BLINDED VETERANS ASSOCIATION

FINANCIAL STATEMENTS

Year Ended June 30, 2023

AND

INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Blinded Veterans Association

Opinion

We have audited the accompanying financial statements of Blinded Veterans Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Blinded Veterans Association as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Blinded Veterans Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Blinded Veterans Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 Blinded Veterans Association'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 Blinded Veterans Association'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.

Rubino & Company

December 5, 2023
Bethesda, Maryland

BLINDED VETERANS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
June 30, 2023

ASSETS

Current assets	
Cash and cash equivalents	$ 486,198
Prepaid expenses and other assets	36,818
Total current assets	523,016
Property and equipment, net	16,097
Operating lease right-of-use asset, net	281,854
Investments - board designated	
Investment fund	11,294,366
Life membership fund	1,114,045
Security deposit	5,329
Total assets	$ 13,234,707

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable and accrued expenses	$ 100,709
Lease obligations, current portion	53,816
Contract liabilities	68,695
Total current liabilities	223,220
Lease obligations, noncurrent portion	256,578
Total liabilities	479,798
Net assets	
Without donor restrictions	
Undesignated	130,233
Board designated	12,408,411
	12,538,644
With donor restrictions	216,265
Total net assets	12,754,909
Total liabilities and net assets	$ 13,234,707

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

BLINDED VETERANS ASSOCIATION
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

	Without donor restrictions		With donor	
	Undesignated	Designated	restrictions	Total
Revenue and support				
Contributions and grants	$ 1,083,517	$ -	$ 126,715	$ 1,210,232
Annual convention	139,318	-	-	139,318
	1,222,835	-	126,715	1,349,550
Net assets released from restrictions	31,348	-	(31,348)	-
Total revenue and support	1,254,182	-	95,368	1,349,550
Expenses				
Program services				
Veterans service program	256,234	-	-	256,234
Annual convention	387,372	-	-	387,372
Team BVA	31,347	-	-	31,347
Education	397,190	-	-	397,190
Total program services	1,072,143	-	-	1,072,143
Support services				
Fundraising	245,088	-	-	245,088
Management and general	539,541	-	-	539,541
Total support services	784,629	-	-	784,629
Total expenses	1,856,772	-	-	1,856,772
Change in net assets from operations	(602,590)	-	95,368	(507,222)
Non-operating activity				
Interest and dividends, net of fees	-	304,250	-	304,250
Realized loss on investments	-	(210,905)	-	(210,905)
Unrealized gain on investments	-	254,186	-	254,186
Gain on sale of building	231,991	-	-	231,991
Apportionment of life membership fund investment income	-	(44,124)	-	(44,124)
	231,991	303,407	-	535,398
Change in net assets	(370,599)	303,407	95,368	28,176
Transfers	(2,262,888)	2,262,888	-	-
Net assets, beginning of year	2,763,720	9,842,116	120,897	12,726,733
Net assets, end of year	$ 130,233	$ 12,408,411	$ 216,265	$ 12,754,909

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

BLINDED VETERANS ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

	Program Services					Supporting Services			
	Veterans Service Program	Annual Convention	Team BVA	Education	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Salaries and wages	$ 163,916	$ -	$ -	$ 269,853	$ 433,769	$ 105,118	$ 283,353	$ 388,471	$ 822,240
Payroll taxes	13,204	-	-	22,345	35,549	8,868	24,987	33,855	69,404
Employee benefits	2,844	-	-	4,241	7,085	823	4,158	4,981	12,066
Equipment rentals	-	-	961	-	961	-	-	-	961
Rent and lease	12,511	-	-	20,596	33,107	8,023	21,627	29,650	62,757
Bank charges	262	1,751	1,204	65	3,282	2,832	7,698	10,530	13,812
Building expenses	5,446	-	-	8,966	14,412	3,493	9,415	12,908	27,320
BVA bulletin	-	3,598	-	-	3,598	-	-	-	3,598
Depreciation	4,910	-	-	8,083	12,993	3,149	8,486	11,635	24,628
Financial management and accounting	-	-	-	-	-	-	28,050	28,050	28,050
Gifts and awards	3,000	731	-	10,118	13,849	-	-	-	13,849
Insurance	2,387	-	-	3,930	6,317	1,531	4,127	5,658	11,975
Merchandise	1,141	1,032	-	1,100	3,273	-	-	-	3,273
Miscellaneous	35,861	4,391	120	308	40,680	42,636	757	43,393	84,073
Other event expense	-	209,610	-	-	209,610	-	-	-	209,610
Office expense and supplies	1,150	101	7,237	1,001	9,489	-	2,388	2,388	11,877
Payroll service	-	-	-	-	-	-	17,382	17,382	17,382
Postage and shipping	-	-	197	345	542	17,251	5,913	23,164	23,706
Printing and stationery	-	22,320	-	16,401	38,721	-	2,176	2,176	40,897
Professional fees	3,000	-	-	531	3,531	15,214	21,616	36,830	40,361
Repairs and maintenance	408	-	-	671	1,079	261	23,562	23,823	24,902
Retirement plan expense	921	-	-	2,197	3,118	1,048	1,484	2,532	5,650
Storage	-	-	-	-	-	-	4,006	4,006	4,006
Subscriptions and dues	1,800	31	-	2,318	4,149	876	3,319	4,195	8,344
Telephone and communications	1,473	-	-	2,426	3,899	945	2,547	3,492	7,391
Bad debt expense	-	-	-	-	-	-	61,733	61,733	61,733
Travel	2,000	33,720	20,315	835	56,870	1,838	757	2,595	59,465
Sponsorship fulfillment	-	110,087	-	-	110,087	-	-	-	110,087
Direct mail	-	-	1,313	20,860	22,173	31,182	-	31,182	53,355
Total expenses	$ 256,234	$ 387,372	$ 31,347	$ 397,190	$ 1,072,143	$ 245,088	$ 539,541	$ 784,629	$ 1,856,772

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

BLINDED VETERANS ASSOCIATION
STATEMENT OF CASH FLOWS
Year Ended June 30, 2023

Cash flows from operating activities	
Change in net assets	$ 28,176
Adjustments to reconcile change in net assets to net cash and cash equivalents used in operating activities:	
Depreciation	24,628
Loss on disposal of property and equipment	13,085
Gain on sale of building	(231,991)
Bad debt expense	61,733
Net realized and unrealized losses on investments	18,987
Amortization of operating lease right-of-use asset	22,631
(Increase) decrease in operating assets:	
Pledges receivable	348,078
Prepaid expenses and other assets	(27,104)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	(20,442)
Lease obligations	5,909
Contract liabilities	2,440
Net cash provided by operating activities	246,130
Cash flows from investing activities	
Purchases of property and equipment	(5,951)
Proceeds from sale of building	2,089,744
Purchase and reinvestment of investments	(4,038,695)
Proceeds from redemption and sale of investments	1,453,413
Net cash used by investing activities	(501,489)
Net decrease in cash and cash equivalents	(255,360)
Cash and cash equivalents, beginning of year	741,558
Cash and cash equivalents, end of year	$ 486,198

The accompanying notes are an integral part of these financial statements

1. Organization

The Blinded Veterans Association (BVA or Organization) was chartered by an act of the U.S. Congress in 1958 to promote the welfare of blinded veterans, strengthen the spirit of fellowship among blinded veterans and further the institutions of American freedom and loyalty to the Constitution and laws of the United States. The Organization is a publicly supported organization and, as such, contributions to the Organization qualify as charitable deductions for tax purposes by the donor. The Organization is primarily supported by donor contributions, bequests, and investment income.

2. Summary of Significant Accounting Policies

Method of Accounting
The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation
The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles, which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

> **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. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.
>
> **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 the Organization or by the passage of time.
>
> 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.

Board-designated net assets are net assets without donor restrictions that are used only for the specific purpose by Board resolution (See Note 10).

2. Summary of Significant Accounting Policies (continued)

Measure of Operations
The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Non-operating activities are limited to resources that generate return from other activities considered to be of a more unusual or nonrecurring nature.

Use of Estimates
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 the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents
The Organization maintains cash balances at various financial institutions which, at times, may exceed federally insured limits. The Organization has not experienced any losses related to these accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents. The Organization considers all highly liquid investments, except for cash and money market funds held in brokerage accounts designated by the Board of Directors, purchased with an original maturity of three months or less to be cash equivalents.

Investments
Investments in marketable securities with readily determinable fair values and investments in debt securities are reported at estimated fair value. Purchases and sales of securities are recorded on a trade-date basis. Investment income, including realized and unrealized gains and losses, is reported in the statement of activities as increases or decreases in net assets without restrictions, unless otherwise restricted by the donor or by law. Interest and dividends are recorded when earned.

The Organization's investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported are subject to various risks including changes in equity markets, the interest rate, and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported could change materially in the near term.

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets. The Organization capitalizes property and equipment acquired with a value greater than $2,000. Repairs and maintenance costs are charged to expense as incurred. At the time properties are retired or otherwise disposed of, the property and related accumulated depreciation or amortization accounts are relieved of the applicable amounts and any gain or loss is credited or charged to income.

Contract Liabilities

Contract liabilities consists primarily of advance payments received for sponsorship of events occurring in the next fiscal year. The Organization records revenue for the events when the event occurs.

Contributions and Promises to Give

The Organization recognizes contributions 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.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

All promises to give are expected to be collected within one year. The Organization uses the allowance method to determine uncollectible unconditional promises to give and is based on prior years' experience and management's analysis of specific promises made. As of June 30, 2023, there were no promises to give.

Contributed Services

Donated professional services meeting the criteria for recognition as contributed services are reflected in the financial statements at estimated fair value. The Organization also receives contributed services in various capacities from volunteers to help accomplish its program objectives. The estimated value of these donated, nonprofessional services is not reflected in the financial statements as the services do not meet the criteria for recognition as contributed services.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Fundraising revenue consists primarily of contributions from direct mail activities and is recorded at a point in time when contributions are received.

Unconditional promises to give are recognized as revenue in the period the promise to give is received. Grant revenue for unconditional grants is recognized in the period the grant is received. Bequests are recorded as revenue at a point in time when the bequest is determined to be irrevocable and the amount to be received can be reasonably determined.

The Organization holds an annual conference and other events and collects registration fees, sponsorship fees, and other income associated with the events. Revenue is recorded at a point in time when the event occurs.

Life member dues are recorded at the amount that reflects consideration the Organization expects to receive in exchange for the goods and services provided. Dues are invoiced on a fiscal year basis and member benefits are provided continuously over the course of the year. As a result, revenue is recognized on a straight-line basis over the one-year membership period as performance obligations are fulfilled.

Disaggregation of Revenue

The Organization recognizes revenue over time or at a point in time based on the performance obligation of each contract. Substantially all members are in the United States. Revenue for each source is typically collected within 90 days, although various economic factors may affect revenue and cash flows.

Functional Expense Allocation

The costs of providing various programs and other activities of the Organization have been summarized on a functional basis in the statement of activities. Expenses are allocated among the programs and supporting services based on the functions they directly benefit or upon management’s estimates of the proportion of the expenses applicable to each function. Management and general expenses include those expenses that are not directly identifiable with any specific function but that provide for the overall support and management of the Organization.

Income Taxes

The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. As a result, the Organization is not subject to federal income taxes, except for taxes on unrelated business income. There was no unrelated business net income for the year ended June 30, 2023.

The Organization’s income tax returns are subject to review and examination by federal and state taxing authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. Income tax returns for the years ended June 30, 2022, 2021 and 2020 remain open to examination by the taxing jurisdictions.

2. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements – Adopted

In September 2020, FASB issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The overall objective of the ASU is to improve generally accepted accounting principles by increasing the transparency of contributed nonfinancial assets for not-for-profit entities through enhancement to presentation and disclosure. The ASU provides guidance for presenting contributed nonfinancial assets as a separate line item in the statement of activities and disclosing the disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category, including both qualitative and quantitative information applicable to the nonfinancial assets. The Organization adopted the ASU for the year ended June 30, 2023. Adoption of the ASU did not result in any restatements of net assets.

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*, (Topic 842). The objective of this ASU, along with several related ASUs issued subsequently, is to increase transparency and comparability between organizations that enter into lease agreements. For lessees, the key difference of the new standard from the previous guidance (Topic 840) is the recognition of a right-of-use (ROU) asset and lease liability on the balance sheet. The most significant change is the requirement to recognize ROU assets and lease liabilities for leases classified as operating leases. The standard requires disclosures to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Organization adopted the ASU as of June 30, 2023.

Subsequent Events

Management has evaluated subsequent events through December 5, 2023, which is the date the financial statements were available to be issued.

3. Availability and Liquidity

The following reflects the Organization's financial assets at June 30, 2023, reduced by amounts not available for general use within one year of the statement of financial position date because of donor imposed restrictions.

Cash and cash equivalents	$ 486,198
Investments	12,408,411
Total financial assets	12,894,609
Less amounts not available to be used within one year	
Board-designated restrictions:	
Investment fund	(11,294,366)
Life membership fund	(1,114,045)
Donor imposed restrictions:	
Team BVA	(216,265)
Financial assets with restrictions	(12,624,676)
Financial assets available to meet general expenditures within one year	$ 269,933

The Organization's investments consist of board-designated investments. The use of these assets is limited to the spending policy for which they were designated and may be available for general expenditure (see Note 10). Upon approval of the board, the Organization may utilize the investment funds in excess of the spending policy. Accordingly, these investments may become available for general expenditure.

As part of BVA's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Organization invests cash in excess of daily requirements in short-term investments. Although the Organization does not intend to spend from the investment fund other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its investment fund could be made available, if necessary, with the approval from the Board of Directors.

4. Investments

Investments consist of the following as of June 30, 2023:

	Fair Value	Cost
Cash and cash equivalents	$ 1,753,202	$ 1,753,202
Common stocks	5,818	1,645
Exchange traded funds	8,498,412	8,277,909
Mutual funds	2,141,918	2,053,860
Corporate bonds	9,061	9,695
	$ 12,408,411	$ 12,096,311

The Organization continually reviews its investment portfolios and evaluates whether declines in the fair value of securities should be considered other-than-temporary. Management considers in the evaluation the general market conditions, the issuer's financial condition and near-term prospects, conditions in the issuer's industry, the recommendation of investment advisors, the length of time and extent to which the market's value has been less than cost, and the ability and intent of the Organization to hold investments in the long term.

5. Fair Value Measurements

The Organization reports its fair value measurements using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The fair value hierarchy is as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities that the Organization has the ability to access.

- Level 2: Inputs to the valuation methodology include:
    - Quoted prices for similar assets or liabilities in active markets;
    - Quoted prices for identical or similar assets or liabilities in inactive markets;
    - Inputs other than quoted prices that are observable for the asset or liability;
    - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

  If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

5. Fair Value Measurements (continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for investments measured at fair value and their classification in the valuation hierarchy:

- Investments in *common stocks and exchange traded funds (ETFs)* are valued at the closing price reported in the active markets in which the common stocks and ETFs are traded. Such securities are classified within Level 1 of the valuation hierarchy.

- Investments in *mutual funds* are valued at net asset value, reported daily in the active exchanges, of shares held by the Organization at year-end. Such securities are classified within Level 1 of the valuation hierarchy.

- Investments in *fixed income securities and corporate bonds* are valued using the latest bid prices and significant inputs including benchmark yields, broker-dealer quotes, issuer spreads, and measures of volatility provided by independent pricing services. Such securities are classified within Level 2 of the valuation hierarchy.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported as of the end of the reporting period. For the year ended June 30, 2023, there were no significant transfers in or out of levels 1, 2 or 3.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

5. Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Common stocks	$ 5,818	$ -	$ -	$ 5,818
Exchange traded funds	8,498,412	-	-	8,498,412
Mutual funds	2,141,918	-	-	2,141,918
Corporate bonds	-	9,061	-	9,061
	$ 10,646,148	$ 9,061	$ -	$ 10,655,209

Cash and cash equivalents of $1,753,202 as of June 30, 2023, which are included in investments in the statement of financial position have been excluded from the table of investments at fair value because they are not considered recurring fair value measurements.

6. Property and Equipment

Property and equipment at June 30, 2023, is comprised of the following:

Furniture and equipment	$ 34,683
Less: accumulated depreciation	(18,586)
Total property and equipment, net	$ 16,097

Depreciation expense for the year ended June 30, 2023, was $24,628.

7. Operating Leases

The Organization's current lease agreement, commencing January 1, 2023 and continuing through June 30, 2028, contains a provision for increasing the annual rent based on increased costs for real estate taxes and operating services. In accordance with the lease agreement, the Organization was not required to make rent payments for the first six months of the lease. Rental payments are recognized as expense on a straight-line basis over the term of the lease. Rent expense for the year ended June 30, 2023, was approximately $63,000.

The weighted-average remaining lease term related to the operating lease was five and a half years and the weighted-average discount rate on the Organizations' operating lease was 3.85% at June 30, 2023.

As of June 30, 2023, future minimum lease payments, excluding building operating costs, are as follows:

Year ending June 30, 2024	$ 64,831
2025	66,614
2026	68,446
2027	70,328
2028	72,262
	342,481
Less: amount representing interest	(32,087)
	310,394
Operating lease liability, current	(53,816)
Operating lease liability, noncurrent	$ 256,578

8. Retirement Benefits

The Organization participates in a tax deferred plan for the benefit of its employees under Section 401(k) of the Internal Revenue Code. The Organization provides a matching contribution equal to 25% of participating employee contributions with a maximum of 4% of annual salary. The retirement expense for the year ended June 30, 2023, was $5,650.

9. Board Designated Net Assets

The Board designated programs are as follows:

Investment Fund
Established for the purpose of investing specifically designated funds of the Organization. The Board determines the amount of the funds to be invested and has established a cash reserve requirement equal to, at a minimum, the current year's operating budget. At June 30, 2023, the investment fund balance was $11,294,366.

9. Board Designated Net Assets (continued)

Life Membership Fund

Life membership dues paid to the Organization are placed in the Life Membership Fund. Net earnings are divided among the various regional groups in good standing. At June 30, 2023, apportionment of net earnings and life membership dues refunds to regional groups was $44,124 and the life membership fund balance was $1,114,045.

10. Net Assets

The Organization's net assets without donor restrictions and net assets with donor restrictions are comprised of the following as of June 30, 2023:

With donor restrictions	
Purpose restricted	$ 216,265
Without donor restrictions	
Designated by Board for investing	11,294,366
Designated by Board for life membership fund	1,114,045
Total designated by Board	12,408,411
Undesignated	130,233
Total without donor restrictions	12,538,644
Total net assets	$ 12,754,909

Further, net assets with donor restrictions were designated as follows:

	Team BVA
Balance at June 30, 2022	$ 120,897
Contributions	126,715
Releases	(31,348)
Balance at June 30, 2023	$ 216,265

Releases from donor restrictions, as noted above, occurred as purpose restricted donations were expended specifically for the purposes of the Team BVA program and other direct program activities.

11. Related Parties

The Organization and various regional groups are related as the Organization has the authority to issue, revoke, and amend their charters. The Organization collects and remits a portion of the annual dues collected from members and the entire portion of designated investment earnings from life dues to the regional groups.