

**FINANCIAL STATEMENTS**



**NATIONAL  
COLLEGE  
ATTAINMENT  
NETWORK**

**FOR THE YEARS ENDED  
JUNE 30, 2024 AND 2023**

**NATIONAL COLLEGE ATTAINMENT NETWORK, INC.**

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**CPAs & ADVISORS**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
National College Attainment Network, Inc.  
Washington, D.C.

### **Opinion**

We have audited the accompanying financial statements of the National College Attainment Network, Inc. (the Organization), which comprise the statements of financial position as of June 30, 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 the Organization as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

### **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.

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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.
- 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.



December 3, 2024

## NATIONAL COLLEGE ATTAINMENT NETWORK, INC.

STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 4,702,208	\$ 3,638,611
Investments	2,613,286	2,000,000
Contributions and grants receivable	1,840,375	568,873
Accounts receivable	87,645	95,940
Contracts receivable	54,310	-
Prepaid expenses	<u>978,804</u>	<u>421,118</u>
Total current assets	<u>10,276,628</u>	<u>6,724,542</u>
<b>FIXED ASSETS</b>		
Furniture and fixtures	100,634	100,634
Computer equipment	52,310	52,310
Software	11,375	105,926
Leasehold improvements	15,107	15,107
Website	<u>-</u>	<u>121,332</u>
	179,426	395,309
Less: Accumulated depreciation and amortization	<u>(99,627)</u>	<u>(301,512)</u>
Net fixed assets	<u>79,799</u>	<u>93,797</u>
<b>NON-CURRENT ASSETS</b>		
Contributions and grants receivable, net	649,998	178,613
Right-of-use asset, net	<u>1,106,503</u>	<u>1,288,048</u>
Total non-current assets	<u>1,756,501</u>	<u>1,466,661</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 12,112,928</u></b>	<b><u>\$ 8,285,000</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 239,897	\$ 96,773
Accrued salaries and related benefits	179,833	56,773
Deferred revenue	312,383	177,165
Refundable advances	2,354,121	2,009,580
Operating lease liability	<u>210,452</u>	<u>166,441</u>
Total current liabilities	3,296,686	2,506,732
<b>NON-CURRENT LIABILITIES</b>		
Operating lease liability, net	<u>1,112,230</u>	<u>1,316,592</u>
Total liabilities	<u>4,408,916</u>	<u>3,823,324</u>
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	965,390	1,061,493
Board designated	<u>2,205,654</u>	<u>1,624,197</u>
Total net assets without donor restrictions	3,171,044	2,685,690
With donor restrictions	<u>4,532,968</u>	<u>1,775,986</u>
Total net assets	<u>7,704,012</u>	<u>4,461,676</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 12,112,928</u></b>	<b><u>\$ 8,285,000</u></b>

See accompanying notes to financial statements.

## NATIONAL COLLEGE ATTAINMENT NETWORK, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 2,617,613	\$ 6,848,885	\$ 9,466,498
Conference registrations	1,095,650	-	1,095,650
Conference sponsorships	92,680	470,125	562,805
Membership dues	484,486	-	484,486
Contracts	147,310	-	147,310
Investment return, net	114,522	-	114,522
Other revenue	15,942	-	15,942
Net assets released from donor restrictions	<u>4,562,028</u>	<u>(4,562,028)</u>	<u>-</u>
Total support and revenue	<u>9,130,231</u>	<u>2,756,982</u>	<u>11,887,213</u>
<b>EXPENSES</b>			
Program Services:			
College Access Programs	<u>7,355,526</u>	<u>-</u>	<u>7,355,526</u>
Supporting Services:			
Management and General	1,136,217	-	1,136,217
Fundraising	<u>153,134</u>	<u>-</u>	<u>153,134</u>
Total supporting services	<u>1,289,351</u>	<u>-</u>	<u>1,289,351</u>
Total expenses	<u>8,644,877</u>	<u>-</u>	<u>8,644,877</u>
Changes in net assets	485,354	2,756,982	3,242,336
Net assets at beginning of year	<u>2,685,690</u>	<u>1,775,986</u>	<u>4,461,676</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 3,171,044</u></b>	<b><u>\$ 4,532,968</u></b>	<b><u>\$ 7,704,012</u></b>

## NATIONAL COLLEGE ATTAINMENT NETWORK, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 2,177,974	\$ 1,621,113	\$ 3,799,087
Conference registrations	781,481	-	781,481
Conference sponsorships	173,000	381,405	554,405
Membership dues	356,934	-	356,934
Contracts	201,263	-	201,263
Other revenue	97,058	-	97,058
Net assets released from donor restrictions	<u>1,273,883</u>	<u>(1,273,883)</u>	<u>-</u>
Total support and revenue	<u>5,061,593</u>	<u>728,635</u>	<u>5,790,228</u>
<b>EXPENSES</b>			
Program Services:			
College Access Programs	<u>4,197,839</u>	<u>-</u>	<u>4,197,839</u>
Supporting Services:			
Management and General	1,024,505	-	1,024,505
Fundraising	<u>166,045</u>	<u>-</u>	<u>166,045</u>
Total supporting services	<u>1,190,550</u>	<u>-</u>	<u>1,190,550</u>
Total expenses	<u>5,388,389</u>	<u>-</u>	<u>5,388,389</u>
Changes in net assets before other item	(326,796)	728,635	401,839
<b>OTHER ITEM</b>			
De-obligated award and funds returned to donor	<u>-</u>	<u>(14,425)</u>	<u>(14,425)</u>
Changes in net assets	(326,796)	714,210	387,414
Net assets at beginning of year	<u>3,012,486</u>	<u>1,061,776</u>	<u>4,074,262</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 2,685,690</u></b>	<b><u>\$ 1,775,986</u></b>	<b><u>\$ 4,461,676</u></b>

## NATIONAL COLLEGE ATTAINMENT NETWORK, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services	Supporting Services			Total Expenses
	College Access Programs	Management and General	Fundraising	Total Supporting Services	
Payroll	\$ 1,783,484	\$ 478,076	\$ 92,009	\$ 570,085	\$ 2,353,569
Employee benefits and payroll taxes	476,714	118,906	24,878	143,784	620,498
Professional services	2,135,456	372,754	194	372,948	2,508,404
Grant programs	1,531,712	-	-	-	1,531,712
Conferences	729,290	-	-	-	729,290
Office expenses	363,969	89,188	35,755	124,943	488,912
Travel and meetings	304,177	44,940	298	45,238	349,415
Depreciation and amortization	-	25,373	-	25,373	25,373
Bank, payroll and credit card fees	30,724	6,980	-	6,980	37,704
<b>TOTAL</b>	<b>\$ 7,355,526</b>	<b>\$ 1,136,217</b>	<b>\$ 153,134</b>	<b>\$ 1,289,351</b>	<b>\$ 8,644,877</b>

See accompanying notes to financial statements.

## NATIONAL COLLEGE ATTAINMENT NETWORK, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services	Supporting Services			Total Expenses
	College Access Programs	Management and General	Fundraising	Total Supporting Services	
Payroll	\$ 1,450,426	\$ 299,397	\$ 127,434	\$ 426,831	\$ 1,877,257
Employee benefits and payroll taxes	368,530	79,439	34,477	113,916	482,446
Professional services	452,581	490,887	1,000	491,887	944,468
Grant programs	642,546	-	-	-	642,546
Conferences	894,133	-	-	-	894,133
Office expenses	310,846	78,053	27	78,080	388,926
Travel and meetings	62,381	41,968	3,107	45,075	107,456
Depreciation and amortization	-	27,600	-	27,600	27,600
Bank, payroll and credit card fees	16,396	7,161	-	7,161	23,557
<b>TOTAL</b>	<b>\$ 4,197,839</b>	<b>\$ 1,024,505</b>	<b>\$ 166,045</b>	<b>\$ 1,190,550</b>	<b>\$ 5,388,389</b>

See accompanying notes to financial statements.

## NATIONAL COLLEGE ATTAINMENT NETWORK, INC.

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 3,242,336	\$ 387,414
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	25,373	27,600
Change in discount on non-current receivables	18,615	11,004
Amortization of right-of-use asset	181,545	177,494
(Increase) decrease in:		
Contributions and grants receivable	(1,761,502)	76,510
Accounts receivable	8,295	(75,898)
Contracts receivable	(54,310)	-
Prepaid expenses	(557,686)	(305,898)
Increase (decrease) in:		
Accounts payable and accrued expenses	143,124	39,940
Accrued salaries and related benefits	123,060	(20,608)
Deferred revenue	135,218	36,046
Refundable advances	344,541	422,250
Operating lease liability	<u>(160,351)</u>	<u>(94,473)</u>
Net cash provided by operating activities	<u>1,688,258</u>	<u>681,381</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	(11,375)	-
Purchases of investments	<u>(613,286)</u>	<u>(2,000,000)</u>
Net cash used by investing activities	<u>(624,661)</u>	<u>(2,000,000)</u>
Net increase (decrease) in cash and cash equivalents	1,063,597	(1,318,619)
Cash and cash equivalents at beginning of year	<u>3,638,611</u>	<u>4,957,230</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 4,702,208</u></b>	<b><u>\$ 3,638,611</u></b>

# NATIONAL COLLEGE ATTAINMENT NETWORK, INC.

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

#### Organization -

The National College Attainment Network, Inc. (the Organization) was incorporated in 1995 by individuals involved in the field of college access. The Organization's mission is to build, strengthen, and empower communities and stakeholders to close equity gaps in postsecondary attainment for all students. The Organization creates and supports community-based college access programs throughout the country and offers members professional development, policy updates, technology tools, and technical assistance. Members located throughout the United States serve thousands of students and their families.

#### Program Services -

The Organization creates opportunities for all students by bolstering the skills of college access and success practitioners through professional development, advocating for more equitable policies to help more students successfully pursue education after high school, and championing systemic changes in both K-12 and higher education that better support students through the post secondary pipeline.

#### Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
  - **Board Designated Operating Reserve** - The Organization maintains an operating reserve fund to cover general operating expenses of the Organization in times of unanticipated cash needs. The operating reserve is based on a calculation of four months average monthly expenses excluding direct grant expenses and approximately half of conference expenses. The operating reserve is evaluated on a monthly basis when management prepares a cash forecast to determine amounts that can be invested in board approved instruments per the Organization's investment policy, and is also evaluated when monthly financial reports are produced. As of June 30, 2024 and 2023, these funds totaled \$2,205,654 and \$1,624,197, respectively.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that 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 the 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. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

**NATIONAL COLLEGE ATTAINMENT NETWORK, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

New accounting pronouncement adopted -

Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 326 are contracts receivable. The Organization implemented the ASU on July 1, 2023 using a modified retrospective approach. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

Cash and cash equivalents -

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, the Organization maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal. In addition, to mitigate a portion of the credit risk involved with balances exceeding federally insured limits, cash and cash equivalents are retained in a DDA-MMDA account that, through the IntraFi Network, is divided into amounts under the standard FDIC insurance maximum of \$250,000. The amounts are then placed into deposit accounts or CDs at multiple FDIC-insured banks.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statements of Activities and Changes in Net Assets. Investments acquired by gift are recorded at their fair value at the date of the gift.

Contributions and grants receivable -

Contributions and grants receivable include unconditional promises to give that are expected to be collected in future years. Contributions and grants receivable are recorded at their fair value, measured as the present value of their future cash flows. The discount on long-term contributions and grants is computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contributions and grants revenue.

Accounts and contracts receivable -

Accounts and contracts receivable are recorded at their net realizable value, which approximates fair value. Contracts receivable are evaluated for an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific contract receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. As a result of the aforementioned analysis, there was no allowance for credit losses recorded as of June 30, 2024 and 2023.

**NATIONAL COLLEGE ATTAINMENT NETWORK, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Fixed assets -

Fixed assets in excess of \$2,500 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to seven years. Software is amortized on a straight-line basis over the estimated useful life of the software, which is three years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the years ended June 30, 2024 and 2023 totaled \$25,373 and \$27,600, respectively.

Income taxes -

The Organization is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization is not a private foundation.

Support from contributions and grants and sponsorships -

Contributions and grants are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from contributions is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements. Contributions that are both received and released from restrictions in the same year are classified as without donor restrictions.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. The Organization's refundable advances totaled \$2,354,121 and \$2,009,580 as of June 30, 2024 and 2023, respectively.

In addition, the Organization may obtain funding source agreements related to conditional contributions, which will be received in future years. The Organization's unrecognized conditional contributions to be received in future years totaled \$709,842 as of June 30, 2024. The Organization did not have any unrecognized conditional awards as of June 30, 2023.

Conference sponsorships are classified as unconditional contributions, as there is no right of return should the event not take place, and are recognized as without donor restrictions if received in the same reporting period as the related event. Funds received in advance of the reporting period are recognized as with donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from donor restrictions when the related event occurs.

**NATIONAL COLLEGE ATTAINMENT NETWORK, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Support from contributions and grants and sponsorships (continued) -

Revenue from contracts with customers -

The Organization's conference registrations, membership dues and contract services are the most significant revenue streams that are treated as exchange transaction revenue following ASC Topic 606: *Revenue from Contracts with Customers*. Revenue from contracts with customers is recorded when the performance obligations are met. The Organization has elected to opt out of all disclosures not required for nonpublic entities. Transaction price is based on sales price. Funding received in advance of satisfying performance obligations are recorded as deferred revenue.

Conference registrations -

Conference registrations are recognized as revenue when the related events are held.

Membership dues -

Membership dues include general member benefits that are a series of distinct obligations. The revenue is recognized ratably over the membership period. There are several benefits received that are individual distinct obligations such as discounted rates to conferences and meetings; however, they are immaterial in nature to the contract and thus are included with the general member benefits. Amounts received prior to year-end are recorded as deferred revenue and recognized in the period in which the dues relate.

Contracts -

Contracts are recorded as revenue at a point in time when the performance obligations are met. Transaction price is based on cost.

Use of estimates -

The preparation of the 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 reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Organization are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported changes in net assets.

**NATIONAL COLLEGE ATTAINMENT NETWORK, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**2. INVESTMENTS AND FAIR VALUE MEASUREMENTS**

In accordance with FASB ASC 820, *Fair Value Measurement*, the Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

**Level 1.** These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Organization has the ability to access.

**Level 2.** These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

**Level 3.** These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the years ended June 30, 2024 and 2023. Transfers between levels are recorded at the end of the reporting period, if applicable.

*Money Market Funds* - The money market funds are open-end mutual funds that are registered with the Securities and Exchange Commission and are deemed to be actively traded.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2024:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Asset Class:</b>				
<b>Money Market Funds</b>	<b>\$ <u>2,613,286</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>2,613,286</u></b>

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2023:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Asset Class:</b>				
<b>Money Market Funds</b>	<b>\$ <u>2,000,000</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>2,000,000</u></b>

Net investment return consisted of the following for the years ended June 30, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
<b>Interest and Dividends, Net</b>	<b>\$ <u>114,522</u></b>	<b>\$ <u>1,041</u></b>

**3. CONTRIBUTIONS AND GRANTS RECEIVABLE**

As of June 30, 2024 and 2023, contributors to the Organization have made unconditional written promises to give, of which \$2,519,992 and \$758,490 remained due and outstanding, respectively. Amounts due beyond one year of the Statements of Financial Position date have been recorded at the present value of the estimated cash flows using discount rates ranging from 4.74% to 3.87%.

**NATIONAL COLLEGE ATTAINMENT NETWORK, INC.**

**NOTES TO FINANCIAL STATEMENTS  
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**3. CONTRIBUTIONS AND GRANTS RECEIVABLE (Continued)**

Following is a schedule of amounts due, by year, as of June 30, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Less than one year	\$ 1,840,375	\$ 568,873
One to five years	679,617	189,617
Subtotal	2,519,992	758,490
Less: Allowance to discount balance to present value	(29,619)	(11,004)
<b>TOTAL CONTRIBUTIONS AND GRANTS RECEIVABLE</b>	<b>\$ 2,490,373</b>	<b>\$ 747,486</b>

**4. CONTRACT ASSETS AND CONTRACT LIABILITIES**

Contract assets consisted of the following revenue streams as of:

	<b>June 30, 2024</b>	<b>June 30, 2023</b>	<b>July 1, 2022</b>
<b>Contracts</b>	<b>\$ 54,310</b>	<b>\$ -</b>	<b>\$ -</b>

Contract liabilities consisted of the following revenue streams as of:

	<b>June 30, 2024</b>	<b>June 30, 2023</b>	<b>July 1, 2022</b>
Conference registrations	\$ 258,233	\$ 62,696	\$ 63,650
Membership dues	54,150	114,469	77,469
<b>TOTAL CONTRACT LIABILITIES</b>	<b>\$ 312,383</b>	<b>\$ 177,165</b>	<b>\$ 141,119</b>

**5. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at June 30, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Subject to expenditure for specified purpose:		
Resources for FAFSA Completion	\$ 2,628,466	\$ 24,202
Supporting Adoption of a New Association Management System	416,229	-
Linking Children's Savings Accounts to College Access	195,783	279,325
Technical Assistance to College Access Providers	109,000	-
Leading for Equity	99,820	50,121
Providing Mental Health Support for Postsecondary Students	64,720	331,472
Connecting Higher Education and Community Based Organizations	45,551	-
Web-based Resource on Postsecondary Pathways	8,000	-
State Policy Resource Library	-	285,233
Membership and Conference Scholarships	-	115,716
State Aid Agency FAFSA Toolkit	-	24,512
Subtotal	3,567,569	1,110,581
Subject to passage of time	965,399	665,405
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b>\$ 4,532,968</b>	<b>\$ 1,775,986</b>

**NATIONAL COLLEGE ATTAINMENT NETWORK, INC.**

**NOTES TO FINANCIAL STATEMENTS  
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**5. NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors during the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Purpose restrictions accomplished:		
Resources for FAFSA Completion	\$ 2,348,247	\$ 4,798
State Aid Agency FAFSA Toolkit	285,233	5,488
Providing Mental Health Support for Postsecondary Students	267,464	262,816
Leading for Equity	185,300	217,770
Technical Assistance to College Access Providers	133,000	15,000
Membership and Conference Scholarships	116,123	3,379
Linking Children's Savings Accounts to College Access	89,441	42,068
Research on Student Needs and Safety Net Issues	72,500	-
Supporting Adoption of a New Association Management System	13,771	-
Connecting Higher Education and Community Based Organizations	4,449	-
Web-based Resource on Postsecondary Students	2,000	-
Pell Grant Research	-	40,000
State Policy Resource Library	-	27,697
Addressing COVID-19 Melt	-	9,886
Career Success for College Students	-	4,981
	<u>3,517,528</u>	<u>633,883</u>
Subtotal	3,517,528	633,883
Passage of time	<u>1,044,500</u>	<u>640,000</u>
	<u>4,562,028</u>	<u>1,273,883</u>
<b>TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>	<b>\$ <u>4,562,028</u></b>	<b>\$ <u>1,273,883</u></b>

**6. LIQUIDITY AND AVAILABILITY**

Financial assets available for use for general expenditures within one year of the Statements of Financial Position date comprise the following as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 4,702,208	\$ 3,638,611
Investments	2,613,286	2,000,000
Contributions and grants receivable	2,519,992	758,490
Accounts receivable	87,645	95,940
Contracts receivable	<u>54,310</u>	<u>-</u>
	9,977,441	6,493,041
Subtotal financial assets available within one year	9,977,441	6,493,041
Less: Donor restricted funds	(4,132,344)	(1,110,581)
Less: Board designated funds	<u>(2,205,654)</u>	<u>(1,624,197)</u>
	<u>3,639,443</u>	<u>3,758,263</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b>\$ <u>3,639,443</u></b>	<b>\$ <u>3,758,263</u></b>

The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due. In addition, the Organization's governing Board has established a fund that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

**NATIONAL COLLEGE ATTAINMENT NETWORK, INC.**

**NOTES TO FINANCIAL STATEMENTS  
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**7. LEASE COMMITMENTS**

The Organization follows FASB ASC 842 for leases. The Organization has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. The Organization has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

**Operating Lease:**

In October 2021, the Organization signed a lease agreement for office space in Washington, D.C. that commenced on April 1, 2022 and extends through January 31, 2030. Base rent is \$18,954 per month, increasing by a factor of 2.5% per year. Under the terms of the lease agreement, the landlord granted the Organization ten months of abated rent as well as an allowance for furniture and fixtures for the new space totaling \$57,825.

For the years ended June 30, 2024 and 2023, the total lease cost for all operating leases was \$221,418 and \$217,395, respectively, which is included in office expenses in the accompanying Statements of Functional Expenses. For the years ended June 30, 2024 and 2023, the total cash paid for all operating leases was approximately \$195,000 and \$133,000, respectively. As of June 30, 2024, the remaining lease term and rate for the operating lease is 5.6 years and 2.77%.

The following is a schedule of the future minimum lease payments:

<b><u>Year Ending June 30,</u></b>	
2025	\$ 243,981
2026	249,399
2027	252,609
2028	258,931
2029	265,407
Thereafter	<u>157,705</u>
	1,428,032
Less: Imputed interest	<u>(105,350)</u>
	1,322,682
Less: Current portion	<u>(210,452)</u>
<b>LONG-TERM PORTION</b>	<b><u>\$ 1,112,230</u></b>

**8. RETIREMENT PLAN**

The Organization provides retirement benefits to its employees through a defined contribution plan (the Plan) covering all full-time employees, other than fellows and interns. The Plan has no service requirement and has a minimum age requirement of 21. Employees are automatically enrolled once the age requirement is met and are provided with a 3% safe harbor contribution.

The Organization provides a 100% match of each eligible employee's contribution, up to 3%. In addition, the Organization provides non-discretionary, profit-sharing contributions, which are set at a fixed rate of 7% of an employee's compensation, subject to a vesting schedule. Contributions to the Plan during the years ended June 30, 2024 and 2023 totaled \$280,995 and \$231,314, respectively, and are included in employee benefits and payroll taxes in the accompanying Statements of Functional Expenses.

**NATIONAL COLLEGE ATTAINMENT NETWORK, INC.**

**NOTES TO FINANCIAL STATEMENTS  
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**9. COMMITMENTS**

The Organization is committed under agreements for conference space through the year 2027. The total commitments under the agreements are not determinable as it depends upon attendance and other unknown factors. There are cancellation penalties that would be due if the agreements were cancelled prior to the event date. The amounts of the cancellation penalties increase through the date of the event.

**10. SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 3, 2024, the date the financial statements were issued.