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**HONESTREPORTING.COM, INC.**  
(a nonprofit organization)

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**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**



**HONESTREPORTING.COM, INC.**  
**(a nonprofit organization)**

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## **INDEPENDENT AUDITORS' REPORT**

To The Board of Trustees  
**HonestReporting.com, Inc.**

### **Opinion**

We have audited the accompanying financial statements of HonestReporting.com, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HonestReporting.com, Inc. as of September 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 HonestReporting.com, Inc. 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 HonestReporting.com, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

MEMBER AICPA, NYSSCPA

## 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HonestReporting.com, Inc.'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 of HonestReporting.com, Inc.'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.



**BERNATH & ROSENBERG, P.C.**

Certified Public Accountants

Airmont, New York

January 27, 2025

MEMBER AICPA, NYSSCPA

**HONESTREPORTING.COM, INC.**  
**(a nonprofit organization)**  
**STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2024 AND 2023**

**ASSETS**

|                           | <b>2024</b>                           |                                    |                            |                            |
|---------------------------|---------------------------------------|------------------------------------|----------------------------|----------------------------|
|                           | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>               | <u>2023</u>                |
| <b>Current Assets:</b>    |                                       |                                    |                            |                            |
| Cash and Cash Equivalents | \$ 717,999                            | \$ 125,000                         | \$ 842,999                 | \$ 747,242                 |
| Investments               | 2,083,358                             | -                                  | 2,083,358                  | 1,226,852                  |
| Interest Receivable       | 5,726                                 | -                                  | 5,726                      | -                          |
| Prepaid Expenses          | 11,433                                | -                                  | 11,433                     | 10,717                     |
| Advances and Exchanges    | <u>41,706</u>                         | <u>-</u>                           | <u>41,706</u>              | <u>13,750</u>              |
| <b>TOTAL ASSETS</b>       | <u><u>\$ 2,860,222</u></u>            | <u><u>\$ 125,000</u></u>           | <u><u>\$ 2,985,222</u></u> | <u><u>\$ 1,998,561</u></u> |

**LIABILITIES AND NET ASSETS**

**Liabilities:**

**Current Liabilities:**

|   |                                |                              |                                |                                |
|---|--------------------------------|------------------------------|--------------------------------|--------------------------------|
| Accounts Payable and                        |                                |                              |                                |                                |
| Accrued Expenses                            | \$ 21,389                      | -                            | \$ 21,389                      | \$ 8,991                       |
| Deferred Revenue                            | <u>5,140</u>                   | <u>-</u>                     | <u>5,140</u>                   | <u>5,140</u>                   |
| Total Current Liabilities                   | <u>26,529</u>                  | <u>-</u>                     | <u>26,529</u>                  | <u>14,131</u>                  |
| <b>Total Liabilities:</b>                   | 26,529                         | -                            | 26,529                         | 14,131                         |
| <br><b>Net Assets</b>                       | <br><u>2,833,693</u>           | <br><u>125,000</u>           | <br><u>2,958,693</u>           | <br><u>1,984,430</u>           |
| <br><b>TOTAL LIABILITIES AND NET ASSETS</b> | <br><u><u>\$ 2,860,222</u></u> | <br><u><u>\$ 125,000</u></u> | <br><u><u>\$ 2,985,222</u></u> | <br><u><u>\$ 1,998,561</u></u> |

**HONESTREPORTING.COM, INC.**  
**(a nonprofit organization)**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

|                                       | <b>2024</b>                           |                                    |                     |                     |
|---------------------------------------|---------------------------------------|------------------------------------|---------------------|---------------------|
|                                       | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>        | <u>2023</u>         |
| <b>Changes in Net Assets:</b>         |                                       |                                    |                     |                     |
| <b>Revenue and Support:</b>           |                                       |                                    |                     |                     |
| Contributions                         | \$ 3,111,788                          | \$ 125,000                         | \$ 3,236,788        | \$ 1,989,348        |
| Events                                | 39,361                                | -                                  | 39,361              | -                   |
| Investment Income                     | <u>124,395</u>                        | <u>-</u>                           | <u>124,395</u>      | <u>63,565</u>       |
| Total Revenue and Support             | <u>3,275,544</u>                      | <u>125,000</u>                     | <u>3,400,544</u>    | <u>2,052,913</u>    |
| <b>Expenses:</b>                      |                                       |                                    |                     |                     |
| Program Services                      | 1,686,413                             | \$ -                               | 1,686,413           | 1,511,392           |
| Management and General                | 150,111                               | -                                  | 150,111             | 102,492             |
| Fundraising                           | <u>589,757</u>                        | <u>-</u>                           | <u>589,757</u>      | <u>358,020</u>      |
| Total Expenses                        | <u>2,426,281</u>                      | <u>-</u>                           | <u>2,426,281</u>    | <u>1,971,904</u>    |
| <b>Change in Net Assets</b>           | 849,263                               | 125,000                            | 974,263             | 81,009              |
| <b>Net Assets - Beginning of Year</b> | <u>1,984,430</u>                      | <u>-</u>                           | <u>1,984,430</u>    | <u>1,903,421</u>    |
| <b>Net Assets - End of Year</b>       | <u>\$ 2,833,693</u>                   | <u>\$ 125,000</u>                  | <u>\$ 2,958,693</u> | <u>\$ 1,984,430</u> |

*See Independent Auditors' Report and Accompanying Notes to the Financial Statements*

**HONESTREPORTING.COM, INC.**  
**(a nonprofit organization)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

|                                  | <u>Program<br/>Services</u> | <u>Management<br/>and General</u> | <u>Fundraising</u>       | <u>Total</u>               |
|----------------------------------|-----------------------------|-----------------------------------|--------------------------|----------------------------|
| Grants                           | \$ 1,395,930                | \$ -                              | \$ -                     | \$ 1,395,930               |
| Salaries                         | 131,928                     | 40,360                            | 281,457                  | 453,745                    |
| Payroll Taxes                    | 7,540                       | 2,982                             | 17,994                   | 28,516                     |
| Employee Benefits                | 8,765                       | 3,992                             | 35,051                   | 47,808                     |
| Consulting Fees                  | 56,020                      | 27,660                            | 23,820                   | 107,500                    |
| Accounting and Legal Fees        | -                           | 36,300                            | -                        | 36,300                     |
| Communications Expense           | 1,143                       | 580                               | 3,759                    | 5,482                      |
| Travel                           | 17,542                      | 3,898                             | 27,009                   | 48,449                     |
| Website Maintenance              | 10,335                      | 7,843                             | 91,062                   | 109,240                    |
| Office                           | 615                         | 7,220                             | 3,725                    | 11,560                     |
| Bank Fees                        | -                           | 5,166                             | -                        | 5,166                      |
| Credit Card Service Fees         | -                           | -                                 | 40,418                   | 40,418                     |
| Insurance                        | -                           | 3,192                             | -                        | 3,192                      |
| Social Media Promotion           | 48,252                      | -                                 | 55,000                   | 103,252                    |
| Conferences and Meetings         | 145                         | 8,364                             | 2,264                    | 10,773                     |
| Filing Fees                      | -                           | 2,554                             | -                        | 2,554                      |
| Annual Report                    | 8,198                       | -                                 | 8,198                    | 16,396                     |
| <b>Total Functional Expenses</b> | <u><u>\$ 1,686,413</u></u>  | <u><u>\$ 150,111</u></u>          | <u><u>\$ 589,757</u></u> | <u><u>\$ 2,426,281</u></u> |

**HONESTREPORTING.COM, INC.**  
**(a nonprofit organization)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

|                                  | Program<br>Services | Management<br>and General | Fundraising       | Total               |
|----------------------------------|---------------------|---------------------------|-------------------|---------------------|
| Grants                           | \$ 1,280,000        | \$ -                      | \$ -              | \$ 1,280,000        |
| Salaries                         | 106,111             | 21,566                    | 201,933           | 329,610             |
| Payroll Taxes                    | 7,979               | 1,536                     | 14,353            | 23,868              |
| Employee Benefits                | 12,488              | 3,689                     | 22,900            | 39,077              |
| Consulting Fees                  | 41,150              | 28,223                    | 42,120            | 111,493             |
| Accounting and Legal Fees        | -                   | 15,066                    | -                 | 15,066              |
| Communications Expense           | 1,218               | -                         | -                 | 1,218               |
| Postage and Shipping             | -                   | 1,281                     | 1,675             | 2,956               |
| Travel                           | 16,565              | 825                       | 7,644             | 25,034              |
| Rent                             | -                   | 5,660                     | -                 | 5,660               |
| Website Maintenance              | 21,195              | 5,581                     | 27,328            | 54,104              |
| Office                           | 1,804               | 4,328                     | 2,448             | 8,580               |
| Bank Fees                        | -                   | 7,702                     | -                 | 7,702               |
| Credit Card Service Fees         | -                   | -                         | 18,960            | 18,960              |
| Insurance                        | -                   | 2,894                     | -                 | 2,894               |
| Social Media Promotion           | 5,540               | -                         | 238               | 5,778               |
| Research                         | -                   | -                         | 6,057             | 6,057               |
| Conferences and Meetings         | 656                 | 1,250                     | 366               | 2,272               |
| Media Reporting Assistance       | 4,687               | -                         | -                 | 4,687               |
| Filing Fees                      | -                   | 2,891                     | -                 | 2,891               |
| Annual Report                    | 11,999              | -                         | 11,998            | 23,997              |
| <b>Total Functional Expenses</b> | <u>\$ 1,511,392</u> | <u>\$ 102,492</u>         | <u>\$ 358,020</u> | <u>\$ 1,971,904</u> |

*See Independent Auditors' Report and Accompanying Notes to the Financial Statements*



**HONESTREPORTING.COM, INC.**  
**(a nonprofit organization)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

|  | <u>2024</u>              | <u>2023</u>              |
|--|--------------------------|--------------------------|
| <b>Cash Flows from Operating Activities:</b>         |                          |                          |
| Change in Net Assets                                 | \$ 974,263               | \$ 81,009                |
| Adjustments to Reconcile Change in Net Assets to     |                          |                          |
| Net Cash Provided by (Used in) Operating Activities: |                          |                          |
| Unrealized Gain on Investment                        | (22,989)                 | (11,620)                 |
| Realized Gain on Investment                          | (2,805)                  | (14,422)                 |
| Amortization Premium                                 | -                        | 223                      |
| Original Issue Discount Interest                     | (79,690)                 | (18,726)                 |
| Investment Received as Donation                      | (34,984)                 | (2,669)                  |
| Changes in Operating Assets and Liabilities:         |                          |                          |
| Interest Receivable                                  | (5,726)                  | -                        |
| Prepaid Expenses                                     | (716)                    | (8,654)                  |
| Advances and Exchanges                               | (27,956)                 | (13,750)                 |
| Notes Receivable                                     | -                        | 10,000                   |
| Accounts Payable and Accrued Expenses                | <u>12,398</u>            | <u>(123,499)</u>         |
| Total Adjustments                                    | <u>(162,468)</u>         | <u>(183,117)</u>         |
| Net Cash Provided by (Used in) Operating Activities  | 811,795                  | (102,108)                |
| <b>Cash Flows from Investing Activities:</b>         |                          |                          |
| Purchase of Investments                              | (6,465,058)              | (3,806,596)              |
| Proceeds from Sale of Investments                    | <u>5,749,020</u>         | <u>3,785,371</u>         |
| Net Cash (Used in) Investing Activities              | <u>(716,038)</u>         | <u>(21,225)</u>          |
| Net Increase (Decrease) in Cash and Cash Equivalents | 95,757                   | (123,333)                |
| <b>Cash and Cash Equivalents - Beginning of Year</b> | <u>747,242</u>           | <u>870,575</u>           |
| <b>Cash and Cash Equivalents - End of Year</b>       | <u><u>\$ 842,999</u></u> | <u><u>\$ 747,242</u></u> |

*See Independent Auditors' Report and Accompanying Notes to the Financial Statements*

**HONESTREPORTING.COM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 1 - NATURE OF ORGANIZATION**

HonestReporting.com, Inc. (the “Organization”) was incorporated in New York in 2001 as a nonprofit organization. The Organization was formed to raise funds to monitor and promote objective media reporting on events related to the Middle East. The Organization’s primary support comes from donor contributions. The Organization provides its grants to support the operations of an independently governed Israeli organization whose mission and operations parallel those of the Organization.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

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

**Classes of Net Assets**

The accompanying financial statement has been prepared in conformity with the disclosure and display requirements of Financial Accounting Standards Board (FASB) ASC 958, Not-For-Profit Entities. ASC 958 requires that resources be classified for reporting purposes into two net asset categories as net assets with donor restrictions and net assets without donor restrictions according to the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions represent revenues and expenses related to the operations and management of the Organization’s primary programs and supporting services. If funds are raised and set aside by the board for future use, these are considered without donor restrictions. Contributions without donor restrictions that are expended for their restricted purpose in the same reporting period as received are recorded as without donor restrictions.

Net assets with donor restrictions are assets subject to donor-imposed stipulations that they be maintained permanently, or temporarily by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any investments for general or specific purposes. Amounts contributed that are designated for future periods are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. As of September 30, 2024 and 2023, the Organization had \$125,000 and \$0 of net assets with donor restrictions, respectively.

**Cash**

Cash consists of demand deposit accounts held at major financial institutions and may at times exceed the insurable amount of \$250,000. At September 30, 2024 and 2023, the Organization’s cash amount exceeded the federally insured limits by approximately \$161,000 and \$294,000, respectively. The Organization periodically assesses the financial condition of the institutions and considers the risk of loss to be minimal.

**HONESTREPORTING.COM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash (Continued)**

The Organization also holds cash with financial institutions domiciled outside of the United States. These account balances are not subject to FDIC protection. As of September 30, 2024 and 2023, approximately \$177,000 and \$200,000 were held in accounts domiciled outside of the United States. The Organization periodically assess the financial condition of the institutions and considers the risk of loss to be minimal.

**Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers all short-term investments purchased with a maturity of one month or less when purchased to be cash equivalents.

**Investments**

Investments with readily determinable fair values are measured at fair value in the statement of financial position. Interest, dividends, realized and unrealized gains and losses on investments, net of fees, are recorded as Other Income (Loss), in the statement of activities. Realized gains and losses are determined on a specific identification basis. Realized and unrealized gains and losses, interest and dividends on investments are recorded as net assets without donor restrictions unless such amounts are restricted by the donor or by law. Investments received as donations are recorded at the estimated fair value at the date of the donation.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to use judgment in the application of accounting policies including making estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during a reporting period. The most significant assumptions and estimates relate to depreciable lives and revenue recognition. Application of these assumptions requires the exercise of judgment as to future uncertainties and, as a result, actual results could differ from those estimates.

**Revenue Recognition**

We have analyzed the provisions of the FASB's ASC Topic 606, Revenue from Contracts with customers, and have concluded that no changes are necessary to conform with the new standard. The Organization recognizes contribution income upon receipt and not based on pledges to contribute, unless a donor has a contractual obligation. As of September 30, 2024 and 2023, there were no contractual pledges receivables. The Organization recognizes revenue when earned. Mission fees and payments received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred.

**HONESTREPORTING.COM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Contributions**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Donated services are recognized as contributions if the services (1) create or enhance non financing assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers provide services that are not recognized as contributions in the financial statement, since the recognition criteria were not met.

For the years ending September 30, 2024 and 2023, there were no donated services contributions.

**Promises to Give**

Unconditional promises to give are recognized in the period received both as revenues or gains, and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Income Taxes**

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

**Advertising and Promotion**

Advertising and promotion costs are expensed as incurred. For the years ending September 30, 2024 and 2023, advertising and promotion costs were \$103,252 and \$5,778, respectively.

**NOTE 3 - NOTE RECEIVABLE**

In August 2020, the Organization issued a guaranteed note in the amount of \$60,000 to its consultant. The note is amortized by withholding \$833 per month from consulting payments, commencing November 30, 2020. In May 2022, in lieu of severance, all but \$10,000 of the remaining note balance was forgiven and recorded as consulting fees. The remaining \$10,000 of the note was forgiven in October 2022 and recorded as consulting fees on the statement of functional expenses.

**NOTE 4 - FAIR VALUE HIERARCHY**

Accounting guidance on fair value measurements for certain financial assets and liabilities requires that assets and liabilities carried at fair value be classified in one of the following three categories:

*See Independent Auditors' Report*

**HONESTREPORTING.COM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 4 - FAIR VALUE HIERARCHY (Continued)**

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuation based on inputs that are unobservable and significant to the overall fair value measurement.

Under the fair value accounting guidance hierarchy an entity is required to maximize the use of quoted market prices and minimize the use of unobservable inputs. The following tables sets forth the Organization’s investment securities classified as available for sale, which are carried at fair value, as of September 30, 2024 and 2023 that are measured on a recurring basis during the year, segregated by level with the fair value hierarchy, respectively:

|                            | September 30, 2024  |             |             |
|----------------------------|---------------------|-------------|-------------|
|                            | Level 1             | Level 2     | Level 3     |
| Total at Cost              | \$ 2,052,625        | \$ -        | \$ -        |
| Unrealized Gain            | 30,733              | -           | -           |
| Total at Fair Market Value | <u>\$ 2,083,358</u> | <u>\$ -</u> | <u>\$ -</u> |

  

|                            | September 30, 2023  |             |             |
|----------------------------|---------------------|-------------|-------------|
|                            | Level 1             | Level 2     | Level 3     |
| Total at Cost              | \$ 1,219,108        | \$ -        | \$ -        |
| Unrealized Gain            | 7,744               | -           | -           |
| Total at Fair Market Value | <u>\$ 1,226,852</u> | <u>\$ -</u> | <u>\$ -</u> |

**NOTE 5 - DEFERRED REVENUE**

Deferred revenue consists of mission fees which were received in advance of the activity that will take place subsequent to the reporting period. As of September 30, 2024 and 2023, the Organization had \$5,140 of deferred revenue.

**NOTE 6 - COMMITMENTS AND CONTINGENCIES**

The Organization is subject to legal proceedings, claims and litigation arising in the ordinary course of business. As of September 30, 2024 and 2023, there were no legal proceedings.

In June 2018, the Organization entered into a three-year lease agreement for its office which requires monthly payments in the amount of \$703, increasing annually by 2.5%. In July 2021, the lease was extended until July 2023 requiring monthly payments in the amount of \$757, increasing annually by 2.5%. At July 2023, the lease was not extended and the office was closed.

**HONESTREPORTING.COM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 7 - INVESTMENT INCOME**

Investment Income on the statements of activities is comprised of the following:

|                                  | <u>2024</u>       | <u>2023</u>      |
|----------------------------------|-------------------|------------------|
| Unrealized Gain on Investment    | \$ 22,989         | \$ 11,620        |
| Realized Gain on Investment      | 2,805             | 14,422           |
| Dividend Income                  | 6,901             | 2,845            |
| Interest Income                  | 12,010            | 16,175           |
| Original Issue Discount Interest | 79,690            | 18,726           |
| Amortization Premium             | -                 | (223)            |
| Total Investment Income          | <u>\$ 124,395</u> | <u>\$ 63,565</u> |

**NOTE 8 - FUNCTIONAL ALLOCATION OF EXPENSES**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include; salaries, payroll taxes, and employee benefits, which are allocated on the basis of estimated time spent on each function. All other allocated expenses are allocated based on the estimated use of each expenditure for each function.

**NOTE 9 - LIQUIDITY AND AVAILABILITY**

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments while also striving to maximize the investment of its available funds. As of September 30, 2024 and 2023, the Organization had \$842,999 and \$747,242 in cash and cash equivalents, respectively, that could readily be available within one year of the balance sheet date to meet operating expenditures.

**NOTE 10 - CONCENTRATIONS**

For the year ended September 30, 2024, no one contributor accounted for more than 10% of total contributions. For the year ended September 30, 2023, one contributor accounted for approximately 20% of total contributions.

**NOTE 11 - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through January 27, 2025 the date which the financial statements were available to be issued.