

# The Barack Obama Foundation

(A District of Columbia Not-for-Profit Corporation)

Financial Statements as of and for the  
Years Ended December 31, 2024 and 2023, and  
Independent Auditor's Report

**THE BARACK OBAMA FOUNDATION**  
**(A District of Columbia Not-for-Profit Corporation)**

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors of the Barack Obama Foundation

### **Opinion**

We have audited the financial statements of The Barack Obama Foundation (the "Foundation"), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2024 and 2023, and the results of its operations 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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 Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

*Deloitte & Touche LLP*

June 5, 2025

**THE BARACK OBAMA FOUNDATION**  
**(A District of Columbia Not-for-Profit Corporation)**

**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2024 AND 2023**

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	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
CASH AND CASH EQUIVALENTS	\$ 116,520,489	\$ 192,413,497
INVESTMENTS	139,901,672	132,935,177
PREPAID EXPENSES, OTHER ASSETS AND RECEIVABLES	6,532,985	3,787,068
PLEDGES AND GRANTS RECEIVABLE—Net	215,998,398	251,945,329
BENEFICIAL INTEREST IN TRUST	4,526,372	5,362,316
FIXED ASSETS—Net	4,629,662	4,710,403
CONSTRUCTION IN PROGRESS	615,674,047	393,250,497
DEBT FINANCING COSTS—Net	827,756	613,752
OPERATING LEASE—ROU asset	1,220,661	1,211,993
DONATED LEASE ASSET	<u>361,409</u>	<u>352,723</u>
TOTAL ASSETS	<u><u>\$1,106,193,451</u></u>	<u><u>\$ 986,582,755</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 29,253,602	\$ 18,247,620
Accrued payroll and benefits	1,982,519	1,540,536
Grants payable	2,336,667	3,066,667
Operating lease liability	<u>1,344,954</u>	<u>1,398,540</u>
Total liabilities	<u>34,917,742</u>	<u>24,253,363</u>
NET ASSETS:		
Without donor restrictions	774,979,224	657,447,799
With donor restrictions	<u>296,296,485</u>	<u>304,881,593</u>
Total net assets	<u>1,071,275,709</u>	<u>962,329,392</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$1,106,193,451</u></u>	<u><u>\$ 986,582,755</u></u>

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

**THE BARACK OBAMA FOUNDATION**  
**(A District of Columbia Not-for-Profit Corporation)**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
REVENUE:			
Contributions and grants	\$ 67,425,857	\$ 123,962,567	\$ 191,388,424
Sponsorships	3,500,000	-	3,500,000
Contributions in kind	420,807	559,766	980,573
Interest and dividends	10,605,297	-	10,605,297
Investment gain	4,704,491	-	4,704,491
Other income	11,201	-	11,201
Net assets released from restrictions	<u>124,432,888</u>	<u>(124,432,888)</u>	<u>-</u>
Total revenue	<u>211,100,541</u>	<u>89,445</u>	<u>211,189,986</u>
EXPENSES:			
Program costs:			
Programs	27,690,212	-	27,690,212
Center costs	<u>23,886,623</u>	<u>-</u>	<u>23,886,623</u>
Total program costs	51,576,835	-	51,576,835
Fundraising	23,708,330	-	23,708,330
General and administrative	<u>18,283,951</u>	<u>-</u>	<u>18,283,951</u>
Total expenses	<u>93,569,116</u>	<u>-</u>	<u>93,569,116</u>
UNCOLLECTIBLE AMOUNTS AND BAD DEBT LOSSES	<u>-</u>	<u>8,674,553</u>	<u>8,674,553</u>
CHANGE IN NET ASSETS	117,531,425	(8,585,108)	108,946,317
NET ASSETS—Beginning of year	<u>657,447,799</u>	<u>304,881,593</u>	<u>962,329,392</u>
NET ASSETS—End of year	<u>\$ 774,979,224</u>	<u>\$ 296,296,485</u>	<u>\$1,071,275,709</u>

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

**THE BARACK OBAMA FOUNDATION**  
**(A District of Columbia Not-for-Profit Corporation)**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
REVENUE:			
Contributions and grants	\$ 63,548,987	\$ 62,758,799	\$ 126,307,786
Sponsorships	1,985,000	500,000	2,485,000
Contributions in kind	1,373,983	277,018	1,651,001
Interest and dividends	9,145,673	-	9,145,673
Investment gain	4,417,603	-	4,417,603
Other income	15,920	-	15,920
Net assets released from restrictions	<u>153,867,974</u>	<u>(153,867,974)</u>	<u>-</u>
Total revenue	<u>234,355,140</u>	<u>(90,332,157)</u>	<u>144,022,983</u>
EXPENSES:			
Program costs:			
Programs	34,657,272	-	34,657,272
Center costs	<u>18,928,267</u>	<u>-</u>	<u>18,928,267</u>
Total program costs	53,585,539	-	53,585,539
Fundraising	19,523,525	-	19,523,525
General and administrative	<u>15,550,892</u>	<u>-</u>	<u>15,550,892</u>
Total expenses	<u>88,659,956</u>	<u>-</u>	<u>88,659,956</u>
UNCOLLECTIBLE AMOUNTS AND BAD DEBT LOSSES	<u>-</u>	<u>18,342,766</u>	<u>18,342,766</u>
CHANGE IN NET ASSETS	145,695,184	(108,674,923)	37,020,261
NET ASSETS—Beginning of year	<u>511,752,615</u>	<u>413,556,516</u>	<u>925,309,131</u>
NET ASSETS—End of year	<u>\$ 657,447,799</u>	<u>\$ 304,881,593</u>	<u>\$ 962,329,392</u>

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

**THE BARACK OBAMA FOUNDATION**  
**(A District of Columbia Not-for-Profit Corporation)**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Programs	Center Costs	Total Program Costs	Fundraising	General and Administrative	Total
SALARIES AND BENEFITS	\$ 9,467,020	\$13,293,809	\$22,760,829	\$ 9,793,743	\$11,139,142	\$43,693,714
PROFESSIONAL DEVELOPMENT	83,460	78,247	161,707	63,092	126,334	351,133
COMMUNICATIONS	154,854	1,773,650	1,928,504	79,237	1,144,457	3,152,198
PROFESSIONAL AND CONSULTING	5,556,224	1,731,514	7,287,738	3,793,010	1,894,977	12,975,725
OFFICE EXPENSES	6,898	46,237	53,135	294,629	258,860	606,624
PRINTING, POSTAGE, AND SHIPPING	3,834	63,304	67,138	6,044,459	53,287	6,164,884
TRAVEL	653,824	604,211	1,258,035	1,086,017	193,951	2,538,003
EVENTS	1,587,548	1,239,204	2,826,752	1,258,624	82,675	4,168,051
INFORMATION TECHNOLOGY	498,552	651,673	1,150,225	901,513	1,365,887	3,417,625
CONTRACTUAL SERVICES	4,387,837	-	4,387,837	-	-	4,387,837
GRANTS EXPENSE	4,647,530	2,500,000	7,147,530	-	-	7,147,530
OCCUPANCY COSTS	348,370	922,974	1,271,344	244,030	426,969	1,942,343
INSURANCE	71,354	103,109	174,463	55,680	66,469	296,612
COLLECTIONS	-	72,143	72,143	-	-	72,143
MISCELLANEOUS EXPENSE	35,176	33,292	68,468	46,506	70,074	185,048
INTEREST EXPENSE	-	-	-	-	2,862	2,862
LOSS ON DISPOSAL OF FIXED ASSETS	-	-	-	-	1,100,947	1,100,947
Total before depreciation and amortization	27,502,481	23,113,367	50,615,848	23,660,540	17,926,891	92,203,279
DEPRECIATION AND AMORTIZATION	187,731	773,256	960,987	47,790	357,060	1,365,837
TOTAL EXPENSES	<u>\$27,690,212</u>	<u>\$23,886,623</u>	<u>\$51,576,835</u>	<u>\$23,708,330</u>	<u>\$18,283,951</u>	<u>\$93,569,116</u>

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



**THE BARACK OBAMA FOUNDATION**  
**(A District of Columbia Not-for-Profit Corporation)**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Programs	Center Costs	Total Program Costs	Fundraising	General and Administrative	Total
SALARIES AND BENEFITS	\$ 8,252,409	\$11,021,063	\$19,273,472	\$ 8,321,244	\$11,647,422	\$39,242,138
PROFESSIONAL DEVELOPMENT	27,785	39,971	67,756	78,170	106,464	252,390
COMMUNICATIONS	193,756	382,884	576,640	60,958	873,922	1,511,520
PROFESSIONAL AND CONSULTING	5,240,280	2,463,294	7,703,574	1,557,247	672,204	9,933,025
OFFICE EXPENSES	51,840	30,925	82,765	280,526	258,418	621,709
PRINTING, POSTAGE, AND SHIPPING	6,184	73,776	79,960	5,747,140	25,540	5,852,640
TRAVEL	2,808,425	249,838	3,058,263	865,554	372,033	4,295,850
EVENTS	5,352,130	182,077	5,534,207	1,658,783	41,507	7,234,497
INFORMATION TECHNOLOGY	532,294	863,467	1,395,761	642,827	746,504	2,785,092
CONTRACTUAL SERVICES	4,207,626	-	4,207,626	-	-	4,207,626
GRANTS EXPENSE	7,254,744	2,074,329	9,329,073	-	-	9,329,073
OCCUPANCY COSTS	447,105	760,084	1,207,189	167,592	476,939	1,851,720
INSURANCE	80,165	79,025	159,190	38,504	68,608	266,302
COLLECTIONS	-	162,179	162,179	-	-	162,179
MISCELLANEOUS EXPENSE	38,495	21,649	60,144	79,182	82,467	221,793
LOSS ON DISPOSAL OF FIXED ASSETS	-	112,400	112,400	-	-	112,400
Total before depreciation and amortization	34,493,238	18,516,961	53,010,199	19,497,727	15,372,028	87,879,954
DEPRECIATION AND AMORTIZATION	164,034	411,306	575,340	25,798	178,864	780,002
TOTAL EXPENSES	<u>\$34,657,272</u>	<u>\$18,928,267</u>	<u>\$53,585,539</u>	<u>\$19,523,525</u>	<u>\$15,550,892</u>	<u>\$88,659,956</u>

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

**THE BARACK OBAMA FOUNDATION**  
**(A District of Columbia Not-for-Profit Corporation)**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 108,946,317	\$ 37,020,261
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,365,837	780,002
Noncash lease expense	435,819	515,506
Donated lease asset	(8,686)	256,690
Contributions restricted for the Center	(30,767,576)	(33,204,671)
Donated securities	(62,953,431)	(64,643,452)
Realized gain on investments	(5,338,940)	(2,250,368)
Unrealized loss (gain) on investments and beneficial interest in trust	705,492	(2,167,235)
Net proceeds from sale of donated securities	61,203,736	67,482,296
Loss on disposal of fixed assets	1,100,947	112,400
Uncollectible amounts and bad debt losses	8,674,553	18,342,766
(Increase) decrease in:		
Pledges and grants receivable—net	27,272,378	90,066,907
Prepaid expenses, other assets and receivables	(2,745,917)	(1,573,590)
Beneficial interest in trust	1,002,547	1,002,547
(Decrease) increase in:		
Lease liability	(498,073)	(610,668)
Accounts payable and accrued expenses	(437,207)	2,775,238
Accrued payroll and benefits	441,983	244,167
Grants payable	(730,000)	1,676,667
Net cash provided by operating activities	<u>107,669,779</u>	<u>115,825,463</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Construction in progress	(210,980,361)	(170,625,985)
Purchase of investments	(353,360,749)	(268,191,009)
Proceeds from sale of investments	347,882,211	240,819,946
Purchase of fixed assets	<u>(2,223,872)</u>	<u>(2,797,537)</u>
Net cash used in investing activities	<u>(218,682,771)</u>	<u>(200,794,585)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for the Center	30,767,576	33,204,671
Proceeds from sale of donated securities restricted for the Center	4,728,583	3,003,922
Debt financing costs	(376,175)	(300,822)
Borrowings under line of credit	1,000,000	-
Repayment of line of credit borrowing	<u>(1,000,000)</u>	<u>-</u>
Net cash provided by financing activities	<u>35,119,984</u>	<u>35,907,771</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(75,893,008)	(49,061,351)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>192,413,497</u>	<u>241,474,848</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 116,520,489</u>	<u>\$ 192,413,497</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
NONCASH INVESTING ACTIVITIES—Accrual of construction in progress costs	<u>\$ 23,867,924</u>	<u>\$ 12,424,735</u>

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

# THE BARACK OBAMA FOUNDATION

## (A District of Columbia Not-for-Profit Corporation)

### NOTES TO FINANCIAL STATEMENTS

#### AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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#### 1. NATURE OF ACTIVITIES

The Barack Obama Foundation (the “Foundation”) is a nonprofit tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Foundation’s mission is to inspire, empower, and connect people to change their world and to honor the legacy of President and Mrs. Obama.

A core purpose of the Foundation is to build the Obama Presidential Center (the “Center”), housing the Presidential Museum (the “Museum”), in Jackson Park on the South Side of Chicago. Construction of the Center started in September 2021. The Museum will tell the story of our nation’s first African-American President and First Lady; their path to the White House; and the countless individuals, communities, and social currents that shaped their journey. The Museum will focus on the historic Obama presidency, its successes and challenges, and its legacy of inspiring individual people to come together to solve problems in their community. The Center will use the Obamas’ personal story of community engagement and public service to inspire visitors to find their own paths to civic engagement and leadership.

Building on the Obamas’ example of engaged citizenship, Foundation programming focuses on giving the next generation of leaders the tools they need to create positive change in their communities. Through our Scholars, Global Leaders, My Brother’s Keeper Alliance, Girls Opportunity Alliance, and Voyager Scholarship, we invest in human potential to help emerging community leaders build the world they want to see.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**—The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

**Use of Estimates**—In preparing financial statements in conformity with US GAAP, management makes estimates and assumptions affecting the reported amounts of assets and liabilities and disclosures of assets and contingent liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**—The Foundation’s cash and cash equivalents consist primarily of deposits with banks and money market with a maturity of less than 90 days from the date of purchase and are stated at cost, which approximates fair value. Cash equivalents held in the board-designated endowment are classified as investments without donor restriction. The Foundation had deposits in excess of federally insured limits at December 31, 2024 and 2023, but has not experienced any losses in these accounts and believes that it is not exposed to any significant credit risk.

**Investments**—Investments consist of common stock, money market mutual funds, agency bonds, corporate bonds, and fixed-income treasury bonds. Investments are recorded at fair value in the statement of financial position, where fair value is determined primarily on the availability of quoted

market prices. Interest and dividends, unrealized gains or losses from changes in the market value of investments, and realized gains and losses on the sale of investments are recognized when earned in a given period and are included in the statement of activities and changes in net assets. Investment income is shown net of investment fees.

**Prepaid Expenses, Other Assets and Receivables**—Prepaid expenses, other assets and receivables consists primarily of prepaid expenses, deposits, other receivables, and merchandise inventory. Inventory represents online retail merchandise valued at the lower of cost or net realizable value, principally using the first-in, first-out cost method. Other receivables include cash due to the Foundation for shared costs and sponsorship receivables. These are recorded at fair value and are expected to be collected within one year and are not discounted.

**Pledges and Grants Receivable—Net**—Unconditional promises to give cash or other assets are reported as pledges and grants receivable. Pledges and grants receivable are recorded at fair value at the date the promise is received, which is estimated as the net present value of the estimated future cash flows of such amounts. Estimated future cash flows expected to be collected beyond one year are discounted using a rate commensurate with the time value of money. Amortization of the discount is recorded as additional contribution revenue.

Pledges receivable are recorded net of an allowance for uncollectible amounts. The Foundation determines its allowance for uncollectible amounts by considering a number of factors that includes the amount and length of time the receivables are past due, the individual donor's ability to pay, and the general condition of the economy as a whole. Any pledges receivable that have become uncollectible are written off by the Foundation.

Conditional pledges are not recognized as contribution revenue until the conditions on which they depend are substantially met

**Beneficial Interest in Trust**—The Foundation is the lead beneficiary of a charitable lead annuity trust that terminates on September 30, 2029. The Foundation receives annual fixed payments from the trust until termination. The beneficial interest in trust is reported at fair value, which is estimated as the net present value of the estimated future cash flows of the annual fixed payments. The discount rate used to determine the present value of the beneficial interest in trust was 5.38% and 4.84% at December 31, 2024 and 2023, respectively, which represents the risk-adjusted interest rate applicable to the time period of the annual fixed payments. The unrealized gain on the beneficial interest in trust recognized was \$166,603 and \$267,180 in 2024 and 2023, respectively.

**Leases**—Leases with durations greater than 12 months are recognized in the statement of financial position. The right-of-use asset ("ROU asset") represents the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The lease liability for each lease is recognized at the present value of the lease payments not yet paid at the commencement date of the lease. The ROU asset for each lease is recorded at the amount equal to the initial measurement of lease liability, adjusted for balances of prepaid rent, lease incentives received, and initial direct costs incurred.

For operating leases, the lease liability is amortized using the effective interest method. That is, in each period, the liability will be increased to reflect the interest that is accrued on the related liability by using the appropriate discount rate, offset by a decrease in the liability resulting from the periodic lease

payments. The subsequent measurement of the ROU asset is depreciated over the lease term and is linked to the amount recognized as the lease liability.

For operating leases, the lease liability is amortized using the effective interest method. That is, in each period, the liability will be increased to reflect the interest that is accrued on the related liability by using the appropriate discount rate, offset by a decrease in the liability resulting from the periodic lease payments. The subsequent measurement of the ROU asset is depreciated over the lease term and is linked to the amount recognized as the lease liability.

**Fixed Assets—Net**—Fixed assets are recorded at cost, if purchased, or at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over their estimated useful lives, which ranges from 3–7 years for furniture and fixtures and computer equipment, 3–10 years for technology, and 2–7 years for leasehold improvements. Leasehold improvements are amortized over the lesser of the useful life or lease term. Repairs and maintenance that do not extend the life of the applicable assets are charged to expense as incurred.

**Construction In Progress**—Expenses directly and indirectly related to planning, developing, and constructing the Center are capitalized and recorded at cost, if purchased, or at fair value at the date of donation. These costs will begin to depreciate when the Center is placed in service.

**Collections**—The Foundation acquires its collections by purchase or by donation. The Foundation’s collections management policy includes guidance on the Foundation’s collections stewardship responsibilities from intake and acquisition through preservation, access and use, and deaccessioning and disposal of materials that no longer support the Foundation’s public mission. This policy does not pertain directly to the management of the Obama presidential archive, which is maintained as a separate collection property of the National Archives and Records Administration and is not included in the statement of financial position of the Foundation, nor is the Foundation responsible for the maintenance or preservation of items in these collections.

The value of the Foundation’s collections is not subject to reasonable estimate, and therefore are not recognized as assets in the statements of financial position. Purchases of collection items are recorded in the statement of activities and changes in net assets as decreases in net assets without donor restrictions in the period of acquisition, unless the items were purchased with donor restricted funds in which case they are shown as decreases in net assets with donor restrictions. Proceeds from the sale of deaccessioned materials will be utilized exclusively for the purchase of future collection acquisitions, including costs directly related to obtaining, conserving, or processing new acquisitions. Deaccessioning proceeds will not be used to pay for direct care of the collection beyond the initial cost of acquisition.

**Basis of Presentation**—For financial reporting purposes, net assets and contribution revenue are classified on the basis of the existence or absence of donor-imposed restrictions, as follows:

**Net Assets without Donor Restrictions**—Net assets without donor restrictions are not subject to donor-imposed restrictions. The Foundation’s net assets without donor restrictions are primarily derived from annual excess of revenue over expenses and net assets released from donor restrictions for operations. A portion of net assets without donor restrictions designated by the Foundation’s Board of Directors (the “Board”) for specific purposes are disclosed as a board-designated endowment. Because these designations are voluntary and may be reversed by the Board at any time, board-designated net assets are included as net assets without donor restrictions.

**Net Assets with Donor Restrictions**—Net assets with donor restrictions are subject to donor-imposed restrictions for use for a particular purpose or in a particular future period that can be fulfilled by the actions of the Foundation or the passage of time.

**Revenue Recognition**—Unconditional contributions and grants are recorded when cash or a pledge is received and are classified as with donor restrictions or without donor restrictions depending on the existence or absence of any donor-imposed restrictions. Unconditional promises to give with payments due in future periods are reported as with donor restrictions in the statement of activities and changes in net assets, unless explicit donor stipulations or circumstances surrounding the receipt of the promise make clear that the donor intended them to be used to support activities of the current period, in which case they are reported as without donor restrictions. Unconditional promises to give with payments received in the same period are reported as without donor restrictions in the statement of activities and changes in net assets. Gifts that are originally restricted by the donor for a specific purpose and for which the restriction is met in the same time period are recorded as contributions with donor restrictions and then released from restriction. When a restriction expires (such as when a time restriction ends or purpose restriction is satisfied), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities and changes in net assets as net assets released from restriction.

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation, and are converted to cash immediately upon receipt of the donation. In the statement of cash flows, donated securities are presented as cash inflows from financing activities when donor restrictions are associated with the gift for the purpose of acquiring, constructing, or improving fixed assets or other long-lived assets; in the absence of donor restrictions, donated securities are presented as cash inflows from operating activities.

Sponsorship revenue with payments received in the same period as the sponsored event are reported as without donor restrictions in the statement of activities and changes in net assets. Sponsorship revenues with payments due in future periods are reported as with donor restrictions in the statement of activities and changes in net assets and then released from restriction when the time commitment is met.

**Functional Allocation of Expenses**—The operating expenses of the Foundation have been summarized on a functional basis in the statement of functional expenses and allocated according to their natural expense classification. Expenses that are directly attributable to a specific program or support service are reported as expenses of that functional area. Certain expenses are attributable to more than one functional area and are allocated on a reasonable basis that is consistently applied. Occupancy costs, insurance, and depreciation expenses are allocated based on full-time equivalents. Salary expenses that are common to several functions are allocated based on time.

**Grant Expense and Payable**—Grant expense is recognized when a payment is made to a grantee, or in the period the grant is countersigned provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions. Grants payable that are expected to be paid in future years are recorded at the present value of expected future payments. As of December 31, 2024 and 2023, grants payable were not discounted as they are all payable within one year.

**Income Taxes**—The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. Accordingly, no provision for such taxes has been recognized in these financial statements.

US GAAP requires tax effects from uncertain tax positions to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Management has determined that there are no material uncertain positions that require recognition in the financial statements. Additionally, there is no interest or penalties recognized in the statements of activities and changes in net assets or statements of financial position.

### 3. FAIR VALUE MEASUREMENTS

US GAAP defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value are as follows:

**Level 1**—Quoted prices for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

**Level 2**—Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

**Level 3**—Significant unobservable inputs that reflect a reporting entity's own assessments about the assumptions that market participants would use in pricing an asset or liability.

In some cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following are descriptions of the valuation methods and assumptions used by the Foundation to estimate the fair value of financial instruments:

**Cash Equivalents**—Cash equivalents include cash held in a money market fund. The fair value of these investments are based on quoted market prices and is therefore categorized as Level 1 in the hierarchy table.

**Common Stock**—The fair value of exchange-traded common stock is based on quoted market prices and is therefore categorized as Level 1 in the hierarchy table.

**Mutual Funds**—The fair value of mutual fund investments is based on quoted market prices and is therefore categorized as Level 1 in the hierarchy table.

**Agency Bonds**—The fair value of agency bond investments is based on quoted market prices that are not readily available and is therefore categorized as Level 2 in the hierarchy table.

**Corporate Bonds**—The fair value of corporate bond investments is based on quoted market prices that are not readily available and is therefore categorized as Level 2 in the hierarchy table.

**Fixed-Income Treasury Bonds**—The fair value of fixed-income treasury bonds is primarily determined using techniques consistent with the income approach. Significant observable inputs to the income approach include data points for benchmark constant maturity curves and spreads. Therefore, these are categorized as Level 2 in the hierarchy table.

**Beneficial Interest in Trust**—The fair value of the Foundation’s beneficial interest in trust at each reporting period is based on management’s assumptions and judgements because there are no observable inputs or market activity. The fair value is estimated to represent the present value of future cash flows. Therefore, this is categorized as Level 3 in the hierarchy table.

Assets and liabilities measured on a recurring basis at fair value at December 31, 2024 and 2023, are summarized below:

	<b>2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investments:				
Cash equivalents	\$ 1,044,060	\$ -	\$ -	\$ 1,044,060
Mutual funds	51,800,498	-	-	51,800,498
Corporate bonds	-	22,774,229	-	22,774,229
Fixed-income treasury bonds	-	64,282,885	-	64,282,885
Total investments	52,844,558	87,057,114	-	139,901,672
Beneficial interest in trust	-	-	4,526,372	4,526,372
Total	<u>\$ 52,844,558</u>	<u>\$ 87,057,114</u>	<u>\$ 4,526,372</u>	<u>\$ 144,428,044</u>
	<b>2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investments:				
Cash equivalents	\$ 1,023,251	\$ -	\$ -	\$ 1,023,251
Common stock	2,682	-	-	2,682
Mutual funds	3,917,113	-	-	3,917,113
Agency bonds	-	1,295,547	-	1,295,547
Corporate bonds	-	21,880,258	-	21,880,258
Fixed-income treasury bonds	-	104,816,326	-	104,816,326
Total investments	4,943,046	127,992,131	-	132,935,177
Beneficial interest in trust	-	-	5,362,316	5,362,316
Total	<u>\$ 4,943,046</u>	<u>\$ 127,992,131</u>	<u>\$ 5,362,316</u>	<u>\$ 138,297,493</u>



#### 4. LIQUIDITY

The Foundation's financial assets available within one year of December 31, 2024 and 2023, for general obligations are as follows:

	2024	2023
Cash and cash equivalents	\$ 116,520,489	\$ 192,413,497
Investments	139,901,672	132,935,177
Pledges and grants receivable—net	215,998,398	251,945,329
Beneficial interest in trust	<u>4,526,372</u>	<u>5,362,316</u>
Total financial assets	476,946,931	582,656,319
Less amounts not available to be used within one year:		
Restricted by time or donor purpose	(211,132,618)	(226,738,599)
Board-designated endowment	<u>(1,044,060)</u>	<u>(1,023,251)</u>
Financial assets available to meet cash needs for expenditures within one year	<u>\$ 264,770,253</u>	<u>\$ 354,894,469</u>

As part of the Foundation's liquidity management, it has a policy to structure its financial assets without donor restrictions to be available as its expenditures, liabilities, and other obligations come due. Donor restricted contributions are typically not available to support general obligations.

During 2024, the Foundation amended their revolving line of credit agreement setting the amount to \$250,000,000. The line of credit is available for use for Foundation operations, including operating, program, and Center construction costs.

#### 5. PLEDGES AND GRANTS RECEIVABLE—NET

Pledges and grants expected to be collected beyond one year are adjusted to net present value by discounting future cash flows and are reduced for an allowance for uncollectible accounts. The discount rates used to determine the present value of pledges receivable represent risk-free interest rates applicable to the years in which the promises are received and range from 0.97% to 4.58%. The Foundation wrote off \$6,407,348 and \$20,003,005 from pledges and grants receivable in 2024 and 2023, respectively, because they were deemed uncollectible.

Pledges and grants receivable are due in the following periods:

	2024	2023
Within one year	\$ 143,015,118	\$ 132,572,403
One to five years	81,132,283	128,889,069
More than five years	<u>7,319,693</u>	<u>3,259,694</u>
Total pledges and grants receivable	231,467,094	264,721,166
Less present value discount	(6,510,325)	(6,084,671)
Less allowance for uncollectible amounts	<u>(8,958,371)</u>	<u>(6,691,166)</u>
Pledges and grants receivable—net	<u>\$ 215,998,398</u>	<u>\$ 251,945,329</u>

**Conditional Pledges**—As of December 31, 2024 and 2023, the Foundation had outstanding conditional promises from its donors of \$200,602,322 and \$82,698,601, respectively. In order to recognize these conditional promises as contribution revenue, these conditions, such as future programming and certain construction activities, must be fulfilled. During the years ended December 31, 2024 and 2023, contribution revenues of \$12,096,279 and \$13,851,399, respectively, were recognized as the Foundation had fulfilled the donor-imposed conditions.

## 6. FIXED ASSETS—NET

Fixed assets consist of the following as of December 31, 2024 and 2023:

	2024	2023
Computer equipment	\$ 260,871	\$ 260,871
Furniture and fixtures	1,076,121	1,006,494
Leasehold improvements	1,880,800	1,848,220
Technology	<u>5,575,573</u>	<u>4,808,004</u>
Subtotal	8,793,365	7,923,589
Accumulated depreciation	<u>(4,163,703)</u>	<u>(3,213,186)</u>
Fixed assets—net	<u>\$ 4,629,662</u>	<u>\$ 4,710,403</u>

Depreciation expense for the years ended December 31, 2024 and 2023, was \$1,203,666 and \$669,933, respectively.

## 7. CONSTRUCTION COSTS AND COMMITMENTS

The Foundation has capitalized a total of \$615,674,047 and \$393,250,497 toward the planning, development, and construction of the Center as of December 31, 2024 and 2023, respectively. These costs relate to direct and indirect expenses associated with the site selection, architect selection, surveys, feasibility studies, design, exhibit design, preconstruction costs, construction costs, and other costs and have not yet been placed in service.

In 2018, the Foundation selected Lakeside Alliance to serve as the construction manager for the Center. Lakeside Alliance is a joint venture between a large international construction company and four minority-owned Chicago construction firms who will have 51% financial equity in the Center's construction contract. This contract was originally signed in January 2018 with the project term through 2022. This contract was last amended in September 2023, establishing substantial completion of the project in 2025. As of December 31, 2024, the total remaining commitments on this contract total approximately \$191,000,000. During 2024, the Foundation entered into discussions with Lakeside Alliance regarding additional change order requests regarding work of a sub-contractor that required extensive negotiations, as the Foundation believes to not owe any additional commitments. Subsequent to year end, the Foundation was named in arbitration regarding work done by a construction sub-contractor of Lakeside Alliance. In accordance with the terms of its contract with the project architect, and pursuant to the terms of the subcontract between the architect and the project's structural engineer, the Foundation is entitled to indemnification against any potential finding of liability in the arbitration. As of report date, the Foundation has not received any change orders from Lakeside Alliance related to this matter and does not believe to have additional commitments as of year end or as of report date.

In 2023, the Foundation selected Elevate Design Build Group to serve as the design-builder for the Athletic Center on the Center's campus. Elevate Design Build Group is a joint venture between a large international construction company and a minority-owned Chicago construction firm who has 65% financial equity stake in the Athletic Center's construction contract. This contract was signed in March 2023 with the project term through 2025. This contract was last amended in June 2024. As of December 31, 2024, the total remaining commitments on this contract total approximately \$43,000,000.

The legal title to the Foundation's land and future Center is vested with the City of Chicago. The right to the use and occupancy of the land and future Center rests with the Foundation under an agreement effective as of August 13, 2021, and terminates 99 years from that effective date.

## **8. REVOLVING LINE OF CREDIT**

On May 12, 2020, the Foundation executed a revolving line of credit ("LOC") up to \$250,000,000 with PNC Bank, National Association, the administrative agent, providing 80% of the credit and The Northern Trust Company providing 20% of the credit. Beginning November 12, 2021, fees of 0.20% of the unused balance of the LOC began incurring.

During 2022, the Foundation entered into a first amendment on the LOC dated February 22, 2022. This amendment reduced the revolving line of credit to \$150,000,000. The amendment extended the expiration date to February 22, 2029, and had a variable interest rate on borrowings at the Bloomberg Short Term Bank Yield Index rate, plus 1.5%.

During 2024, the Foundation entered into a second amendment on the LOC dated October 14, 2024. This amendment increased the revolving line of credit to \$250,000,000. The amendment extends the expiration date to December 31, 2029, and has a variable interest rate on borrowings at the daily Secured Overnight Financing Rate, plus 1.15%.

This LOC is primarily available for Center construction costs, but is also available for program and operating expenses. During the year ended December 31, 2024, the Foundation's line of credit was drawn down by \$1,000,000 and subsequently repaid. There were no draws made on this revolving line of credit during the year ended December 31, 2023. There was no outstanding balance on the line of credit as of December 31, 2024 or 2023, respectively.

In 2020, \$95,000 of costs were incurred to obtain the LOC and are being amortized over the life of the LOC. In 2022, \$14,066 was incurred in relation to the first amendment. In 2024, \$33,088 was incurred in relation to the second amendment. Fees assessed on the unused LOC balance totaled \$343,087 in 2024 and \$300,822 in 2023, and are being amortized over the remaining life of the LOC. These costs, net of accumulated amortization, are included as debt financing costs in the statements of financial position at December 31, 2024 and 2023. During the years ended December 31, 2024 and 2023, amortization expense was \$162,171 and \$110,069, respectively.

## **9. BOARD-DESIGNATED ENDOWMENT**

In 2021, the Foundation's Board of Directors designated \$1,000,000 to function as an endowment for future operations of the Center. As required by US GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**Endowment Investment and Spending Policies**—As of December 31, 2024 and 2023, investment and spending policies for endowment assets were not yet in place. As such, endowment assets are invested in accordance with the existing Board-approved short-term investment policy under the direction of the Finance Committee of the Board of Directors until endowment policies are in place. Based on this existing policy, investment returns on endowment assets remain in the endowment asset account and are not being spent.

**Composition of Endowments**—Endowment net assets were \$1,044,060 and \$1,023,251 as of December 31, 2024 and 2023, respectively, and consist solely of the board-designated endowment, which is included within net assets without donor restriction. Changes in endowment net assets for the years ended December 31, 2024 and 2023, include investment income of \$20,809 and \$18,123, respectively.

## 10. NET ASSETS

The Foundation's net assets without donor restrictions consist of the following at December 31, 2024 and 2023:

	2024	2023
General operations in support of mission	\$ 773,935,164	\$ 656,424,548
Board-designated endowment	<u>1,044,060</u>	<u>1,023,251</u>
Total net assets without donor restrictions	<u>\$ 774,979,224</u>	<u>\$ 657,447,799</u>

The Foundation's net assets with donor restrictions consist of the following at December 31, 2024 and 2023:

	2024	2023
Restricted for:		
Passage of time	\$ 122,432,964	\$ 144,041,020
Planning and construction of the Center	34,180,929	37,934,165
Programs	139,321,183	122,553,685
Donated lease asset	<u>361,409</u>	<u>352,723</u>
Total net assets with donor restrictions	<u>\$ 296,296,485</u>	<u>\$ 304,881,593</u>

Net assets were released from donor restrictions due to the passage of time or performance of activities satisfying the restricted purposes specified by the donors as follows:

	2024	2023
Passage of time	\$ 57,341,976	\$ 72,544,128
Expenditures satisfying donor-imposed purpose restrictions:		
Planning and construction of the Center	34,946,431	46,299,470
Programs	31,593,400	34,490,669
Donated lease asset	<u>551,081</u>	<u>533,708</u>
Total net assets released from restrictions	<u>\$ 124,432,888</u>	<u>\$ 153,867,974</u>

## 11. EMPLOYEE BENEFITS

In 2015, the Foundation entered into a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time employees of the Foundation. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. In 2020, the Foundation began matching employee contributions in an amount equal to 100% of the first 4% of pretax contributions made to the plan by each participant. In addition, the Foundation can also make discretionary contributions to the plan. Employees are immediately vested in employer contributions. Total employer contributions expensed during the years ended December 31, 2024 and 2023, were \$1,410,524 and \$1,321,538, respectively.

## 12. LEASE COMMITMENTS

The Foundation has entered into several operating leases with terms greater than 12 months for office space, which are recognized as ROU assets and lease liabilities in the statements of financial position under Topic 842. The leases expire between 2025 and 2032, and most of them include renewal options. As any extension or renewal is at the discretion of the Foundation and at this date, is not certain, the renewal options are not included in the calculation of the ROU asset or lease liability. The Foundation has also entered into several noncancelable operating leases for office equipment that expire in the next 12 months. The Foundation does not have any finance leases. The Foundation used the risk-free rate as of the lease commencement date to determine the present value of lease payments for all leases. The treasury date based on the date of implementation or the date the lease was signed was used, based on the length of the lease, to determine the discount rate as none of the operating leases included rates implicit in the lease.

As of December 31, 2024 and 2023, the ROU assets related to the Foundation's operating leases were \$1,220,661 and \$1,211,993, respectively, and the lease liabilities were \$1,344,954 and \$1,398,540, respectively, primarily related to office and storage facilities. The weighted-average remaining lease term in 2024 and 2023 were 4.65 years and 2.56 years, respectively, and the weighted-average discount rate was 4.17% and 2.97%, respectively. Cash paid for amounts included in the measurement of lease liabilities in 2024 and 2023 were \$1,012,232 and \$1,086,992, respectively.

The future minimum lease liabilities for operating leases as of December 31, 2024, are as follows:

### **Years Ending December 31**

2025	\$ 907,536
2026	591,549
2027	593,132
2028	409,889
2029	366,712
Thereafter	<u>871,805</u>
Total lease payments	3,740,623
Less imputed interest	<u>(2,395,669)</u>
Total liability	<u>\$ 1,344,954</u>

During 2016, the Foundation entered into an operating lease for donated office space in Chicago expiring in 2022. On December 22, 2022, the Foundation signed an amendment to this lease, which extended the donated office space in Chicago for two years expiring in 2024. On November 4, 2024, the Foundation signed a letter extending the donated office space in Chicago for another year expiring in 2025. The Foundation is a sublessee under the agreement and paid \$1 in base rent for the entire lease term. The donated leases were recognized as contribution revenue with donor restrictions at the inception of the lease. The fair value of the donated lease asset and related net assets with donor restrictions was \$361,409 and \$352,723 at December 31, 2024 and 2023, respectively.

Rent expense for the year ended December 31, 2024, is composed of \$963,002 operating lease cost, \$0 short-term lease cost, and \$551,081 of donated leases. Rent expense for the year ended December 31, 2023, is composed of \$995,223 operating lease cost, \$0 short-term lease cost, and \$256,690 of donated leases.

The Foundation is not a lessor in any arrangements.

### **13. CONTRIBUTIONS IN-KIND**

The Foundation has volunteers who contribute time in furtherance of the Foundation's mission. Donated goods and services are recorded as revenue and expenditures when they meet the criteria for recognition in the financial statements. Donated goods include items such as software, website domain, products for events, and shipping. Donated services include professional and legal services performed for the Foundation. In-kind donations of goods and services are recorded at their estimated fair value on the date of the donation. Fair value is determined based on the market value of similar goods and services or other relevant valuation techniques. The fair value of donated goods and services was determined by management based on the best available information at the time of the donation. The Foundation plans to use all contributed goods in their operations and will only monetize donated goods in the event they are deemed unusable in operations.

For the years ended December 31, 2024 and 2023, the Foundation received contributed goods in the amount of \$17,000 and \$527,441, respectively, contributed office space of \$559,766 and \$277,018, respectively, and contributed services in the amount of \$403,807 and \$846,542, respectively. Other than contributed office space, all in-kind contributions are unrestricted. The Foundation plans to use all contributed goods in their operations and will only accept donated goods as approved by the gift acceptance policy.

### **14. RELATED-PARTY TRANSACTIONS**

An executive member of Foundation leadership sits on the board of two nonprofit organizations in which the Foundation incurred grants expense of \$391,949 in 2023. There were no such grants made in 2024.

### **15. LEGAL MATTERS**

On April 14, 2021, the park advocacy group named Protect Our Parks ("POP"), the Nichols Park Advisory Council, and other individuals (collectively, "Plaintiffs") filed a lawsuit in Chicago against the Secretary of the United States Department of Transportation, the administrator of the Federal Highway Administration ("FHWA") and the FHWA's divisional heads, the Secretary of the United States Department of the Interior, the deputy director of the National Park Service, the Acting Secretary of the Army, the commanding officer of the Chicago District of the Army Corps of Engineers, the City of Chicago, the Chicago Park District, and the Foundation (the "2021 Lawsuit", captioned Protect Our

Parks v. Buttigieg, case no. 21-cv-02006 (N.D. Ill.)) challenging the placement of the Center in Jackson Park and the outcome of the federal reviews process related to that determination. This lawsuit asserts largely the same claims as an unsuccessful and closed 2018 lawsuit by Protect Our Parks and other individuals. On March 29, 2022, the district court dismissed all state law claims brought by Plaintiffs in this suit. Subsequently, the parties filed a stipulated final judgment to end litigation in the district court in favor of the Foundation and all codefendants. Final judgment was entered on November 3, 2022.

On December 5, 2022, Plaintiffs filed a notice of appeal to the 7th Circuit Court of Appeals. That appeal is docketed as Protect Our Parks, Inc., et al., v. Pete Buttigieg, et al., Appeal No. 22-3190. Subsequent to December 31, 2022, Plaintiffs-Appellants' opening brief was filed on February 16, 2023. Federal Defendants-Appellees' response brief was filed on March 31, 2023. The brief of the remaining Appellees (Foundation, City of Chicago, and Chicago Park District) was filed on June 2, 2023. Four amicus briefs in support of Appellees were also filed—UChicago, Chicagoland Museums, Community Representatives, and Civic Groups (Chicago Community Trust, Chicago Urban League, and the Civic Committee). Briefing concluded when the reply brief of the Appellants was filed on July 21, 2023. Oral argument was held October 24, 2023.

On April 8, 2024, the 7th Circuit unanimously affirmed the District Court by ruling in favor of the Foundation and all co-Defendants. Procedurally, Plaintiffs have the right to request rehearing from the Appeals Court (45 days from final judgment) and the right to seek review by the U.S. Supreme Court (90 days from final judgment/or, if applicable, the order denying rehearing). On May 22, 2024, Plaintiffs filed a request for rehearing with the 7th Circuit. The request raised no new issues and was denied by the 7th Circuit on June 10, 2024. Plaintiffs subsequently filed a petition for certiorari to the U.S. Supreme Court on September 9, 2024. The petition was reviewed on January 10, 2025. The Supreme Court did not provide any response. This is not an indication of the Court's intent or position on the POP matter, but likely indicates that the Court desired to "hold" the petition until ruling came down on a case (Seven County Infrastructure Coalition v. Eagle County) addressing a similar federal review issue. The ruling in Seven County was issued on May 29, 2025 and the basis of the decision counsels in favor of a denial for Plaintiffs' petition. The Supreme Court's action on the petition will likely follow within the next several days. In the meantime, OPC construction continues without impact from this lawsuit.

## **16. SUBSEQUENT EVENTS**

Management has evaluated all subsequent events through June 5, 2025, which is the date the financial statements were available to be issued, and concluded no subsequent events have occurred outside of those disclosed in Note 7 and Note 15.

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