



**NATIONAL ORGANIZATION ON DISABILITY**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NATIONAL ORGANIZATION ON DISABILITY**

**CONTENTS**

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**Independent Auditors’ Report**..... 1-2

**Financial Statements**

Statements of Financial Position.....3  
Statements of Activities .....4  
Statements of Functional Expenses ..... 5-6  
Statements of Cash Flows .....7

**Notes to Financial Statements**..... 8-20

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
**National Organization on Disability**

### ***Opinion***

We have audited the financial statements of the National Organization on Disability (“the Organization”), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

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

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

## *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 Organization's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Marcum LLP*

Washington, DC  
September 27, 2024

# NATIONAL ORGANIZATION ON DISABILITY

## STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	2023	2022
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,514,874	\$ 9,441,326
Accounts receivable	10,795	188,384
Contributions receivable	477,575	771,256
Investments	7,081,184	--
Property and equipment, net	60,521	26,944
Prepaid expense and deposits	59,429	12,048
<b>Total Assets</b>	<u>\$ 9,204,378</u>	<u>\$ 10,439,958</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 198,205	\$ 276,148
Deferred revenue	35,000	55,000
<b>Total Liabilities</b>	<u>233,205</u>	<u>331,148</u>
<b>Net Assets</b>		
Without donor restrictions	8,041,014	8,088,697
With donor restrictions	930,159	2,020,113
<b>Total Net Assets</b>	<u>8,971,173</u>	<u>10,108,810</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 9,204,378</u>	<u>\$ 10,439,958</u>

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

# NATIONAL ORGANIZATION ON DISABILITY

## STATEMENTS OF ACTIVITIES

**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>						
Contributions and grants	\$ 667,949	\$ 760,000	\$ 1,427,949	\$ 5,918,872	\$ 220,000	\$ 6,138,872
Leadership Council memberships	925,000	90,000	1,015,000	855,000	80,000	935,000
Investment income, net	181,524	--	181,524	--	--	--
Sponsorships	110,000	--	110,000	1,009,000	--	1,009,000
Professional services fees	75,500	--	75,500	153,500	--	153,500
Other income	2,517	--	2,517	22,426	--	22,426
Contributed services	--	--	--	39,153	--	39,153
Net assets released from restriction	1,939,954	(1,939,954)	--	1,167,436	(1,167,436)	--
<b>Total Revenue and Support</b>	<u>3,902,444</u>	<u>(1,089,954)</u>	<u>2,812,490</u>	<u>9,165,387</u>	<u>(867,436)</u>	<u>8,297,951</u>
<b>Expenses</b>						
Program services:						
Leadership Council	987,703	--	987,703	1,118,993	--	1,118,993
Thought leadership	698,469	--	698,469	439,203	--	439,203
Employment Tracker	544,474	--	544,474	456,054	--	456,054
Campus to Careers	43,123	--	43,123	84,466	--	84,466
Professional services	236,330	--	236,330	297,962	--	297,962
Policy	186,734	--	186,734	140,470	--	140,470
Employer Disability Practices Center	303,394	--	303,394	233,293	--	233,293
<b>Total Program Services</b>	<u>3,000,227</u>	<u>--</u>	<u>3,000,227</u>	<u>2,770,441</u>	<u>--</u>	<u>2,770,441</u>
Supporting services:						
Management and general	876,795	--	876,795	723,894	--	723,894
Fundraising	73,105	--	73,105	60,278	--	60,278
<b>Total Supporting Services</b>	<u>949,900</u>	<u>--</u>	<u>949,900</u>	<u>784,172</u>	<u>--</u>	<u>784,172</u>
<b>Total Expenses</b>	<u>3,950,127</u>	<u>--</u>	<u>3,950,127</u>	<u>3,554,613</u>	<u>--</u>	<u>3,554,613</u>
<b>Change in Net Assets</b>	(47,683)	(1,089,954)	(1,137,637)	5,610,774	(867,436)	4,743,338
<b>Net Assets, Beginning of Year</b>	<u>8,088,697</u>	<u>2,020,113</u>	<u>10,108,810</u>	<u>2,477,923</u>	<u>2,887,549</u>	<u>5,365,472</u>
<b>Net Assets, End of Year</b>	<u>\$ 8,041,014</u>	<u>\$ 930,159</u>	<u>\$ 8,971,173</u>	<u>\$ 8,088,697</u>	<u>\$ 2,020,113</u>	<u>\$ 10,108,810</u>

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

NATIONAL ORGANIZATION ON DISABILITY

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services								Supporting Services			
	Leadership Council	Thought Leadership	Employment Tracker	Campus to Careers	Professional Services	Policy	Employer Disability Practices Center	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries, benefits and related expenses	\$ 848,371	\$ 404,977	\$ 360,026	\$ 38,889	\$ 165,052	\$ 90,999	\$ 281,313	\$ 2,189,627	\$ 472,686	\$ 62,146	\$ 534,832	\$ 2,724,459
Contracted program and professional services	585	206,584	142,542	--	40,149	84,807	4,800	479,467	230,959	109	231,068	710,535
Other expenses	105,562	44,628	28,463	2,591	12,911	7,898	8,482	210,535	72,432	7,622	80,054	290,589
Technology and office support	22,851	34,832	8,864	1,302	10,296	2,664	6,942	87,751	43,484	2,304	45,788	133,539
Conferences, conventions and travel	4,280	5,186	2,250	--	5,770	--	--	17,486	23,111	661	23,772	41,258
Rent and occupancy	1,846	741	718	106	664	106	562	4,743	32,409	81	32,490	37,233
Depreciation	<u>4,208</u>	<u>1,521</u>	<u>1,611</u>	<u>235</u>	<u>1,488.00</u>	<u>260</u>	<u>1,295</u>	<u>10,618</u>	<u>1,714</u>	<u>182</u>	<u>1,896</u>	<u>12,514</u>
Total Expenses	<u>\$ 987,703</u>	<u>\$ 698,469</u>	<u>\$ 544,474</u>	<u>\$ 43,123</u>	<u>\$ 236,330</u>	<u>\$ 186,734</u>	<u>\$ 303,394</u>	<u>\$ 3,000,227</u>	<u>\$ 876,795</u>	<u>\$ 73,105</u>	<u>\$ 949,900</u>	<u>\$ 3,950,127</u>

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

NATIONAL ORGANIZATION ON DISABILITY

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services								Supporting Services			
	Leadership Council	Thought Leadership	Employment Tracker	Campus to Careers	Professional Services	Policy	Employer Disability Practices Center	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries, benefits and related expenses	\$ 694,446	\$ 251,101	\$ 298,897	\$ 55,245	\$ 260,104	\$ 54,784	\$ 223,090	\$ 1,837,667	\$ 368,881	\$ 52,883	\$ 421,764	\$ 2,259,431
Contracted program and professional services	170,100	167,704	139,765	26,800	9,740	84,239	--	598,348	274,840	4,500	279,340	877,688
Other expenses	35,176	1,587	7,528	311	7,062	191	1,320	53,175	25,911	192	26,103	79,278
Technology and office support	18,710	15,435	7,292	1,575	8,686	865	6,367	58,930	34,689	822	35,511	94,441
Conferences, conventions and travel	194,495	1,219	147	15	9,786	94	399	206,155	10,019	1,625	11,644	217,799
Rent and occupancy	2,307	805	916	206	1,011	117	819	6,181	7,742	84	7,826	14,007
Depreciation	<u>3,759</u>	<u>1,352</u>	<u>1,509</u>	<u>314</u>	<u>1,573</u>	<u>180</u>	<u>1,298</u>	<u>9,985</u>	<u>1,812</u>	<u>172</u>	<u>1,984</u>	<u>11,969</u>
<b>Total Expenses</b>	<u>\$ 1,118,993</u>	<u>\$ 439,203</u>	<u>\$ 456,054</u>	<u>\$ 84,466</u>	<u>\$ 297,962</u>	<u>\$ 140,470</u>	<u>\$ 233,293</u>	<u>\$ 2,770,441</u>	<u>\$ 723,894</u>	<u>\$ 60,278</u>	<u>\$ 784,172</u>	<u>\$ 3,554,613</u>

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

# NATIONAL ORGANIZATION ON DISABILITY

## STATEMENTS OF CASH FLOWS

**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (1,137,637)	\$ 4,743,338
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	12,514	11,969
Unrealized gains on investments	(151,107)	--
Changes in assets and liabilities:		
Accounts receivable	177,589	(136,246)
Contributions receivable	293,681	863,743
Prepaid expense and deposits	(47,381)	9,494
Accounts payable and accrued expenses	(77,943)	65,326
Deferred revenue	(20,000)	30,000
<b>Net Cash (Used In) Provided by Operating Activities</b>	<u>(950,284)</u>	<u>5,587,624</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of investments	(6,930,077)	--
Purchases of property and equipment	(46,091)	(5,160)
<b>Net Cash Used in Investing Activities</b>	<u>(6,976,168)</u>	<u>(5,160)</u>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(7,926,452)	5,582,464
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>9,441,326</u>	<u>3,858,862</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 1,514,874</u></u>	<u><u>\$ 9,441,326</u></u>

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

# NATIONAL ORGANIZATION ON DISABILITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

##### *NATURE OF ACTIVITIES*

The National Organization on Disability (“the Organization”) is a District of Columbia nonprofit corporation formed in 1982. The Organization’s mission has always been to break down the barriers that fence people off from the wider community. Since 2006, the Organization has devoted itself to increasing employment opportunities for people with disabilities; focusing the whole of its energy on eliminating the most wasteful and isolating of all those barriers: the artificial gulf that keeps tens of millions of people out of the productive workforce.

The following is a summary of the program services:

##### *PROGRAM SERVICES*

Since the launch of the Bridges to Business program in 2010, the Organization has worked to increase employment opportunities for people with disabilities by forging more effective links between employers and organizations that serve jobseekers with disabilities. The program has evolved into a suite of services designed to help companies develop the culture, systems, and practices they need to better recruit, hire, and retain employees with disabilities. With a multi-pronged approach, the Organization is able to serve companies in their journey to developing a more disability-inclusive workplace, regardless of where along that road they may be. These services include:

##### *Leadership Council*

Membership in the Leadership Council provides companies with opportunities to engage with the Organization’s disability employment experts, to network and learn from their corporate peers, and to gain visibility for their commitment to diversity. By providing knowledge sharing opportunities, the Leadership Council encourages and empowers all members to take on best practices in including people with disabilities in their workforce.

##### *Thought Leadership*

Informed by Tracker data and the Organization’s Professional Services engagements, the Organization’s Thought Leadership agenda aims to increase employment opportunities for people with disabilities nationwide by changing how corporate America thinks about disability employment. Through public relations, social media, email marketing, speaking engagements, webinars, and the Leading Disability Employer Seal, the Organization promotes awareness of people with disabilities as a valuable talent pool by highlighting the unique strengths they bring to the workforce, identifying and promoting best practices in disability employment, and highlighting the efforts of leading employers in disability inclusion.

# NATIONAL ORGANIZATION ON DISABILITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *PROGRAM SERVICES (CONTINUED)*

###### ***Employment Tracker***

The Employment Tracker is a free, confidential self-assessment tool for benchmarking performance in disability and veterans' inclusion as well as tracking progress over time. For many companies, using the Employment Tracker represents the first time they evaluate their disability employment practices on par with inclusion strategies for other diversity segments. In addition to its objective of helping employers assess their own disability-inclusion efforts, the data collected from the Tracker also allows the Organization to measure overall progress in the field and helps the Organization to better address the challenges companies face in their disability inclusion efforts.

###### ***Campus to Careers***

The Organization continues to develop innovative models to address current gaps in disability employment. One such example is the Campus to Careers program, a three-year pilot project in the Boston area, designed to create a campus to employment pipeline of talented college students with disabilities. Through the program, the Organization works with participating employers to adjust their recruitment and hiring practices to more effectively reach candidates with disabilities on campus. In parallel, the Organization also works with universities to help them better serve the needs to their students with disabilities through training of personnel in career-services and disabilities-services offices, as well as working with students to provide guidance on and support in their career search process.

###### ***Professional Services***

For companies seeking expert assistance in advancing their disability employment initiatives, the Organization offers an array of customized professional services from an in-depth briefing based on the Tracker data, to disability etiquette training, to hiring engagements. Services are offered on a consulting basis delivered by the Organization staff and an associate network with specialized expertise.

###### ***Policy***

The Organization engages with members of Congress and other disability organizations in order to advocate for key policy initiatives that are of importance to people with disabilities.

###### ***Employer Disability Practices Center***

The Employer Disability Practices Center ("EDPC") is a five-year federally funded Rehabilitation Research and Training Center project subawarded to the Organization by Rutgers University, and funded by the National Institute on Disability, Independent Living, and Rehabilitation Research. The goal of the EDPC is to conduct research to positively impact employee-employer trust and employment outcomes for workers with disabilities,

# NATIONAL ORGANIZATION ON DISABILITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *PROGRAM SERVICES (CONTINUED)*

###### *Employer Disability Practices Center (continued)*

employers, and research organizations. The Organization is directly involved with three of the five discrete research projects within the EDPC, helping design the projects, recruiting employers for the projects and acting as a liaison between our corporate employer partners and the researchers within the projects.

A summary of the Organization's significant accounting policies follows:

##### *BASIS OF ACCOUNTING*

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized as incurred regardless of the timing of cash flows.

##### *CLASSIFICATION OF NET ASSETS*

The financial statement presentation follows the accounting requirements of the Not-for-Profit Entities topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). Under FASB ASC, the Organization is required to report information regarding its net assets and its activities according to two classes: (1) net assets with donor restrictions and (2) net assets without donor restrictions.

###### *Net Assets Without Donor Restrictions*

Net assets without donor restrictions include those net assets whose use is not restricted by a donor, even though their use may be limited in other respects, such as by Board designation.

###### *Net Assets With Donor Restrictions*

Net assets with donor restrictions include those net assets whose use is subject to donor-imposed restrictions. Donor restrictions may be for a specific time or purpose limitation or the donor may specify that the corpus of their original and certain subsequent gifts be maintained in perpetuity.

##### *CASH AND CASH EQUIVALENTS*

The Organization considers all demand accounts held at commercial banks to be cash and cash equivalents.

# NATIONAL ORGANIZATION ON DISABILITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *CASH AND CASH EQUIVALENTS (CONTINUED)*

The Organization maintains demand deposits with commercial banks. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. The uninsured portions of these accounts are backed solely by the assets of the underlying institution. Therefore, the failure of the underlying institution could result in financial loss to the Organization.

##### *ACCOUNTS RECEIVABLE*

Accounts receivable consist primarily of amounts due for consulting service fees. The Organization utilized the loss rate methodology to determine historical credit losses. The loss rate method estimate is derived from a review of the Organization's historical write-offs as a percentage of average accounts receivable. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses, as the Organization's accounts receivable have remained unchanged. Based on economic indicators, the Organization is not anticipating a change in the historical credit loss rate from what has been in the past. No allowance for credit losses was recorded for the year ended December 31, 2023 and 2022, as all amounts are considered fully collectible and are due within one year.

The Organization writes off receivables when there is information that indicates the customer is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized as an offset to credit loss expense in the year of recovery, in accordance with the Organization's accounting policy election.

##### *CONTRIBUTIONS RECEIVABLE*

Contributions receivable consist of amounts due to the Organization related to unconditional promises to give. Unconditional promises to give are recorded at their net realizable values as of each statement of financial position date. As of December 31, 2023 and 2022, all amounts are due within one year. Each receivable balance is assessed based on management's knowledge of and relationship with the donors and the age of the receivable balance. As a result of these reviews, allowances are recorded for balances deemed to be uncollectible. All amounts are considered fully collectible for the years ended December 31, 2023 and 2022.

# NATIONAL ORGANIZATION ON DISABILITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *INVESTMENTS*

Investments consist of treasury bills and money market funds. These investments are recorded in the accompanying statements of financial position at their fair value based on quoted market prices. Fair value is the price that would be received to sell an asset or paid to transfer a liability through an orderly transaction between market participants at the measurement date. Purchases and sales are reflected on a trade date basis. Interest, dividends and realized gains or losses are recorded when earned. Changes in the fair value of the portfolio are recorded as unrealized gains or losses. All realized and unrealized gains and losses are included in investment income in the accompanying statements of activities.

##### *PROPERTY AND EQUIPMENT*

Acquisitions of property and equipment greater than \$1,500 are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the furniture and equipment, generally five years.

##### *DEFERRED REVENUE*

Deferred revenue consists of amounts received for professional service fees in advance of the period in which the revenue is to be earned.

##### *CONTRIBUTIONS AND GRANTS*

The Organization reports unconditional contributions in accordance with U.S. GAAP. Under U.S. GAAP, the Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified in the statement of activities as net assets released from restrictions. Conditional grants are those grants that contain donor-imposed rights of return/refund and barriers (performance obligations and/or controlling stipulations). Conditional grants are recognized into revenue when conditions are satisfied. Cash received for conditional grants in advance of satisfying conditions are recorded as deferred revenue.

As of December 31, 2023 and 2022, the Organization had received one conditional grant totaling \$600,000 and \$400,000, respectively. The Organization records revenue and support on this conditional grant as the conditions are met. As of December 31, 2023 and 2022, \$150,000 and \$166,706 of the conditional grant had not been recognized as the conditions set by the grantor have not been met.

# NATIONAL ORGANIZATION ON DISABILITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *SPONSORSHIPS*

Sponsorships are considered to be conditional contributions and are recognized as revenue when the related event occurs. Cash received in advance of the event is recorded as a refundable advance until the event takes place.

##### *COUNCIL MEMBERSHIP FEES*

Council membership fees are considered unconditional contributions as there is no performance obligations for which the Organization needs to fulfill. These fees are considered time restricted for the period of the membership.

##### *PROFESSIONAL SERVICE FEES*

Revenue from contracts with customers is derived primarily from professional service fees. Revenue is recognized in the period in which it is earned. The Organization performs an evaluation at contract inception focused on whether a performance obligation is satisfied over time or at a point in time. If a performance obligation meets certain specific criteria, the related revenue is recognized over time if the Organization is able to reasonably measure its progress toward complete satisfaction of the performance obligation using reliable information. Output methods and input methods are used to measure progress for goods and services for which control has been transferred to the customer. If the specific criteria are not met revenue is recognized at a point in time.

Economic factors are driven by consumer confidence, employment, inflation, and other world events that impact the timing and level of cash received, and revenue recognized by the Organization. Periods of economic downturn resulting from any of the above factors may result in declines in future cash flows and recognized revenue of the Organization.

The Organization did not have any impairment or credit losses on any receivables or contract assets arising from contracts with customers. There are also no incremental costs of obtaining a contract and no significant financing components. Finally, there are no significant changes in the judgements affecting the determination of the amount and timing of revenue from contracts with customers.

Opening contract balances as of January 1, 2022 consisted of accounts receivable of \$52,138 and deferred revenue of \$25,000.

# NATIONAL ORGANIZATION ON DISABILITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *CONTRIBUTED SERVICES*

The Organization recognizes contributions for certain services received at the fair value of those services, if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would be purchased if not donated. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

##### *FUNCTIONAL ALLOCATION OF EXPENSES*

Certain costs are allocated among multiple program services or supporting services activities. Allocable costs include facilities, general office, executive office, and information technology support. The costs are allocated among program services and supporting services activities based on the estimated amount of labor costs utilized by each area.

##### *USE OF ESTIMATES*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

##### *INCOME TAXES*

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal taxes on income other than net unrelated business income. For the year ended December 31, 2023 and 2022, respectively, no provision for income taxes was required, as the Organization had no net unrelated business income.

The Organization has adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB ASC Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization evaluated its uncertainty in income taxes for the year ended December 31, 2023 and 2022, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status.

As of December 31, 2023 and 2022, there are no audits for any tax periods in progress. It is the Organization's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense. There are currently no examinations pending or in progress regarding the Organization's tax returns.

# NATIONAL ORGANIZATION ON DISABILITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *NEW ACCOUNTING PRONOUNCEMENT*

In June 2016, FASB issued ASC Topic 326, Financial Instruments – *Credit Losses*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through change in net assets. 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 the Organization that are subject to the guidance in FASB ASC 326 were accounts receivable. The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

#### NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENT

The Organization has implemented the accounting standard regarding fair value measurements. This standard establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements. This standard uses the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

##### *Level 1*

Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.

##### *Level 2*

Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace, such as yield curves or other market data.

##### *Level 3*

Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk such as bid/ask spreads and liquidity discounts.

# NATIONAL ORGANIZATION ON DISABILITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

The following table summarizes the Organization's assets measured at fair value on a recurring basis as of December 31, 2023:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury Bills	\$6,988,526	\$ --	\$6,988,526	\$ --
Money market fund	<u>92,658</u>	<u>92,658</u>	<u>--</u>	<u>--</u>
<b>Total Investments</b>	<b><u>\$7,081,184</u></b>	<b><u>\$ 92,658</u></b>	<b><u>\$6,988,526</u></b>	<b><u>\$ --</u></b>

The Organization uses the following methods and significant assumptions to estimate fair value for assets and liabilities recorded at fair value:

*Money market funds* – Valued based on quoted prices in an active market.

*U.S. Treasury bills*– Value is determined by the investment custodian using an outside data and pricing company that uses a market approach and spreads based on the credit risk of the issuer, maturity, current yield, trading frequency and other terms and conditions of each security. Management believes the estimates to be a reasonable approximation of the fair value of the investments.

There were no investments held as of December 31, 2022.

#### NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS AND NET ASSETS RELEASED FROM RESTRICTIONS

##### ***ENTERPRISE CAPITAL***

In order to fund the start-up of the Organization's sustainable social enterprise, known as Bridges to a Better Workforce, the Organization raised money through the Bridges Capital Campaign ("the Campaign"). In 2017, additional capital funding known as Round B, was raised and combined with the original Campaign funds. The sum of these combined funds is hereafter referred to as Enterprise Capital.

Enterprise Capital funds are utilized to invest in expenses that facilitate the growth of the Organization. As a result, the Organization is able to maintain its level of net assets without donor restriction as resources are expended to advance the Organization's programmatic efforts.

# NATIONAL ORGANIZATION ON DISABILITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

#### NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS AND NET ASSETS RELEASED FROM RESTRICTIONS (CONTINUED)

##### *ENTERPRISE CAPITAL (CONTINUED)*

Net assets with donor restrictions at December 31, 2023 and 2022, are available for the following purposes:

	<u>2023</u>	<u>2022</u>
Enterprise Capital	\$ 230,159	\$ 1,273,419
Employment	350,000	612,500
Time Restricted	190,000	80,000
Digital Accessibility	85,000	--
Innovation- Mental Health	75,000	--
Policy	--	50,403
Tracker	<u>--</u>	<u>3,791</u>
<b>Total</b>	<u><u>\$ 930,159</u></u>	<u><u>\$ 2,020,113</u></u>

Net assets released from restrictions during 2023 and 2022, consist of the following:

	<u>2023</u>	<u>2022</u>
Enterprise Capital	\$ 1,043,261	\$ --
Employment	762,500	900,000
Tracker	3,790	122,460
Policy	50,403	95,161
Campus to Careers	--	29,815
Time Restricted	<u>80,000</u>	<u>20,000</u>
<b>Total</b>	<u><u>\$ 1,939,954</u></u>	<u><u>\$ 1,167,436</u></u>

#### NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Furniture and equipment	\$ 368,898	\$ 368,898
Website	44,645	44,645
Software	<u>112,553</u>	<u>66,464</u>
	526,096	480,007

# NATIONAL ORGANIZATION ON DISABILITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### NOTE 4 – PROPERTY AND EQUIPMENT (CONTINUED)

	<u>2023</u>	<u>2022</u>
<i>(continued)</i>		
Less: Accumulated depreciation	\$ (465,575)	\$ (453,063)
<b>Property and Equipment, Net</b>	<b><u>\$ 60,521</u></b>	<b><u>\$ 26,944</u></b>

#### NOTE 5 – COMMITMENTS, RISKS AND CONTINGENCIES

##### ***CONSULTING AGREEMENT***

The Organization has entered into a consulting agreement with a corporation (“the Corporation”) that provides general management services to the Organization. Under the terms of the agreement, the Corporation was to provide the Organization with the services of the individual (“the Former President”) who served as the Organization’s President through May 12, 2024. The Corporation is owned by the Former President. (The Former President received no compensation or fringe benefits from the Organization other than what is derived from payments to the Corporation.) The agreement expired on January 31, 2022, and was extended through December 31, 2024 at the same monthly rate. The Former President will provide consulting and advisory services to the Organization through December 31, 2024. Expenses under this contract were \$529,172 and \$529,172 for the years ended December 31, 2023 and 2022, respectively.

##### ***CONCENTRATION OF REVENUE RISK***

The Organization earned revenue of \$916,706, from three donors, which represented approximately 33% of total revenue and support for the year ended December 31, 2023. The Organization earned revenue of \$5,000,000, from one donor, which represented approximately 60% of total revenue and support for the year ended December 31, 2022. As of December 31, 2023 and 2022, approximately 31% and 84% of contributions receivable are due from two donors.

##### ***LITIGATION***

From time to time, the Organization may be involved in litigation related to business matters. Management believes that the outcome of litigation would not have a material impact on the Organization’s financial statements.

# NATIONAL ORGANIZATION ON DISABILITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### NOTE 6 – CONTRIBUTED SERVICES

Contributed services consists of legal services provided to the Organization on a pro bono basis totaling \$39,153 for the years ended December 31, 2022. No contributed services were received for the year ended December 31, 2023. Contributed professional services are recorded at the estimated fair value, with corresponding expenses recorded in management and general in the accompanying statement of activities. The estimated fair value is valued based on rates for similar services in the Washington, D.C. area. There were no donor-imposed restrictions associated with the contributed services.

#### NOTE 7 – DEFINED CONTRIBUTION PLAN

The Organization sponsors a 401(k) Profit Sharing Plan (“the Plan”) for the benefit of its employees. Employees 21 years of age and older are eligible to participate. Eligible participants may elect to contribute a portion of their compensation to the Plan. Employer matching is discretionary. The Organization contributed \$62,724 and \$45,219 to the Plan in 2023 and 2022, respectively.

#### NOTE 8 – LIQUIDITY

The Organization’s process of liquidity management calls for the organization to maintain sufficient liquid financial assets in order to readily meet general expenditures and obligations as they become due. The policy of the Organization is to maintain sufficient cash to meet obligations in a timely manner and to meet expenses occurring as a result of unanticipated activities.

Management of the Organization periodically reviews the Organization’s liquid asset needs and assesses the adequacy of the cash and cash equivalent balances.

The following provides a summary of financial assets available for general expenditures within one year at December 31:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,514,874	\$ 9,441,326
Accounts receivable	10,795	188,384
Contributions receivable	477,575	771,256
Investments	<u>7,081,184</u>	<u>--</u>
	9,084,428	10,400,966

# NATIONAL ORGANIZATION ON DISABILITY

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### NOTE 8 – LIQUIDITY (CONTINUED)

	<u>2023</u>	<u>2022</u>
<i>(continued)</i>		
Less:		
Net assets with donor restrictions	\$ <u>(930,159)</u>	\$ <u>(2,020,113)</u>
<b>Financial Assets Available to Meet Cash Needs</b>		
<b>For General Expenditure Within One Year</b>	\$ <u>8,154,269</u>	\$ <u>8,380,853</u>

As discussed in Note 3, the Organization's Enterprise Capital fund is available to be utilized to offset shortfalls in revenues from activities without donor restrictions. Thus, although not included within the total presented above, the Enterprise Capital fund can provide additional liquidity on an as needed basis.

#### NOTE 9 – SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated, for potential recognition or disclosure, events and transactions through September 27, 2024, the date the financial statements were available to be issued. There were no subsequent events identified that require recognition or disclosure in the financial statements.