

NATIONAL SECURITY ARCHIVE FUND, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2023 AND 2022



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NATIONAL SECURITY ARCHIVE FUND, INC.

TABLE OF CONTENTS

DECEMBER 31, 2023 AND 2022

Independent Auditors' Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-16



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Independent Auditors' Report

The Board of Directors
National Security Archive Fund, Inc.
Washington, DC

Opinion

We have audited the financial statements of the National Security Archive Fund, Inc., which comprise the statements of financial position as of December 31, 2023 and 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of the National Security Archive Fund, Inc., as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the National Security Archive Fund, 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 the National Security Archive Fund, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 the National Security Archive Fund, 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 the National Security Archive Fund, 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.

A handwritten signature in cursive script that reads "Matthews, Carter and Boye". The signature is written in black ink on a light-colored background.

Fairfax, Virginia
March 3, 2025

NATIONAL SECURITY ARCHIVE FUND, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,363,155	\$ 1,256,253
Foundation grants receivable, short term - with donor restrictions	605,000	1,015,000
Foundation grants receivable, short term - unrestricted	-	300,000
Royalties due from co-publishers	146,727	131,707
Other receivables	6,486	17,491
Prepaid expenses	56,056	56,093
	\$ 2,177,424	\$ 2,776,544
Total Current Assets		
OTHER ASSETS		
Foundation grants receivable, long term - with donor restrictions	\$ 435,000	\$ 90,000
Operating lease right-of-use-asset, net	49,631	98,587
Property, plant, and equipment, net	13,266	11,583
	\$ 497,897	\$ 200,170
Total Other Assets		
TOTAL ASSETS	\$ 2,675,321	\$ 2,976,714
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 1,000	\$ 2,000
Accrued expenses	23,590	37,050
Operating lease liability, current portion	49,631	48,956
	74,221	88,006
Total Current Liabilities		
OTHER LIABILITIES		
Operating lease liability, net of current portion	-	49,631
	\$ 74,221	\$ 137,637
Total Liabilities		
NET ASSETS		
Without donor restrictions	\$ 1,171,533	\$ 1,284,031
With donor restrictions	1,429,567	1,555,046
	\$ 2,601,100	\$ 2,839,077
Total Net Assets		
TOTAL LIABILITIES AND NET ASSETS	\$ 2,675,321	\$ 2,976,714

The accompanying notes are an integral part of these financial statements.

NATIONAL SECURITY ARCHIVE FUND, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

(With comparative totals for the year ended December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
REVENUE AND OTHER SUPPORT				
Gifts from individuals	\$ 120,641	\$ -	\$ 120,641	\$ 18,711
Grants from foundations:				
Received in the current year	513,000	78,000	591,000	963,750
Receivable in future years	-	950,000	950,000	1,010,000
Royalties, honoraria, and sale of materials	738,712	-	738,712	869,738
Net assets released from restriction	1,153,479	(1,153,479)	-	-
Total Revenue and Other Support	\$ 2,525,832	\$ (125,479)	\$ 2,400,353	\$ 2,862,199
EXPENSES				
Program expenses	\$ 2,294,807	\$ -	\$ 2,294,807	\$ 2,298,672
Supporting services:				
Management and general	\$ 282,484	\$ -	\$ 282,484	\$ 278,069
Fund raising	61,039	-	61,039	61,033
Total Supporting Services	\$ 343,523	\$ -	\$ 343,523	\$ 339,102
Total Expenses	\$ 2,638,330	\$ -	\$ 2,638,330	\$ 2,637,774
CHANGE IN NET ASSETS	\$ (112,498)	\$ (125,479)	\$ (237,977)	\$ 224,425
NET ASSETS, BEGINNING OF YEAR	1,284,031	1,555,046	2,839,077	2,614,652
NET ASSETS, END OF YEAR	\$ 1,171,533	\$ 1,429,567	\$ 2,601,100	\$ 2,839,077

The accompanying notes are an integral part of these financial statements.

NATIONAL SECURITY ARCHIVE FUND, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	2022 Total
REVENUE AND OTHER SUPPORT			
Gifts from individuals	\$ 18,711	\$ -	\$ 18,711
Grants from foundations:			
Received in the current year	450,750	513,000	963,750
Receivable in future years	300,000	710,000	1,010,000
Royalties, honoraria, and sale of materials	869,738	-	869,738
Net assets released from restriction	952,697	(952,697)	-
	\$ 2,591,896	\$ 270,303	\$ 2,862,199
EXPENSES			
Program expenses	\$ 2,298,672	\$ -	\$ 2,298,672
Supporting services:			
Management and general	\$ 278,069	\$ -	\$ 278,069
Fund raising	61,033	-	61,033
	\$ 339,102	\$ -	\$ 339,102
	\$ 2,637,774	\$ -	\$ 2,637,774
CHANGE IN NET ASSETS	\$ (45,878)	\$ 270,303	\$ 224,425
NET ASSETS, BEGINNING OF YEAR	1,329,909	1,284,743	2,614,652
NET ASSETS, END OF YEAR	\$ 1,284,031	\$ 1,555,046	\$ 2,839,077

The accompanying notes are an integral part of these financial statements.

NATIONAL SECURITY ARCHIVE FUND, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

(With comparative totals for the year ended December 31, 2022)

	Program	Management and General	Fund Raising	2023 Total	2022 Total
EXPENSES					
Staff salaries	\$ 1,498,276	\$ 173,500	\$ 43,000	\$ 1,714,776	\$ 1,729,030
Staff benefits and general insurance	609,874	60,163	13,780	683,817	705,987
Books, subscriptions, directories, and dues	1,907	-	-	1,907	2,022
Computer equipment, supplies, and services	42,061	6,145	-	48,206	43,437
Depreciation and amortization	5,694	-	-	5,694	6,161
Office equipment, supplies, and services	9,127	1,139	-	10,266	9,025
Professional fees, consultants, and honoraria	29,141	18,500	-	47,641	43,772
Rent, document storage, and parking	80,007	-	-	80,007	79,600
Telephone equipment and services	12,001	-	-	12,001	9,028
Travel, meetings, and conferences	30,686	3,329	-	34,015	9,712
Allocation of supporting services	(23,967)	19,708	4,259	-	-
TOTAL EXPENSES	\$ 2,294,807	\$ 282,484	\$ 61,039	\$ 2,638,330	\$ 2,637,774

The accompanying notes are an integral part of these financial statements.

NATIONAL SECURITY ARCHIVE FUND, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

	Program	Management and General	Fund Raising	2022 Total
EXPENSES				
Staff salaries	\$ 1,512,530	\$ 173,500	\$ 43,000	\$ 1,729,030
Staff benefits and general insurance	634,774	57,930	13,283	705,987
Books, subscriptions, directories, and dues	2,022	-	-	2,022
Computer equipment, supplies, and services	37,566	5,871	-	43,437
Depreciation and amortization	6,161	-	-	6,161
Office equipment, supplies, and services	7,130	1,895	-	9,025
Professional fees, consultants, and honoraria	24,872	18,900	-	43,772
Rent, document storage, and parking	79,600	-	-	79,600
Telephone equipment and services	9,028	-	-	9,028
Travel, meetings, and conferences	8,647	573	492	9,712
Allocation of supporting services	(23,658)	19,400	4,258	-
TOTAL EXPENSES	<u>\$ 2,298,672</u>	<u>\$ 278,069</u>	<u>\$ 61,033</u>	<u>\$ 2,637,774</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL SECURITY ARCHIVE FUND, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS - OPERATING ACTIVITIES		
Change in net assets	\$ (237,977)	\$ 224,425
Adjustments to reconcile change in net assets to net cash flows - operating activities:		
Depreciation and amortization	\$ 5,694	\$ 6,161
(Increase) Decrease In:		
Foundation grants receivable	365,000	(410,000)
Royalties due from co-publishers	(15,020)	(25,176)
Other receivables	11,004	(7,660)
Prepaid expenses	39	613
Amortization of right of use asset	48,956	48,458
(Decrease) Increase In:		
Accounts payable and accrued expenses	(14,460)	15,019
Payments on operating lease liability	(48,956)	(48,458)
	\$ 352,257	\$ (421,043)
Total adjustments		
	\$ 114,280	\$ (196,618)
Net Cash Flows - Operating Activities		
CASH FLOWS - INVESTING ACTIVITIES		
Payments for purchase of equipment	\$ (7,378)	\$ (2,429)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 106,902	\$ (199,047)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,256,253	1,455,300
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,363,155	\$ 1,256,253
Non-cash investing or financing activities for the years ended December 31, 2023 and 2022:		
Right of use asset acquired with lease liability	\$ -	\$ 147,045
Lease liability	\$ -	\$ 147,045

The accompanying notes are an integral part of these financial statements.

NATIONAL SECURITY ARCHIVE FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1. Organization and Nature of Activities

The National Security Archive Fund, Inc. (the NSAF) is a District of Columbia non-profit corporation. Since July 1, 1999, the NSAF has been the corporate base for the National Security Archive (the Archive). The Archive was founded in 1985 under the auspices of a multi-program non-profit corporation to collect, analyze, and publish unclassified and declassified documents bearing upon U.S. foreign policy and related topics in international affairs. Its published collections of documents are used by the students and faculty of colleges and universities in the U.S. and abroad, and by journalists, researchers, and non-governmental organizations throughout the world. It also undertakes research projects and conferences to facilitate the study and open discussion of world events and trends.

Since 1995, the Archive has been located in the Gelman Library at The George Washington University (GWU) in Washington, DC. Although the Archive and GWU are separate legal entities, the Archive provides many materials and services to GWU students and faculty (including direct access to Archive document collections; research-assistant positions and internships for GWU students; assistance in the use of the U.S. Freedom of Information Act in scholarly research; and participation in frequent collaborative activities including seminars, conferences, and research projects) and receives access to various GWU facilities (including office space and telephone services; information-technology equipment and support; university library, on-campus parking, and athletic facilities; participation in the services of the Washington Research Library Consortium; and advice and assistance from GWU faculty in the formulation and undertaking of Archive research projects). The services and opportunities GWU and the Archive provide each other are significant and mutually beneficial, including many intangible elements. Where appropriate, the fair value of the services provided and received is reflected in the NSAF's financial statements.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the NSAF have been prepared on the accrual basis, which conforms to accounting principles generally accepted in the United States of America.

Basis of Presentation

The NSAF follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. FASB ASC 958 specifies that financial statements provided by not-for-profit organizations include statements of financial position, statements of activities, statements of functional expenses, and statements of cash flows. Contributions are recognized as revenue when they are received or unconditionally pledged. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Accordingly, net assets of the NSAF and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of NSAF's management and the Board of Directors.

NATIONAL SECURITY ARCHIVE FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Concluded)

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of NSAF or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The NSAF does not currently hold net assets with perpetual donor restrictions.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities and changes in net assets.

Management Estimates and Uncertainties

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

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid bank accounts. At December 31, 2023 and 2022, the NSAF's cash and cash equivalents were held by one bank. The balance on deposit at times may exceed the amount insured by federal agencies. The NSAF does not believe that, as a result of this concentration, it is subject to any unusual financial risk beyond the normal risk associated with commercial banking relationships.

Grants Receivable

The NSAF accounts for grants and contributions under FASB ASC 958, which requires the NSAF to record a receivable to reflect the promises of donors to make future grants. Under Accounting Standards Codification Topic 820, *Fair Value Measurement* (FASB ASC 820), grants receivable are initially recorded at fair value and are discounted to their net present value using an appropriate market rate.

Royalties and Accounts Receivable

Royalties and accounts receivable consist of a limited number of customers. Management deems all amounts due to be collectible; therefore, no allowance for credit losses has been recorded as of December 31, 2023 or 2022. The balances of royalties and other receivables were \$153,213, \$149,198 and \$116,362 as of December 31, 2023, 2022 and 2021, respectively.

Property, Plant, and Equipment and Depreciation

Property, plant, and equipment are recorded at cost at the date of purchase or fair market value at the date of donation. Acquisitions greater than \$1,000 of property and equipment are capitalized. Computer and office equipment are depreciated using the straight-line method over their estimated useful lives of five years. Leasehold improvements have been fully amortized as of December 31, 2023.

NATIONAL SECURITY ARCHIVE FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

NSAF adopted ASC 606, *Revenue from Contracts with Customers*, on January 1, 2019. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. The five-step model is:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Royalties due to the NSAF from co-publishers are recorded as revenue in the periods in which they are earned from the sale of publications or subscriptions. The royalties income is recognized at a point in time which is when rights are transferred to the purchaser. Honoraria and the sales of materials are also recorded at the point in time when earned which is when rights or materials are transferred. Transaction prices for royalties, honoraria and sales are based on published stand alone prices. There is no variable consideration.

The recording of contributions and grants is outside of the scope of ASC 606. NSAF recognizes contributions and grants when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected based on a market rate of return.

Income Taxes

The NSAF is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and the applicable state income tax regulations, except for taxes on unrelated business income. Because the NSAF had no unrelated business income for the years ended December 31, 2023 or 2022, no provision for income taxes has been made in the accompanying financial statements.

FASB ASC 740, *Income Taxes* prescribes a model for how an entity should recognize, measure, present, and disclose in its financial statements uncertain tax positions that the entity has taken or expects to take on a tax return. FASB ASC 740 requires an entity to recognize the benefit of tax positions when it is “more likely than not” that the provision will be sustainable based on the merits of the position taken by an entity. The NSAF has analyzed its tax positions, and has concluded that no liability should be recorded related to any uncertain tax positions. The NSAF is not aware of any tax positions that it believes will change materially in the next twelve months. If this position changes, the NSAF will assess the impact of any such matters on its financial position and results of operations.

NATIONAL SECURITY ARCHIVE FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 2. Summary of Significant Accounting Policies (Continued)

Grantees and Indemnifications

The NSAF may enter into service agreements with service providers in which it agrees to indemnify the service provider against certain losses and liabilities arising from the service provider's performance under the agreement. Generally, such indemnification obligations do not apply in situations in which the service provider is grossly negligent, engages in willful misconduct, or acts in bad faith. The NSAF is not aware of any liability under such service agreements for the years ended December 31, 2023 or 2022.

Functional Allocation of Expenses

The costs of providing the NSAF's various programs and supporting services have been summarized on a functional basis in the accompanying financial statements. Costs that can be identified with a particular program or support function are charged directly to that program or function. Salaries and related costs have been allocated among the programs and supporting services based upon the proportion of these costs applicable to each program. Other costs have been allocated to program expenses and supporting services based upon management's best estimates.

Leases

At contract inception, the NSAF determines if a contract is or contains a lease and whether the lease should be classified as an operating or finance lease. Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on the accompanying statements of financial position.

ROU assets represent the NSAF's right to use an underlying asset for the lease term and lease liabilities represent the NSAF's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the NSAF will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The NSAF has elected to expense payments for short-term leases with a term of 12 months or less, as these leases are not included as lease liabilities or right of use assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the NSAF 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 all lease liabilities.

The NSAF has elected not to separate non-lease components from lease components and instead accounts for each separate lease component and the non-lease component as a single lease component.

NATIONAL SECURITY ARCHIVE FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 2. Summary of Significant Accounting Policies (Concluded)

New Accounting Pronouncements

In June 2016, the FASB issued, FASB ASC 326, Financial Instruments – *Credit Losses* (Topic 326). Topic 326 significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. 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 NSAF that are subject to the guidance in FASB ASC 326 are royalties due from publishers and other receivables. The ASC was adopted January 1, 2023 by NSAF. The impact of the adoption was not material to the financial statements.

Note 3. Availability and Liquidity

The following represent the NSAF's financial assets at December 31:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,363,155	\$ 1,256,253
Receivables, net	<u>1,193,064</u>	<u>1,553,275</u>
Total financial assets	\$ 2,556,219	\$ 2,809,528
Less amounts not available to be used within one year:		
Net assets with donor restrictions expiring after December 31 of the following year	<u>(579,284)</u>	<u>(424,269)</u>
Financial assets available to meet general and restricted program expenditures over the next twelve months	<u>\$ 1,197,935</u>	<u>\$ 2,385,259</u>

The NSAF is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, NSAF must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of NSAF's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note 4. Defined Contribution Retirement Plan

In April 2002, the NSAF established a defined contribution retirement plan for its employees under Section 403(b) of the Internal Revenue Code. All non-temporary employees may make contributions to accounts under the plan on a pre-tax basis, subject to the maximums provided by law. In cases in which employees who are at least 21 years of age and who have been employed by the NSAF for at least two years without a break in service, and contribute five percent or more of their salaries, the NSAF makes contributions to their retirement accounts established under the plan equal to ten percent of their salaries. The NSAF's contributions to employees' accounts under the plan totaled \$155,699 and \$155,783 for the years ended December 31, 2023 and 2022, respectively.

NATIONAL SECURITY ARCHIVE FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 5. Commitments

Under the terms of a license agreement, the NSAF pays GWU \$50,000 a year for office space and certain related facilities and services. The agreement, which commenced in January 1995, runs in automatically renewable five-year periods and is cancelable upon nine months' notice by either party.

Cash paid for amounts included in the measurement of lease liabilities was \$48,956 and \$48,458 for the years ended December 31, 2023 and 2022, respectively. The Right-of-Use (ROU) assets obtained in exchange for operating lease liabilities totaled \$147,045 during the year ended December 31, 2022. The accumulated amortization of the ROU assets as of December 31, 2023 and 2022 was \$97,414 and \$48,458, respectively.

Maturities of the lease liabilities as of December 31, 2023 are as follows for the years ending December 31:

2024	\$	50,000
Less: imputed interest		<u>(369)</u>
 Total present value	 \$	 49,631
Less: lease liabilities, current portion		<u>(49,631)</u>
 Total lease liabilities, net of current portion	 \$	 <u><u>-</u></u>

Other Information- Operating Leases:

Weighted-average remaining lease terms (in years)	1 year
Weighted-average discount rate	1.37%

The NSAF leases office equipment from commercial suppliers under non-cancelable leases; future gross minimum annual rental payments to be paid under these leases as of December 31, 2022 totaled \$3,993 (payable through September 2023). Rent expense under the lease agreements for the years ended December 31, 2023 and 2022 totaled \$3,993 and \$5,316, respectively.

Note 6. Foundation Grants Receivable

As of December 31, 2023 and 2022, the NSAF held the following multi-year grant commitments:

	<u>2023</u>	<u>2022</u>
Grants receivable	\$ 1,040,000	\$ 1,405,000
Less current portion	<u>(605,000)</u>	<u>(1,315,000)</u>
 Net Grants Receivable, long term	 <u>\$ 435,000</u>	 <u>\$ 90,000</u>

NATIONAL SECURITY ARCHIVE FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 7. Property, Plant, and Equipment

As of December 31, 2023 and 2022, property, plant, and equipment consisted of the following:

	2023	2022
Leasehold improvements	\$ 181,824	\$ 181,824
Computer, office equipment and customized software	215,498	208,120
	\$ 397,322	\$ 389,944
Accumulated depreciation and amortization	(384,056)	(378,361)
	\$ 13,266	\$ 11,583

Depreciation and amortization expense was \$5,694 and \$6,161 for the years ended December 31, 2023 and 2022, respectively.

Note 8. Composition of Net Assets with Donor Restrictions

As of December 31, 2023 and 2022, the NSAF held net assets with donor restrictions for the following purposes:

	2023	2022
Latin America Programs	\$ 121,996	\$ 223,786
U.S.-Russia Relations and Nuclear Weapons Policy Programs	1,001,537	661,704
Freedom of Information Law Programs: United States	260,625	548,362
Cyber Security Program	-	75,785
Broadly-based Human Rights Programs	45,409	45,409
	\$ 1,429,567	\$ 1,555,046

Net assets with donor restrictions were released from restriction for the following purposes during the years ended December 31, 2023 and 2022:

	2023	2022
Latin America Programs	\$ 179,790	\$ 204,978
U.S.-Russia Relations and Nuclear Weapons Policy Programs	610,166	548,296
Freedom of Information Law Programs: United States	287,738	96,638
Cyber Security Program	75,785	102,785
	\$ 1,153,479	\$ 952,697

Note 9. Concentrations

During 2023, NSAF received 54% of its total revenue from two major donors.

During 2022, NSAF received 55% of its total revenue from three major donors.

NSAF considers a major donor as one that represents ten percent or more of the total revenue.

NATIONAL SECURITY ARCHIVE FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 10. Presentation of Prior Year Financial Statements

Certain amounts and descriptions in the prior year financial statements have been modified for comparative purposes to conform to the presentation of the current year financial statements.

Note 11. Subsequent Events

The NSAF has performed an evaluation of subsequent events through March 3, 2025, which is the date the financial statements were available to be issued. The NSAF is not aware of any events occurring subsequent to December 31, 2023 that would have a material impact on the NSAF's results of operations or financial position or that otherwise requires recognition or disclosure in these financial statements.