7 Years
Leasehold Improvements	6.5 Years
Software	3 Years

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable.

**W. HAYWOOD BURNS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Organization leases office space in Oakland, California. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating right-of-use assets, and operating lease liabilities on the statement of financial position.

ROU assets 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. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The 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. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

**W. HAYWOOD BURNS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions using a reasonable allocation method that is consistently applied as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Occupancy, depreciation, amortization, and interest are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.
- Office expenses and supplies, insurance, and other expenses that cannot be directly identified are allocated on the basis of employee headcount for each program and supporting activity.
- Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.
- Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgments contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of August 12, 2025, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

**W. HAYWOOD BURNS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2024 are as follows:

Cash and Cash Equivalents	\$ 1,007,407
Investments	10,180,693
Accounts Receivable	648,886
Contract Assets	486,200
Grants Receivable	<u>827,500</u>
Total Financial Assets	13,150,686
Less: Net Assets With Donor Restrictions	<u>1,796,966</u>
Total	<u><u>\$ 11,353,720</u></u>

The Organization's restrictions come from donor restricted funds based on time and purpose.

NOTE 4 FAIR VALUE MEASUREMENTS AND DISCLOSURES

The Fair Value Measurements Topic of the Financial Accounting Standards Board Codification establishes a framework for measuring fair value under U.S. GAAP. The 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the Fair Value Measurements Topic are described below:

Level 1 – Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.. .

Level 2 – Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability and:
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

We use net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain hedge funds, private equity funds, funds of funds, and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

**W. HAYWOOD BURNS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 FAIR VALUE MEASUREMENT AND DISCLOSURES (CONTINUED)

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk, or liquidity profile of the asset or liability.

Fair values of assets measured on recurring basis, except those measured at cost or by using NAV per share as a practical expedient, as of December 31, 2024 consisted of the following:

	Fair Value	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Investments Measured at NAV
Investments:					
Stocks	\$ 738,240	\$ 738,240	\$ -	\$ -	\$ -
ETF's and CEF's	1,150,462	1,150,462	-	-	-
Mutual Funds	969,317	969,317	-	-	-
Corporate Fixed Income	5,634,647	5,634,647	-	-	-
Government Securities	732,272	732,272	-	-	-
Alternative Investments	955,755	-	-	-	955,755
Total Investments	<u>\$ 10,180,693</u>	<u>\$ 9,224,938</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 955,755</u>

Investments in certain entities that are measured at fair value using NAV per share as a practical expedient as of December 31, 2024, are as follows:

	Number of Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
December 31, 2024					
Private Debt Funds - Apollo Debt BDC - Class I	14	\$ 477,611	\$ -	Quarterly	30 Days
Private Real Asset Funds - K- INFRA - Class I	4	478,144	-	Quarterly	30 Days
Total		<u>\$ 955,755</u>	<u>\$ -</u>		

Private Debt Funds – Funds primarily in privately negotiated debt instruments, including senior secured loans, mezzanine financing, and other forms of corporate credit extended to non-public companies. Such investments are inherently illiquid and may be subject to credit, interest rate, liquidity, and operational risks. The Fund may employ tailored structuring, collateralization, and covenant protections to manage downside exposure and enhance return potential.

**W. HAYWOOD BURNS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 FAIR VALUE MEASUREMENT AND DISCLOSURES (CONTINUED)

Private Real Asset Funds – Funds primarily in privately held real assets, including but not limited to real estate, infrastructure, natural resources, and other tangible asset classes. Investments are typically illiquid and may be subject to valuation uncertainty, regulatory risk, and operational complexities.

The composition of net investment income for the year ended December 31, 2024 are as follows:

Interest and Dividends	\$ 388,726
Realized and Unrealized Gain	57,966
Total	<u>\$ 446,692</u>

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

Computers and Equipment	37,497
Software	255,348
Less: Accumulated Depreciation and Amortization	<u>(179,881)</u>
Total	<u>\$ 112,964</u>

Depreciation and amortization expense totaled \$75,328 for the year ended December 31, 2024.

**W. HAYWOOD BURNS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 LEASES

Operating Leases:

The Organization leases office space in Oakland California under an operating lease that expires January 2025. In February 2023, the Organization entered into a sublease agreement to rent its office space described above through January 2025. However, the lease did not relieve the Organization of its liability. Therefore, under ASC 842, the Organization not being relieved of the liability, shall continue to account for the original lease as it did before commencement of the sublease. The Organization did not extend the lease beyond January 2025.

The following table provides quantitative information concerning the Organization's leases for the year ended December 31, 2024:

Lease Cost:	
Operating Lease Cost	\$ 371,598
Sublease Income	(174,891)
Total Lease Cost	<u>\$ 196,707</u>
Other Information:	
Operating Cash Flows from Operating Leases	\$ 392,460
Weighted-Average Remaining Lease Term - Operating Leases	0.1 Years
Weighted-Average Discount Rate - Operating Leases	4.50%

Sublease Arrangements - Lessor

Revenue from sub-lease payments during year ended December 31, 2024 totaled \$174,891, and are recognized in the statement of activities and changes in net assets.

The following is a maturity analysis of annual undiscounted cash flows to be received from sublease payments as of the year ended December 31, 2024:

<u>Year Ending December 31,</u> 2025	<u>\$ 21,177</u>
Total Minimum Future Rentals	<u>\$ 21,177</u>

**W. HAYWOOD BURNS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 LINE OF CREDIT

The Organization has a secured line of credit with a bank for a total of \$500,000 to be drawn down upon as needed, with an interest rate at 9.25%. The line of credit has a maturity of date of October 26, 2024 and the Organization did not renew the line of credit past the maturity date. There were no advances on the line of credit and no outstanding balance as of December 31, 2024.

NOTE 8 CONTINGENCIES

Grant Compliance

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets without donor restrictions were available as follows as of December 31, 2024:

Subject to Expenditure for Specified Purpose:	
Technical Assistance	\$ 654,941
Youth Justice	344,234
Youth Development	29,041
Subject to the Passage of Time:	
General Use	<u>768,750</u>
Total Net Assets With Donor Restrictions	<u><u>\$ 1,796,966</u></u>

NOTE 10 NET ASSETS RELEASED FROM RESTRICTIONS

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

	2024
General Use - Time	\$ 1,382,500
Technical Assistance	815,892
Youth Justice	745,325
Youth Development	959
Total Net Assets Released From Donor Restriction	<u><u>\$ 2,944,676</u></u>

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NOTE 11 RETIREMENT PLAN

The Organization has a defined contribution retirement plan (the Plan) under section 401(k) of the Internal Revenue Code. The Plan covers all employees who meet age and length of service requirements, and all benefits vest immediately. The Organization is not required to make contributions to the Plan, however, during the year ended December 31, 2024, the Organization elected to make contributions to the plan totaling \$45,603.

NOTE 12 CONCENTRATIONS

Support

During the year ended December 31, 2024 support revenue from two grantors account for 69% of total support revenue.

Site Contracts

During the year ended December 31, 2024 site contract revenue from one customer accounted for 90% of total site contract revenue.

Accounts Receivable and Contract Assets

At December 31, 2024, approximately 95% of accounts receivable and contract assets were due from one customer.

Grants Receivable

At December 31, 2024, approximately 100% of accounts receivable were due from two grantors.

Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist primarily of cash, investments and accounts receivable.

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.



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