

THE INSTITUTE ON RELIGION AND
DEMOCRACY, INC.

AUDITED FINANCIAL STATEMENTS

Years Ended December 31, 2023 and 2022

HOZIK & COMPANY, P.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Institute on Religion and Democracy, Inc.
Washington, D.C.

Opinion

We have audited the accompanying financial statements of The Institute on Religion and Democracy, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Institute on Religion and Democracy, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Institute on Religion and Democracy, Inc. 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 Institute on Religion and Democracy, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements

as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 The Institute on Religion and Democracy, Inc.'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 Institute on Religion and Democracy, Inc.'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.

Henjil & Company, P.L.C.

Vienna, Virginia
September 20, 2024

INSTITUTE ON RELIGION AND DEMOCRACY, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

ASSETS	<u>2023</u>	<u>2022</u>
Cash	\$ 304,822	\$ 296,589
Investments	51,307	46,910
Contributions receivable	3,096	80,100
Prepaid expenses and other	25,164	12,080
Security deposit	10,428	10,428
Finance lease right-of-use asset	3,381	4,540
Operating lease right-of-use asset	<u>689,793</u>	<u>804,962</u>
	1,087,991	1,255,609
Property and equipment		
Leasehold improvements	168,974	168,974
Furniture and fixtures	19,678	19,678
Machinery and equipment	13,076	13,076
Website	<u>9,900</u>	<u>9,900</u>
	211,628	211,628
Accumulated depreciation and amortization	<u>(111,531)</u>	<u>(93,237)</u>
	<u>100,097</u>	<u>118,391</u>
TOTAL ASSETS	<u>\$ 1,188,088</u>	<u>\$ 1,374,000</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 49,480	\$ 19,064
Accrued compensation and related liabilities	54,936	32,810
Refundable advance	10,833	10,833
Finance lease liability	3,450	4,547
Operating lease liability	<u>827,890</u>	<u>949,963</u>
TOTAL LIABILITIES	946,589	1,017,217
NET ASSETS		
Without donor restrictions		
Undesignated	19,361	-
Board designated - Reserve Fund	-	82,220
Board designated - Memorial Fund	<u>-</u>	<u>28,942</u>
	19,361	111,162
With donor restrictions	<u>222,138</u>	<u>245,621</u>
TOTAL NET ASSETS	<u>241,499</u>	<u>356,783</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,188,088</u>	<u>\$ 1,374,000</u>

See notes to financial statements.

INSTITUTE ON RELIGION AND DEMOCRACY, INC.
STATEMENTS OF ACTIVITIES
Years ended December 31, 2023 and 2022

	2023			2022		
	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Total</u>	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT						
Contributions	\$ 308,300	\$ 209,197	\$ 517,497	\$ 253,296	\$ 259,719	\$ 513,015
Major grants	849,936	466,673	1,316,609	965,000	119,167	1,084,167
Interest income	16,700	-	16,700	1,189	-	1,189
Royalty income	959	-	959	12,600	-	12,600
Event registration fees	2,205	-	2,205	5,295	-	5,295
Miscellaneous	177	-	177	12,076	-	12,076
Rental income	49,250	-	49,250	49,050	-	49,050
Unrealized gains (losses) from investments	3,182	-	3,182	(6,652)	-	(6,652)
TOTAL REVENUE AND SUPPORT	1,230,709	675,870	1,906,579	1,291,854	378,886	1,670,740
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfaction of donation restrictions	699,353	(699,353)	-	385,178	(385,178)	-
TOTAL REVENUE AND SUPPORT AND NET ASSETS RELEASED FROM RESTRICTIONS	1,930,062	(23,483)	1,906,579	1,677,032	(6,292)	1,670,740
EXPENSES						
Program services	1,505,696		1,505,696	1,222,730		1,222,730
Supporting activities:						
Management and general	357,208	-	357,208	342,301	-	342,301
Development	158,959	-	158,959	145,719	-	145,719
TOTAL EXPENSES	2,021,863	-	2,021,863	1,710,750	-	1,710,750
TOTAL DECREASE IN NET ASSETS	(91,801)	(23,483)	(115,284)	(33,718)	(6,292)	(40,010)
NET ASSETS AT BEGINNING OF YEAR	111,162	245,621	356,783	144,880	251,913	396,793
NET ASSETS AT END OF YEAR	\$ 19,361	\$ 222,138	\$ 241,499	\$ 111,162	\$ 245,621	\$ 356,783

See notes to financial statements.

INSTITUTE ON RELIGION AND DEMOCRACY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years ended December 31, 2023 and 2022

	2023				2022			
	Supporting Services				Supporting Services			
	Program services	General and administrative	Development	Total	Program services	General and administrative	Development	Total
Salaries and related expenses	\$ 976,114	\$ 134,867	\$ 48,265	\$ 1,159,246	\$ 696,421	\$ 142,956	\$ 56,295	\$ 895,672
Consultants and professional fees	112,008	122,091	60,300	294,399	89,020	100,623	59,512	249,155
Conferences and meetings	224,804	8,590	-	233,394	187,260	6,164	6,173	199,597
Occupancy	116,762	20,368	6,643	143,773	113,657	20,350	8,973	142,980
Printing	6,568	17,934	26,424	50,926	10,961	12,219	9,076	32,256
Travel and transportation	43,740	2,908	-	46,648	72,252	2,480	39	74,771
Postage and shipping	3,573	5,313	15,830	24,716	3,330	3,008	4,259	10,597
Office supplies and expenses	11,407	3,521	-	14,928	10,112	10,104	-	20,216
Depreciation and amortization	-	19,452	-	19,452	-	18,411	-	18,411
Dues and subscriptions	3,504	10,727	-	14,231	2,778	11,387	541	14,706
Telephone	7,129	1,118	406	8,653	10,777	1,779	851	13,407
Insurance	-	6,537	-	6,537	-	6,514	-	6,514
Grants and donations	-	3,000	-	3,000	24,400	-	-	24,400
Miscellaneous	87	352	1,091	1,530	20	6,306	-	6,326
Marketing	-	430	-	430	1,742	-	-	1,742
	<u>\$ 1,505,696</u>	<u>\$ 357,208</u>	<u>\$ 158,959</u>	<u>\$ 2,021,863</u>	<u>\$ 1,222,730</u>	<u>\$ 342,301</u>	<u>\$ 145,719</u>	<u>\$ 1,710,750</u>

See notes to financial statements.

INSTITUTE ON RELIGION AND DEMOCRACY, INC.
STATEMENTS OF CASH FLOWS
Years ended December 31, 2023 and 2022

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2023</u>	<u>2022</u>
Decrease in net assets	\$ (115,284)	\$ (40,010)
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities		
Depreciation and amortization of property and equipment	18,294	18,314
Realized and unrealized (gains) losses on investments	(3,182)	6,652
Amortization of operating lease right-of-use asset	115,169	111,986
Amortization of finance lease right-of-use asset	1,159	97
Changes in operating assets and liabilities		
Contributions receivable	77,004	(80,100)
Prepaid expenses and other	(13,084)	5,031
Accounts payable and accrued expenses	30,416	(12,656)
Accrued compensation and related liabilities	22,126	6,220
Refundable advance	-	10,833
Operating lease liability	(122,073)	(113,920)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>10,545</u>	<u>(87,553)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Reinvested interest and dividends	<u>(1,215)</u>	<u>-</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(1,215)</u>	<u>-</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on finance lease liability	<u>(1,097)</u>	<u>(90)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(1,097)</u>	<u>(90)</u>
 NET INCREASE (DECREASE) IN CASH	8,233	(87,643)
CASH AT BEGINNING OF THE YEAR	<u>296,589</u>	<u>384,232</u>
CASH AT END OF YEAR	<u>\$ 304,822</u>	<u>\$ 296,589</u>
 SUPPLEMENTAL INFORMATION		
Interest paid	\$ 151	\$ 24
Cash paid for amounts included in the measurement of operating lease liability	\$ 145,900	\$ 140,628
Noncash operating activity:		
Operating lease right-of-use asset upon ASC 842 implementation		\$ 916,948
Operating lease liability upon ASC 842 implementation		\$ 1,063,580
Noncash financing activity:		
Right of use asset obtained in exchange for new finance lease obligation	\$ -	\$ 4,636

See notes to financial statements.

INSTITUTE ON RELIGION AND DEMOCRACY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 - ORGANIZATION

The Institute on Religion and Democracy, Inc. (the Institute) is a nonprofit organization that was formed under the laws of the District of Columbia in 1982. The Institute is a faith-based alliance of Christians who monitor, comment and report on issues affecting the Church. The Institute seeks to reform the Church's role in public life, protect religious freedom and support democracy at home and abroad. The Institute is supported primarily through grants and donations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Institute maintains its accounting records on the accrual basis of accounting.

Basis of Presentation

In accordance with the *Not-For-Profit-Entities – Presentation of Financial Statements* sub topic of the FASB Accounting Standards Codification, the Institute reports information regarding its financial position and activities according to the following net asset classifications.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Institute's management and the Board of Directors. During 2023, the Board of Directors transferred \$28,942 from a Board designated fund to undesignated net assets.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors that will be satisfied by action of the Institute or by the passage of time.

Grants and Contributions

Grants and contributions are accounted for in accordance with the *Not-For-Profit Entities - Revenue Recognition* topic of the FASB Accounting Standards Codification. Grants and 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. Conditional contributions are recognized only when the condition on which they depend are met and the contribution becomes unconditional. 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.

Revenue From Contracts with Customers

The Organization's revenue from contracts with customers is comprised of royalty income and event registration fees. Royalty income is recognized when books are sold and is due from the publisher on a semi-annual basis. Event registration fees are recognized at the time of the event. Payment for registration fees is generally due in advance of the event.

INSTITUTE ON RELIGION AND DEMOCRACY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rental Income

The Institute subleases a portion of its office space. Rental income is recognized in the month of the rental and is due from lessees by the first of each month. All sub lease agreements are cancellable by either party with 30 days notice.

Cash

Cash consists of checking and money market accounts.

Financial, Credit Risk and Other

The Institute maintains cash in deposit accounts, which at times may exceed Federally insured limits. The Institute has not experienced any losses in such accounts. The Institute believes it is not exposed to any significant credit risk on cash.

Contributions Receivable

Unconditional contributions are recognized as revenue in the period received. Conditional pledges are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Contributions to be received in a future period are discounted to their net present value at a risk adjusted rate at the date of contribution. Uncollectible contributions are written off when it is finally determined they are uncollectible. Contributions receivable at December 31, 2023 and 2022 were received in the following year.

Property, Equipment and Depreciation and Amortization

Property and equipment are recorded at cost or if donated, fair value at the time of donation. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment are retired or otherwise disposed, the cost and accumulated depreciation and amortization is removed from the accounts and any resulting gain or loss is included in operations for the respective period. Depreciation is provided on a straight-line basis over the estimated useful lives of 5 to 10 years. Leasehold improvements generally are amortized over the shorter of the term of the related lease or the estimated useful life of the improvement. The Institute's policy is to capitalize property and equipment acquired with a value in excess of \$2,500.

Refundable Advance

Payments received for conditional grants and contributions in advance of satisfying the conditions are recorded as refundable advances on the statements of financial position.

Income Taxes

The Institute is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. The Institute has no unrelated business taxable income for the years ended December 31, 2023 and 2022. As of December 31, 2023, the federal and state statute of limitations remains open for the December 31, 2020 through the December 31, 2023 tax years.

INSTITUTE ON RELIGION AND DEMOCRACY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Functional Allocation of Expenses

The cost of providing program and other activities has been summarized on a functional basis in the statements of activities. Expenses directly attributable to a specific functional area of the Institute are reported as expenses of those functional areas. Salaries and related expenses have been allocated across program and other supporting services based on the estimated time and effort spent by the employees in each area. Occupancy, telecommunications and certain professional fees have been allocated primarily based on the salaries and benefits expense allocation.

Subsequent Events

In preparing these financial statements management has evaluated events and transactions that occurred after the statements of financial position date for potential recognition or disclosure through September 20, 2024, the date the financial statements were available to be issued. None were noted.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents the Institute's financial assets at December 31, 2023 and 2022:

Financial assets at year end:	<u>2023</u>	<u>2022</u>
Cash	\$304,822	\$296,589
Investments	51,307	46,910
Contributions receivable	<u>3,096</u>	<u>80,100</u>
Total financial assets	359,225	423,599
Less: Amounts not available to be used for general expenditures within one year		
Net assets with donor restrictions	(222,138)	(245,621)
Board designated – Reserve Fund	-	(82,220)
Board designated – Memorial Fund	<u>-</u>	<u>(28,942)</u>
	(222,138)	(356,783)
Financial assets available to meet general expenditures over the next twelve months	<u>\$137,087</u>	<u>\$66,816</u>

The Institute maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due.

INSTITUTE ON RELIGION AND DEMOCRACY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification establishes a common definition for fair value to be applied to U.S. generally accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements.

The framework establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values. The statement requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3: Unobservable inputs for the asset or liability.

The following table summarizes the valuation of the financial instruments by the above pricing levels as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
	Unadjusted quoted market prices	Unadjusted quoted market prices
	<u>(Level 1)</u>	<u>(Level 1)</u>
Mutual funds	\$51,307	\$46,659
Stocks	<u>-</u>	<u>251</u>
	<u>\$51,307</u>	<u>\$46,910</u>

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose or passage of time:		
In Defense of Christians	\$173,790	\$ -
Moral Conflict	36,721	70,587
DC New Methodist Church	11,627	-
United Methodist Committee	-	138,011
Evangelical Program	-	33,523
Other	<u>-</u>	<u>3,500</u>
Total	<u>\$222,138</u>	<u>\$245,621</u>

INSTITUTE ON RELIGION AND DEMOCRACY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions during the years ended December 31, 2023 and 2022 are as follows:

Purpose or period restrictions accomplished:	<u>2023</u>	<u>2022</u>
United Methodist Committee	\$128,744	\$216,896
In Defense of Christians	181,787	-
UM General Conference	138,011	-
Moral Conflict	163,866	125,459
Evangelical Christian Zionism	33,523	-
KAP Fellow	21,673	-
Religious Liberty Program	12,706	10,380
Wesley Institute	6,770	22,358
Anglican Actions	6,755	6,180
Other	<u>5,518</u>	<u>3,905</u>
Net assets released from restrictions	<u>\$699,353</u>	<u>\$385,178</u>

NOTE 7 - CONDITIONAL GRANTS

The Institute received a conditional grant totaling \$390,000 in February 2022 which is restricted for and conditioned upon the continued employment of a Scholar-in-Residence. As of December 31, 2023, the Institute has received payments of \$260,000 on the grant. The Institute met the conditions to recognize \$119,167 of the grant during 2022 and therefore \$10,833 was recognized as a refundable advance on the statement of financial position at December 31, 2022. The Institute met the conditions to recognize \$130,000 of the grant during 2023 and therefore \$10,833 was recognized as a refundable advance on the statement of financial position at December 31, 2023.

NOTE 8 - MAJOR CONTRIBUTORS

Grants and contributions from three grantors accounted for approximately 55% of the Institute's total revenue and support for the year ended December 31, 2023 (21%, 18%, and 16%). Grants and contributions from two grantors accounted for approximately 51% of the Institute's total revenue and support for the year ended December 31, 2022 (32% and 19%).

NOTE 9 - PENSION PLAN

The Institute maintains a salary reduction defined contribution retirement plan pursuant to Section 403(b) of the Internal Revenue Code. The Institute, at its option, may elect to match all or a portion of the qualifying employee elected contributions. During the years ended December 31, 2023 and 2022, the Institute contributed \$54,178 and \$37,789 to the plan, respectively.

INSTITUTE ON RELIGION AND DEMOCRACY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 10 - RELATED PARTY TRANSACTIONS

Board contributions for the years ended December 31, 2023 and 2022 were \$28,655 and \$29,475, respectively.

During 2023 and 2022, the Institute paid \$2,700 and \$5,700 for writing and honoraria to Board members, respectively.

NOTE 11 - LEASE COMMITMENTS AND RENT EXPENSE

The Institute maintains a lease for office space that expires in May 2029 that is accounted for as an operating lease. The lease requires base monthly rental payments adjusted for annual increases of 3.75% per year. The lease contains an option to terminate the lease after six years. The termination option was not included in the lease term as it is not expected to be exercised. In addition to rent payments, the lease contains payments for common area maintenance and other charges that are not fixed. The Institute accounts for these costs as variable payments and does not include such costs as a lease component.

The Institute also leases a copier under a finance lease expiring in November 2026.

The ROU assets and lease obligations were recognized at the present value of the lease payments over the lease term at the lease commencement date. The Institute elected to use a risk-free discount rate, which is based on the Treasury bill rate as of the lease commencement date, to determine the present value of the lease payments for each ROU asset and lease obligation.

Future minimum lease payments under the lease as of December 31, 2023, are as follows:

<u>Year ending December 31,</u>	<u>Finance</u> <u>lease</u>	<u>Operating</u> <u>lease</u>	<u>Total</u>
2024	\$1,248	\$151,374	\$152,622
2025	1,248	157,052	158,300
2026	1,144	162,944	164,088
2027	-	169,052	169,052
2028	-	175,396	175,396
2029	-	<u>75,178</u>	<u>75,178</u>
	3,640	890,996	<u>\$894,636</u>
Less amount representing interest	(190)		
Less present value discount	-	<u>(63,106)</u>	
Present value of lease liability	<u>\$3,450</u>	<u>\$827,890</u>	

The following table presents the components of lease expense for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Operating lease cost	\$138,996	\$138,996

INSTITUTE ON RELIGION AND DEMOCRACY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 11 - LEASE COMMITMENTS AND RENT EXPENSE (CONTINUED)

Finance lease cost		
Amortization of leased asset	1,159	97
Interest on lease	<u>151</u>	<u>24</u>
Total lease cost	<u>\$140,306</u>	<u>\$139,117</u>

The remaining weighted-average lease terms and the weighted-average average discount rates for the 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Weighted-average remaining lease term in years:		
Finance lease	2.92	3.92
Operating lease	5.42	6.42
Weighted-average discount rate:		
Finance lease	3.83%	3.83%
Operating lease	2.70%	2.70%