

ERADICATE HATE GLOBAL SUMMIT

Financial Statements

December 31, 2024

ERADICATE HATE GLOBAL SUMMIT

Table of Contents

December 31, 2024

	<u>Pages</u>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 – 12



McGee Maruca & Associates, P.C.

Certified Public Accountants
3111 Banksville Road, Suite 200
Pittsburgh, PA 15216
Ph 412.344.9006
Fax 412.344.9475
Email: office@mcgeemaruca.com
Website: mcgeemaruca.com

Leslie A. McGee, C.P.A.
Lisa Maruca DiPardo, C.P.A.

Independent Auditor's Report

To the Board of Directors
Eradicate Hate Global Summit
Pittsburgh, Pennsylvania

Opinion

We have audited the accompanying financial statements of Eradicate Hate Global Summit (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eradicate Hate Global Summit as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Eradicate Hate Global Summit's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Report on Summarized Comparative Information

We have previously audited the Eradicate Hate Global Summit's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 24, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Pittsburgh, Pennsylvania
March 19, 2025

McLee Maruca & Associates, P.C.

Eradicate Hate Global Summit
Statement of Financial Position
December 31,

Assets

	<u>2024</u>	<u>2023</u>
Cash	\$ 73,439	\$ 373,850
Grants receivable	834,949	-
Prepaid expenses	88,000	-
Total assets	\$ 996,388	\$ 373,850

Liabilities and Net Assets

Accounts payable	\$ 184,445	\$ 28,767
Line of credit	100,000	-
Total Liabilities	284,445	28,767
Net assets:		
Without donor restrictions	(92,257)	150,460
With donor restrictions	804,200	194,623
Total net assets	711,943	345,083
Total liabilities and net assets	\$ 996,388	\$ 373,850

See accompanying notes to the financial statements.

Eradicate Hate Global Summit
Statement of Activities
For the Year Ended December 31, 2024
With Comparative Totals for the Year Ended December 30, 2023

<u>Operating Activities</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024 Total</u>	<u>2023 Total</u>
Revenue and support:				
Foundation grants	\$ 860,000	\$ -	\$ 860,000	\$ 2,030,702
Government grants	640,492	-	640,492	-
Corporate donations	893,300	604,200	1,497,500	15,000
Individual donations	203,082	200,000	403,082	21,828
Interest income	17,427	-	17,427	24,237
Registration fees	36,123	-	36,123	42,575
Miscellaneous	1,879	-	1,879	-
Net assets released from restrictions	<u>194,623</u>	<u>(194,623)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>2,846,926</u>	<u>609,577</u>	<u>3,456,503</u>	<u>2,134,342</u>
Expenses:				
Program services	2,475,355	-	2,475,355	1,702,512
Supporting services:				
Management and general	351,014	-	351,014	61,480
Fundraising	<u>263,274</u>	<u>-</u>	<u>263,274</u>	<u>25,267</u>
Total expenses	<u>3,089,643</u>	<u>-</u>	<u>3,089,643</u>	<u>1,789,259</u>
Change in net assets	(242,717)	609,577	366,860	345,083
Net assets at beginning of year	<u>150,460</u>	<u>194,623</u>	<u>345,083</u>	<u>-</u>
Net assets at end of year	<u>\$ (92,257)</u>	<u>\$ 804,200</u>	<u>\$ 711,943</u>	<u>\$ 345,083</u>

See accompanying notes to the financial statements.

Eradicate Hate Global Summit
Statement of Functional Expenses
For the Year Ended December 31, 2024
With Comparative Totals for the Year Ended December 31, 2023

	Program Services	General and Administrative	Fundraising	2024 Total	2023 Total
Computer expenses	\$ 400	\$ 1,439	\$ 5,972	\$ 7,811	\$ -
Conference expense	1,610,590	-	-	1,610,590	1,470,423
Contract services and professional fees	66,519	117,911	189,006	373,436	105,111
Employee benefits	23,709	10,325	4,207	38,241	-
Grant expense	360,673	-	-	360,673	-
Insurance expense	979	32,819	-	33,798	21,975
Interest expense	-	-	109	109	-
Internet	-	5,200	-	5,200	-
Miscellaneous	160	5,117	4,520	9,797	11,285
Office supplies	733	1,578	-	2,311	-
Payroll taxes	21,478	9,353	3,811	34,642	-
Professional development	1,778	-	-	1,778	-
Program expenses	16,328	-	-	16,328	-
Salaries	296,795	129,250	52,657	478,702	-
Software expenses	2,811	21,936	1,636	26,383	45,437
Travel	10,853	16,086	1,356	28,295	-
Working group program expenses	61,549	-	-	61,549	135,028
	<u>\$ 2,475,355</u>	<u>\$ 351,014</u>	<u>\$ 263,274</u>	<u>\$ 3,089,643</u>	<u>\$ 1,789,259</u>

See accompanying notes to the financial statements.

Eradicate Hate Global Summit
Statement of Cash Flows
For the Year Ended December 31,

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 366,860	\$ 345,083
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Increase in grants receivable	(834,949)	-
Increase in prepaid expenses	(88,000)	-
Increase in accounts payable and other accrued liabilities	<u>155,678</u>	<u>28,767</u>
Net cash (used) provided by operating activities	<u>(400,411)</u>	<u>373,850</u>
Cash flows from financing activities:		
Proceeds from line of credit	<u>100,000</u>	<u>-</u>
Net cash provided by financing activities	<u>100,000</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents	(300,411)	373,850
Cash and cash equivalents at beginning of year	373,850	-
Cash and cash equivalents at end of year	<u>\$ 73,439</u>	<u>\$ 373,850</u>
Supplemental information:		
Cash paid for interest expense	<u>\$ 109</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

ERADICATE HATE GLOBAL SUMMIT

Notes to the Financial Statements

December 31, 2024

(1) **Organization**

Eradicate Hate Global Summit (Eradicate Hate) is a Pennsylvania nonprofit organization incorporated on January 25, 2023.

Eradicate Hate's purpose is to convene, implement and fund initiatives that contribute to the eradication of hate and hate-fueled violence. During 2024, Eradicate Hate hosted a three-day Summit in Pittsburgh attracting speakers and participants from around the world. Eradicate Hate also provides year-round grant funded programs focusing on assisting service providers through the Prevention Practioners Network and equipping and empowering youth to stand against hate through the UP End Hate and Invent2Prevent programs.

Eradicate Hate also creates working groups to develop and deploy innovative approaches to reduce hate-motivated violence, and attends and speaks at conferences and meetings in the United States, Canada and Europe.

(2) **Summary of Significant Accounting Policies**

(a) **Basis of Presentation**

The financial statements of the Eradicate Hate have been prepared in accordance with accounting principles generally accepted in the United States of America, which requires the Eradicate Hate Global Summit to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Eradicate Hate. These net assets may be used at the discretion of Eradicate Hate's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of The Eradicate Hate Global Summit or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

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

ERADICATE HATE GLOBAL SUMMIT

Notes to the Financial Statements, continued

December 31, 2024

(2) **Summary of Significant Accounting Policies, continued**

(b) **Measure of Operations**

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to Eradicate Hate's ongoing program services and interest earned on investments. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of more unusual or nonrecurring nature.

(c) **Tax Status**

The Internal Revenue Service has determined that Eradicate Hate is tax exempt under Section 501(c) (3) of the Internal Revenue Code. Eradicate Hate is not classified as a private foundation.

The Financial Accounting Standards Board (FASB) has issued Interpretation FASB ASC No. 740, which clarifies accounting principles generally accepted in the United States of America for recognition, measurement, presentation and disclosure relating to uncertain tax positions. FASB ASC No. 740 applies to business enterprises, not-for-profit entities, and pass-through entities, such as S corporations and limited liability companies. Eradicate Hate evaluates uncertain tax positions in accordance with FASB ASC No. 740 and has determined there is no material impact on Eradicate Hate's financial position or results of operations for the year ended December 31, 2024.

Eradicate Hate annually files a federal Exempt Organization Tax Return (Form 990) as applicable. The filed form is subject to examination by the Internal Revenue Service generally for three years after it is filed.

(d) **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(e) **Concentrations of Risk**

Eradicate Hate maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. At December 31, 2024, Eradicate Hate did not exceed the FDIC insured level. Eradicate Hate has not experienced any losses in such accounts. Eradicate Hate believes it is not exposed to any significant credit risk on cash and cash equivalents.

ERADICATE HATE GLOBAL SUMMIT

Notes to the Financial Statements, continued

December 31, 2024

(2) **Summary of Significant Accounting Policies, continued**

(f) **Contributions**

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. All donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The fair value of contributions receivables is determined at the present value of expected future cash flows using a discount rate based on when the grant was made.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

(g) **Cash Equivalents**

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or fewer at the date of acquisition.

(h) **Fair Value**

The Financial Accounting Standards Board (FASB) has issued FASB ASC No. 820, "Fair Value Measurements", which defines fair value, establishes guidelines for measuring fair value and expands disclosures regarding fair value measurements. This pronouncement does not require any new fair value measurements, but rather eliminates inconsistencies in guidance found in various prior accounting pronouncements. The carrying amount of Eradicate Hate's cash and cash equivalents, prepaid expenses and accounts payable approximates fair value primarily because of the short maturity of these instruments.

ERADICATE HATE GLOBAL SUMMIT

Notes to the Financial Statements, continued

December 31, 2024

(2) **Summary of Significant Accounting Policies, continued**

(i) **Functional Allocation of Expenses**

Eradicate Hate allocates its expenses on a functional basis among its programs and support services. Expenses that can be identified with a specific program or support service are allocated directly. Expenses common to several functions are allocated according to estimates developed by management of staff time and effort.

Program services are the activities that result fulfilling the mission for which Eradicate Hate exists. General and Administrative expenses are activities that are not identifiable with a single program or fundraising activity but that are indispensable to the conduct of those activities and to Eradicate Hate's existence. Fundraising expenses are activities undertaken to induce potential donors to contribute money, securities, services, materials, facilities, other assets or time.

(3) **Contributions Receivable**

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. There was a total of \$834,949 of unconditional promises to give at December 31, 2024. \$584,949 is expected to be collected in 2025 and the remaining \$250,000 in 2026. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There were two conditional promises to give. A conditional promise of \$60,000 payable in increments of \$20,000 payable over the next three years. Payment is conditional on achievements of specific milestones that advance strategies to address hate in the community. There is another conditional promise to give of \$300,000 payable in increments of \$150,000 payable over the next two years. Payment is conditional on achievements of specific milestones that advance Eradicate Hate to raising endowment gifts. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

(4) **Contributed Nonfinancial Assets**

Contributed nonfinancial assets include donated property, donated equipment and other in-kind contributions which are recorded at the estimated fair value on the date of receipt. Contributed nonfinancial assets are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. The donated goods are used to maintain Eradicate Hate's program activities. There were no contributed nonfinancial assets for the year ended December 31, 2024.

ERADICATE HATE GLOBAL SUMMIT

Notes to the Financial Statements, continued

December 31, 2024

(5) **Net Assets**

Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2024 consist of the following:

Carnegie Corporation of New York	\$104,200	Time restriction
Jones Day Foundation	500,000	Time restriction
National fundraising program	<u>200,000</u>	Purpose restriction
Total	<u>\$804,200</u>	

Net assets with donor restrictions released from restrictions in 2024 consisted of the following:

National fundraising program	\$194,623
Total	<u>\$194,623</u>

Net Assets without Donor Restrictions

Net assets without donor restrictions for the year ended December 31, 2024 are as follows:

Undesignated	\$(92,257)
Total	<u>\$(92,257)</u>

(6) **Liquidity**

The following represents Eradicate Hate's financial assets at December 31, 2024:

Financial assets at year-end:	
Cash and cash equivalents	\$ 73,439
Grants receivable	<u>834,949</u>
Total financial assets	908,388
Less amounts not available for general expenditures within one year:	
Net assets with donor or time restrictions	<u>804,200</u>
	<u>804,200</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$104,188</u>

ERADICATE HATE GLOBAL SUMMIT

Notes to the Financial Statements, continued

December 31, 2024

(6) **Liquidity, continued**

Eradicate Hate monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. In addition to the \$104,188 of financial assets available for general expenditure within one year of December 31, 2024, Eradicate Hate operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient contributions and revenues.

(7) **Retirement Plan**

The Organization has established a qualified 403(b) savings-retirement plan for the benefit of substantially all full-time employees. The Organization matches, up to prescribed limits, the contribution made by the employee.

The Organization matches 100% of the employee contributions up to 5% of their annual salary. Employer contributions to the plan amounted to \$15,133 for the year ended December 31, 2024.

(8) **Line of Credit**

Line of credit payable to PNC Bank was obtained for a total available amount of \$250,000. Interest is charged on the outstanding balance at 8.5%. The loan is collateralized by the Organization's assets. The line of credit balance as of December 31, 2024 is \$100,000. As noted in footnote #9 the \$100,000 balance was subsequently paid off in full on January 27, 2025.

(9) **Subsequent Events**

Subsequent events were evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued. On January 27, 2025 the line of credit balance of \$100,000 was fully paid off.