

**Progressive Multiplier Fund**

Financial Statements  
and Independent Auditor's Report

June 30, 2024 and 2023

# Progressive Multiplier Fund

Financial Statements  
June 30, 2024 and 2023

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Progressive Multiplier Fund

### ***Opinion***

We have audited the accompanying financial statements of Progressive Multiplier Fund (PMF), which comprise the statements of financial position as of June 30, 2024 and 2023; 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 financial statements referred to above present fairly, in all material respects, the financial position of PMF as of June 30, 2024 and 2023, 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. 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 PMF 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.

***Responsibilities of Management for the Financial Statements (continued)***

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 PMF'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, including omissions, 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 PMF'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 PMF's ability to continue as a going concern for a reasonable period of time.

*Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

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.

Handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia  
December 11, 2024

## Progressive Multiplier Fund

### Statements of Financial Position June 30, 2024 and 2023

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 1,253,845	\$ 1,242,266
Accounts receivable	6,000	-
Grants receivable	1,125,000	45,000
Due from related parties	-	32,700
Prepaid expenses	16,285	5,400
Total assets	<u>\$ 2,401,130</u>	<u>\$ 1,325,366</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 29,491	\$ 14,413
Due to related parties	120,539	-
Total liabilities	<u>150,030</u>	<u>14,413</u>
<b>Net Assets</b>		
Without donor restrictions	818,663	161,126
With donor restrictions	1,432,437	1,149,827
Total net assets	<u>2,251,100</u>	<u>1,310,953</u>
Total liabilities and net assets	<u>\$ 2,401,130</u>	<u>\$ 1,325,366</u>

See accompanying notes.

## Progressive Multiplier Fund

Statement of Activities  
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Grants and contributions	\$ 284,000	\$ 2,645,000	\$ 2,929,000
Contract revenue	30,000	-	30,000
Other income	11,295	-	11,295
Net assets released from restrictions	2,362,390	(2,362,390)	-
	2,687,685	282,610	2,970,295
<b>Expenses</b>			
Program services	1,470,263	-	1,470,263
Supporting services:			
Management and general	338,314	-	338,314
Fundraising	221,571	-	221,571
	559,885	-	559,885
	2,030,148	-	2,030,148
<b>Change in Net Assets</b>	657,537	282,610	940,147
<b>Net Assets, beginning of year</b>	161,126	1,149,827	1,310,953
<b>Net Assets, end of year</b>	\$ 818,663	\$ 1,432,437	\$ 2,251,100

*See accompanying notes.*

## Progressive Multiplier Fund

Statement of Activities  
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Grants and contributions	\$ 196,742	\$ 2,397,738	\$ 2,594,480
Other income	6,880	-	6,880
Net assets released from restrictions	1,962,078	(1,962,078)	-
Total revenue and support	<u>2,165,700</u>	<u>435,660</u>	<u>2,601,360</u>
<b>Expenses</b>			
Program services	1,523,443	-	1,523,443
Supporting services:			
Management and general	161,733	-	161,733
Fundraising	171,973	-	171,973
Total supporting services	<u>333,706</u>	<u>-</u>	<u>333,706</u>
Total expenses	<u>1,857,149</u>	<u>-</u>	<u>1,857,149</u>
<b>Change in Net Assets</b>	308,551	435,660	744,211
<b>Net (Deficit) Assets, beginning of year</b>	<u>(147,425)</u>	<u>714,167</u>	<u>566,742</u>
<b>Net Assets, end of year</b>	<u>\$ 161,126</u>	<u>\$ 1,149,827</u>	<u>\$ 1,310,953</u>

See accompanying notes.



## Progressive Multiplier Fund

Statement of Functional Expenses  
For the Year Ended June 30, 2024

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
Wages and salaries	\$ 745,424	\$ 131,061	\$ 190,881	\$ 321,942	\$ 1,067,366
Grant expense	610,832	4,813	4,375	9,188	620,020
Consulting and accounting	75,327	182,166	5,779	187,945	263,272
Conferences and events	10,191	-	11,740	11,740	21,931
Dues and subscriptions	3,000	1,175	200	1,375	4,375
Legal service	-	1,677	43	1,720	1,720
Office expense	18,715	16,078	7,626	23,704	42,419
Rent	165	156	28	184	349
Insurance	1,943	624	899	1,523	3,466
Advertising	4,666	-	-	-	4,666
Other expenses	-	564	-	564	564
<b>Total Expenses</b>	<b>\$ 1,470,263</b>	<b>\$ 338,314</b>	<b>\$ 221,571</b>	<b>\$ 559,885</b>	<b>\$ 2,030,148</b>

*See accompanying notes.*

## Progressive Multiplier Fund

Statement of Functional Expenses  
For the Year Ended June 30, 2023

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
Wages and salaries	\$ 341,715	\$ 102,337	\$ 155,524	\$ 257,861	\$ 599,576
Grant expense	1,128,020	-	-	-	1,128,020
Consulting and accounting	25,840	51,795	1,360	53,155	78,995
Conferences and events	3,647	-	3,356	3,356	7,003
Dues and subscriptions	4,248	1,363	1,965	3,328	7,576
Legal service	2,590	831	1,198	2,029	4,619
Office expense	1,369	467	1,464	1,931	3,300
Rent	428	137	198	335	763
Insurance	3,360	1,078	1,554	2,632	5,992
Advertising	741	41	41	82	823
Other expenses	11,485	3,684	5,313	8,997	20,482
<b>Total Expenses</b>	<b>\$ 1,523,443</b>	<b>\$ 161,733</b>	<b>\$ 171,973</b>	<b>\$ 333,706</b>	<b>\$ 1,857,149</b>

*See accompanying notes.*

## Progressive Multiplier Fund

### Statements of Cash Flows For the Years Ended June 30, 2024 and 2023

	2024	2023
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 940,147	\$ 744,211
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(6,000)	10,000
Grants receivable	(1,080,000)	(45,000)
Due from related parties	32,700	(29,438)
Prepaid expenses	(10,885)	3,798
Increase (decrease) in:		
Accounts payable and accrued expenses	15,078	(7,557)
Grants payable	-	(210,000)
Due to related parties	120,539	(778)
Net cash provided by operating activities	<u>11,579</u>	<u>465,236</u>
<b>Net Increase in Cash and Cash Equivalents</b>	11,579	465,236
<b>Cash and Cash Equivalents, beginning of year</b>	<u>1,242,266</u>	<u>777,030</u>
<b>Cash and Cash Equivalents, end of year</b>	<u><u>\$ 1,253,845</u></u>	<u><u>\$ 1,242,266</u></u>

*See accompanying notes.*

## Progressive Multiplier Fund

Notes to Financial Statements  
June 30, 2024 and 2023

### 1. Nature of Operations

The Progressive Multiplier Fund (PMF) is a 501(c)(3) nonprofit organization, incorporated and located in the District of Columbia. PMF was organized to support charitable organizations to do effective community outreach and revenue generation.

### 2. Summary of Significant Accounting Policies

#### Basis of Accounting and Presentation

PMF's financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions, as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### Cash Equivalents

PMF considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase.

#### Accounts Receivable

Accounts receivable represent consulting fees from contracts. Accounts receivable are all due in less than one year and are recorded at net realizable value. Accounts receivable are presented net of an allowance of credit losses resulting from the inability of payors to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions.

## Progressive Multiplier Fund

Notes to Financial Statements  
June 30, 2024 and 2023

### 2. Summary of Significant Accounting Policies (continued)

#### Accounts Receivable (continued)

Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. PMF historically has insignificant write-offs due to bad debts, and current conditions indicate all receivables are fully collectible. Therefore, no allowance for credit losses has been recognized at June 30, 2024 and 2023.

#### Grants Receivable

Grants receivable are expected to be collected within one year, and are recorded at net realizable value. No allowance for doubtful receivables has been recorded, as management believes that all receivables are fully collectible.

#### Revenue Recognition

The majority of PMF's activities are supported by grants and contributions from foundations, corporations, and other private entities. Grants and contributions are recognized in the appropriate category of net assets in the period received. PMF performs an analysis of the individual grant and contribution to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For grants and contributions qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Grants and contributions that are unconditional and have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements. PMF had no unrecognized conditional awards as of June 30, 2024 and 2023.

## Progressive Multiplier Fund

Notes to Financial Statements  
June 30, 2024 and 2023

### 2. Summary of Significant Accounting Policies (continued)

#### Revenue Recognition (continued)

Contracts and program revenue classified as exchange transactions following ASU 2014-09, *Revenue from Contracts With Customers*, are recorded as revenue at a point in time when the performance obligations are met. PMF has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on cost. Funding received in advance of satisfying performance obligations are recorded as deferred revenue.

#### Advertising Costs

Advertising costs are expensed as incurred, and approximated \$4,666 and \$823 during the years ended June 30, 2024 and 2023, respectively.

#### Use of Estimates

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

#### Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### Adopted Accounting Pronouncement

In 2016, the Financial Accounting Standards Board issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments*. This ASU addresses measurement and reporting of credit losses related to accounts receivable, notes receivable, leases receivable, and held-to-maturity debt securities. The ASU mandates the current expected credit loss model, which measures and reports expected losses over the contractual life of an asset.

## Progressive Multiplier Fund

Notes to Financial Statements  
June 30, 2024 and 2023

### 2. Summary of Significant Accounting Policies (continued)

#### Adopted Accounting Pronouncement (continued)

The measurement of expected life credit losses will be based on relevant information, not just past events (including historical experience and current conditions), but also the “reasonable and supportable” forecasts that affect collectability of the reported amount. This guidance is effective for PMF for the year ended June 30, 2024. PMF adopted ASU 2016-13 during the year ended June 30, 2024, and has adjusted the presentation in the financial statements as permitted by ASU 2016-13.

#### Subsequent Events

In preparing these financial statements, PMF has evaluated events and transactions for potential recognition or disclosure through December 11, 2024, the date the financial statements were available to be issued.

### 3. Liquidity and Availability

PMF has a policy to structure its financial assets to be available and liquid as its obligations become due. Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,253,845	\$ 1,242,266
Accounts receivable	6,000	-
Grants receivable	1,125,000	45,000
Due from related parties	-	32,700
Less: net assets with donor restrictions	<u>(1,432,437)</u>	<u>(1,149,827)</u>
Total available for general expenditures	<u>\$ 952,408</u>	<u>\$ 170,139</u>

## Progressive Multiplier Fund

Notes to Financial Statements  
June 30, 2024 and 2023

### 4. Concentrations of Credit Risk

Financial instruments that potentially subject PMF to significant concentrations of credit risk consist of cash and cash equivalents. PMF maintains cash deposit and transaction accounts with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC). PMF has not experienced any credit losses on its cash and cash equivalents to date as it relates to FDIC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal. Contributions receivable consist primarily of amounts due from individual donors. Management believes the credit risk related to these receivables is minimal.

### 5. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following purposes at June 30:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Fundraising	\$ 664,584	\$ 35,417
Environmental justice	223,333	225,000
Other programs	90,000	-
Grantmaking	-	35,000
Capacity building	-	9,875
Time restricted	<u>454,520</u>	<u>844,535</u>
Total net assets with donor restrictions	<u>\$ 1,432,437</u>	<u>\$ 1,149,827</u>



## Progressive Multiplier Fund

Notes to Financial Statements  
June 30, 2024 and 2023

### 5. Net Assets With Donor Restrictions (continued)

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time), which satisfied the restricted purposes specified by the donors during the years ended June 30:

	<u>2024</u>	<u>2023</u>
Purpose restrictions accomplished:		
Fundraising	\$ 470,832	\$ 214,583
Environmental justice	371,667	325,000
Other programs	80,000	-
Grantmaking	35,000	133,075
Capacity building	9,875	9,876
Hubs for real democracy	-	41,667
Time restrictions accomplished	<u>1,395,016</u>	<u>1,237,877</u>
 Net assets released from donor restrictions	 <u><u>\$ 2,362,390</u></u>	 <u><u>\$ 1,962,078</u></u>

### 6. Related Party Transactions

PMF is related to the Progressive Multiplier Action Fund (PMAF), a D.C. incorporated 501(c)(4) nonprofit organization that promotes social welfare through financing and providing technical assistance to support scalable revenue generation projects of qualifying nonprofit organizations. PMAF and PMF share the same directors/officers.

PMF has a resource sharing and expense reimbursement agreement with PMAF. Each party is responsible for purchasing its own goods and services for its programs separately. Should either party incur a direct expense on behalf of the other (reimbursing party), the other party shall pay for all direct expenses incurred by the reimbursing party on their behalf. In the event where goods and services are to be shared between the parties, expenses shall be allocated on a percentage basis determined on a year-to-year basis. As of June 30, 2024, PMF owed PMAF a total of \$120,539 for shared expenses, which is recorded as due to related parties in the accompanying statements of financial position, respectively. As of June 30, 2023, PMAF owed PMF a total of \$32,700 for shared expenses, which is recorded as due from related parties in the accompanying statements of financial position.

## **Progressive Multiplier Fund**

Notes to Financial Statements  
June 30, 2024 and 2023

### **7. Functionalized Expenses**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses directly attributed to a specific functional area of PMF are reported as direct expenses to the programmatic area, and those expenses that benefit more than one function are allocated on a basis of estimated time and effort.

### **8. Income Taxes**

PMF is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code. At both June 30, 2024 and 2023, no tax provision was made, as PMF had no unrelated business income. Management has evaluated PMF's tax positions and concluded that there are no significant uncertain tax positions that qualify for either recognition or disclosure in the accompanying financial statements.