

**Association of Old Crows**

**Financial Statements**  
and  
Independent Auditor's Report

For the Year Ended December 31, 2024  
With Summarized Financial Information for 2023

## Table of Contents

|  |            |
|--|------------|
| <b>Independent Auditor's Report .....</b>  | <b>1-2</b> |
| <b>Financial Statements:</b>   |            |
| Statement of Financial Position, as of December 31, 2024,<br>with Summarized Financial Information for 2023 .....                                  | 3-4        |
| Statement of Activities and Change in Net Assets, for the<br>Year Ended December 31, 2024, with Summarized<br>Financial Information for 2023 ..... | 5          |
| Statement of Functional Expenses, for the Year Ended<br>December 31, 2024, with Summarized Financial<br>Information for 2023.....                  | 6          |
| Statement of Cash Flows, for the Year Ended December<br>31, 2024, with Summarized Financial Information for 2023.....                              | 7          |
| Notes to Financial Statements .....  | 8-15       |

## Independent Auditor's Report

**To the Board of Directors**  
**Association of Old Crows**  
1001 N. Fairfax St., Suite 300  
Alexandria, VA 22314

### **Opinion**

We have audited the accompanying financial statements of Association of Old Crows (AOC) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and change in net assets, 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 Association of Old Crows 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 Association of Old Crows 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 AOC'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 AOC'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 AOC'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 AOC's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 9, 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.



SNYDER COHN, PC  
North Bethesda, Maryland  
May 30, 2025

# Association of Old Crows

## Statement of Financial Position as of December 31, 2024 with Summarized Financial Information for 2023

| December 31                    | 2024                       | 2023                       |
|--------------------------------|----------------------------|----------------------------|
| <b>Assets</b>                  |                            |                            |
| <b>Current assets:</b>         |                            |                            |
| Cash and cash equivalents      | \$ 1,259,490               | \$ 620,321                 |
| Short-term investments         | 4,100,174                  | 4,055,908                  |
| Accounts receivable            | 24,020                     | -                          |
| Prepaid expenses               | 133,501                    | 98,344                     |
| Inventory                      | 11,505                     | 14,799                     |
| Other current assets           | -                          | 58,198                     |
| Total current assets           | <u>5,528,690</u>           | <u>4,847,570</u>           |
| <b>Property and equipment:</b> |                            |                            |
| Building and improvements      | 2,359,722                  | 2,527,281                  |
| Equipment and furniture        | <u>203,727</u>             | <u>275,144</u>             |
|                                | 2,563,449                  | 2,802,425                  |
| Accumulated depreciation       | <u>(444,602)</u>           | <u>(470,634)</u>           |
| Total property and equipment   | <u>2,118,847</u>           | <u>2,331,791</u>           |
| <b>Other assets:</b>           |                            |                            |
| Long-term investments          | 1,202,962                  | 859,393                    |
| Software costs, net            | <u>103,056</u>             | <u>121,690</u>             |
| Total other assets             | <u>1,306,018</u>           | <u>981,083</u>             |
| <b>Total assets</b>            | <u><u>\$ 8,953,555</u></u> | <u><u>\$ 8,160,444</u></u> |

See Accompanying Notes

**Association of Old Crows**

**Statement of Financial Position  
as of December 31, 2024  
with Summarized Financial Information for 2023**

| <b>December 31</b>                      | <b>2024</b>         | <b>2023</b>         |
|---|---------------------|---------------------|
| <b>Liabilities and net assets</b>       |                     |                     |
| <b>Current liabilities:</b>             |                     |                     |
| Accounts payable                        | \$ 513,925          | \$ 266,662          |
| Accrued expenses                        | 240,032             | 499,493             |
| Deferred revenue:                       |                     |                     |
| Dues                                    | 89,000              | 79,531              |
| Conferences and convention              | 467,422             | 209,945             |
| Chapter account                         | 32,777              | 43,280              |
| Total current liabilities               | <u>1,343,156</u>    | <u>1,098,911</u>    |
| <b>Other liabilities:</b>               |                     |                     |
| Deferred dues revenue, noncurrent       | <u>377,721</u>      | <u>314,178</u>      |
| <b>Total liabilities</b>                | <u>1,720,877</u>    | <u>1,413,089</u>    |
| <b>Commitments</b>                      |                     |                     |
| <b>Net assets:</b>                      |                     |                     |
| Without donor restrictions              | <u>7,232,678</u>    | <u>6,747,355</u>    |
| <b>Total liabilities and net assets</b> | <u>\$ 8,953,555</u> | <u>\$ 8,160,444</u> |

See Accompanying Notes

# Association of Old Crows

## Statement of Activities and Change in Net Assets for the Year Ended December 31, 2024 with Summarized Financial Information for 2023

| For the years ended December 31                     | 2024                | 2023                |
|---|---------------------|---------------------|
| <b>Revenues:</b>                                    |                     |                     |
| Convention  | \$ 2,034,472        | \$ 2,057,965        |
| Professional development courses                    | 326,089             | 356,395             |
| Conferences   | 1,437,194           | 1,328,402           |
| Membership dues                                     | 600,962             | 494,782             |
| Advocacy sponsorship                                | 123,500             | 61,500              |
| JED royalty   | 179,946             | 94,765              |
| JED subscriptions                                   | 42,925              | 40,578              |
| Sales   | 20,201              | 12,695              |
| Total revenues                                      | <u>4,765,289</u>    | <u>4,447,082</u>    |
| <b>Expenses:</b>                                    |                     |                     |
| Program services                                    | 3,442,292           | 3,369,113           |
| Management and general                              | 1,143,618           | 887,762             |
| Fundraising   | 259,980             | 230,712             |
| Total expenses                                      | <u>4,845,890</u>    | <u>4,487,587</u>    |
| <b>Other income (loss):</b>                         |                     |                     |
| Interest, dividends, and capital gain distributions | 96,372              | 99,507              |
| Realized and unrealized gain on investments         | 453,259             | 541,111             |
| Foreign exchange gain                               | 37,714              | -                   |
| Loss on sale of assets                              | (21,421)            | -                   |
| Total other income (loss)                           | <u>565,924</u>      | <u>640,618</u>      |
| <b>Change in net assets</b>                         | 485,323             | 600,113             |
| Net assets without donor restrictions - beginning   | <u>6,747,355</u>    | <u>6,147,242</u>    |
| Net assets without donor restrictions - ending      | <u>\$ 7,232,678</u> | <u>\$ 6,747,355</u> |

See Accompanying Notes

## Association of Old Crows

### Statement of Functional Expenses for the Year Ended December 31, 2024 with Summarized Financial Information for 2023

**For the years ended December 31**

|                                    | 2024                |                           |                   | 2023                |                     |
|------------------------------------|---------------------|---------------------------|-------------------|---------------------|---------------------|
|                                    | Program<br>Services | Management<br>and General | Fundraising       | Total<br>Expenses   | Total<br>Expenses   |
| Salaries and wages                 | \$ 1,011,802        | \$ 399,596                | \$ 167,610        | \$ 1,579,008        | \$ 1,388,913        |
| Payroll taxes and workers benefits | 194,665             | 226,116                   | 31,760            | 452,541             | 348,467             |
| Administrative costs               | 95,051              | 190,349                   | 13,832            | 299,232             | 332,111             |
| Advocacy                           | 110,617             | -                         | -                 | 110,617             | 74,682              |
| Board of Directors                 | 41,407              | 48,954                    | 6,876             | 97,237              | 96,071              |
| Conferences                        | 446,016             | 81                        | 12                | 446,109             | 548,495             |
| Contract labor                     | 217,910             | -                         | -                 | 217,910             | 176,008             |
| Convention                         | 919,155             | -                         | -                 | 919,155             | 833,397             |
| Depreciation and amortization      | 51,834              | 61,282                    | 8,607             | 121,723             | 98,947              |
| Facilities                         | 62,849              | 74,305                    | 10,437            | 147,591             | 150,649             |
| Membership services                | 152,336             | 46,829                    | 7,347             | 206,512             | 179,603             |
| Professional development           | 54,154              | -                         | -                 | 54,154              | 84,167              |
| Tech costs                         | 84,496              | 96,106                    | 13,499            | 194,101             | 176,077             |
| Total expenses                     | <u>\$ 3,442,292</u> | <u>\$ 1,143,618</u>       | <u>\$ 259,980</u> | <u>\$ 4,845,890</u> | <u>\$ 4,487,587</u> |

See Accompanying Notes

# Association of Old Crows

## Statement of Cash Flows for the Year Ended December 31, 2024 with Summarized Financial Information for 2023

| For the years ended December 31   | 2024                | 2023              |
|---|---------------------|-------------------|
| <b>Cash flows from operating activities:</b>  |                     |                   |
| Change in net assets  | \$ 485,323          | \$ 600,113        |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                     |                   |
| Depreciation and amortization   | 121,723             | 98,947            |
| Loss on sale of asset   | 21,421              | -                 |
| Net realized and unrealized gain on investments   | (453,259)           | (541,827)         |
| (Increase) decrease in:   |                     |                   |
| Accounts receivable   | (24,020)            | -                 |
| Prepaid expenses  | (35,157)            | (42,559)          |
| Inventory   | 3,294               | (3,647)           |
| Other current assets  | 58,198              | (18,500)          |
| Increase (decrease) in:   |                     |                   |
| Accounts payable  | 247,263             | 233,207           |
| Accrued expenses  | (259,461)           | 335,582           |
| Deferred revenue:   |                     |                   |
| Dues  | 73,012              | 44,936            |
| Conference and convention   | 257,477             | (249,476)         |
| Chapter account   | (10,503)            | (317)             |
| <b>Net cash provided by operating activities</b>  | <u>485,311</u>      | <u>456,459</u>    |
| <b>Cash flows from investing activities:</b>  |                     |                   |
| Purchase of investments   | (1,545,110)         | (1,089,632)       |
| Proceeds from sale of investments   | 1,610,534           | 540,125           |
| Purchase of property and equipment  | (23,989)            | (4,040)           |
| Proceeds from sale of property and equipment  | 126,423             | -                 |
| Purchase of software  | (14,000)            | (121,690)         |
| <b>Net cash provided by (used in) investing activities</b>                                  | <u>153,858</u>      | <u>(675,237)</u>  |
| Net increase (decrease) in cash and cash equivalents  | 639,169             | (218,778)         |
| Cash and cash equivalents - beginning   | <u>620,321</u>      | <u>839,099</u>    |
| <b>Cash and cash equivalents - ending</b>   | <u>\$ 1,259,490</u> | <u>\$ 620,321</u> |

### Supplemental disclosure of cash flow information:

Cash paid during the year for:

|              |      |       |
|--------------|------|-------|
| Interest     | \$ - | \$ -  |
| Income taxes | -    | 1,640 |

See Accompanying Notes

**Association of Old Crows**  
**Notes to Financial Statements**

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**December 31, 2024**

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**Note 1: Summary of significant accounting policies:**

Association of Old Crows (AOC) is a not-for-profit organization, incorporated in the District of Columbia and located in the State of Virginia. AOC's mission is to advance strategy, policy and programs for Electronic Warfare/Information Operations and electromagnetic spectrum operations.

AOC is an international professional association comprised of individuals in the military, government and private industry engaged in the science of electronic warfare, information warfare, C2W and related disciplines. It provides a forum for the exchange of information of the technical and operational aspects of electronic warfare and related fields and works for the advancement of the state-of-the-art knowledge of electronic defense subjects. AOC has affiliations with numerous chapters.

The accompanying financial statements present the financial position and results of operations for Association of Old Crows or the headquarters. The chapters are not fiscally responsible to the organization and have not been included in the accompanying financial statements. Revenues are received primarily from member dues, and conference and convention attendance fees.

Basis of accounting - The accompanying financial statements are prepared using the accrual basis of accounting. Under this method, support and revenue is recognized when earned and expenses are recognized when incurred.

Financial statement presentation - AOC reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. At December 31, 2024, there were no net assets with donor restrictions.

Cash and cash equivalents - AOC considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, AOC maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Accounts receivable - Accounts receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible within one year. Accordingly, an allowance for doubtful accounts has not been established.

Investments - Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment income net of investment expenses paid to external investment advisors and allocated internal management costs in the Statement of Activities and Change in Net Assets.

**Association of Old Crows**  
**Notes to Financial Statements**

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**December 31, 2024**

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**Note 1: Summary of significant accounting policies: (continued)**

Investments (continued) - AOC has adopted ASC 958-320 "*Investments in Debt & Equity Securities*." Under ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities and Change in Net Assets.

AOC determines the fair value of its marketable securities in accordance with the framework of ASC 820, "*Fair Value Measurements & Disclosures*." That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2024.

- *Equities and corporate bonds* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Government and agency bonds* - Valued at the current active trading value of the bond which is based upon both the interest rate of the bond and the remaining term.

**Association of Old Crows**  
**Notes to Financial Statements**

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**December 31, 2024**

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**Note 1: Summary of significant accounting policies: (continued)**

Property and equipment - Property and equipment, in excess of \$1,000, are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets. Equipment and furniture are depreciated generally over three to five years. Improvements are amortized over their estimated useful life. Buildings are depreciated over 39 years. The cost of maintenance and repairs are recorded as expenses as incurred. Depreciation and amortization expense for the year ended December 31, 2024 was \$121,723.

Software and website development costs - AOC accounts for software and website development costs in accordance with ASC 350-40 "*Accounting for Internal-Use Software Costs*". Under ASC 350-40, all costs related to the planning activities of software and website development costs are expensed as incurred. Costs incurred as part of the application development stage can be capitalized, and costs associated with post-implementation should be expensed as incurred.

Impairment of long-lived assets - Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced by a charge to the Statement of Activities and Change in Net Assets, to its current fair value.

Income taxes - Association of Old Crows is exempt from Federal income taxes under Section 501(c)(6) of the Internal Revenue Code. AOC is required to report unrelated business income to the IRS. AOC did not have any unrelated business income for the year ended December 31, 2024.

Accounting for uncertainty in income taxes - AOC accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax effect is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for uncertain tax positions. Interest and penalties, if any, are accrued as a component of general and administrative expenses when assessed. Tax years prior to December 31, 2021 are no longer subject to audit by taxing authorities.

Inventory - Inventory consists of published materials, mementos, and shirts that AOC distributes and sells to its members and others. AOC follows FASB ASU 2015-11 *Simplifying the Measurement of Inventory*, and as such, inventory is measured at the lower of cost and net realizable value using the first-in, first-out method of inventory.

**Association of Old Crows**  
**Notes to Financial Statements**

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**December 31, 2024**

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**Note 1: Summary of significant accounting policies: (continued)**

Revenue - AOC earns revenue under various agreements and contracts. Under ASU 2014-09, *Revenue from Contracts with Customers*, the revenue is recognized at either a point in time or over time depending on the contract.

The following contracts are considered earned at a point in time: (1) revenues received for conferences, conventions, and courses, (2) royalties received for using AOC's name and likeness in journals and podcasts, (3) registration and sponsorships for professional development courses, (4) dues for 1-year memberships. For the year ended December 31, 2024, revenues earned under these contracts were \$4,298,568. Revenues received in advance of these events are included as deferred revenue on the Statement of Financial Position.

AOC also receives dues for 3-year and lifetime memberships which are considered earned over time based on the membership term. Lifetime memberships are considered earned over a fifteen-year period. For the year ended December 31, 2024, revenues earned under these contracts were \$466,721. Unrealized amounts from 3-year and lifetime memberships are included as deferred revenue on the Statement of Financial Position.

Deferred revenues from revenues received in advance of certain events and unrealized amounts from membership dues totaled \$603,654 and \$934,143 as of January 1, 2024 and December 31, 2024, respectively.

Use of estimates - The preparation of the 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 reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses directly attributed to a specific functional area of AOC are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of actual time and effort or another reasonable basis.

**Association of Old Crows**  
**Notes to Financial Statements**

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**December 31, 2024**

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**Note 1: Summary of significant accounting policies: (continued)**

Risks and uncertainties - AOC invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

**Note 2: Liquidity and availability:**

The following reflects AOC's financial assets on December 31, 2024, reduced by amounts that are not available for general use because of donor imposed, board or time restrictions within one year of the balance sheet date.

|  | <u>2024</u>         |
|--|---------------------|
| Financial assets:  |                     |
| Cash and cash equivalents  | \$ 1,259,490        |
| Short-term investments   | <u>4,100,174</u>    |
|  | 5,359,664           |
| Less those unavailable for general expenditure<br>within one year, due to board designated<br>restrictions | <u>(3,146,000)</u>  |
| Financial assets available to meet cash needs<br>for general expenditures within one year                  | <u>\$ 2,213,664</u> |

AOC has a policy to structure its financial assets to be available and liquid as its obligations become due. There is a fund established by the governing board that may be drawn upon in the event of financial distress or immediate liquidity need resulting from events outside the typical operations. As of December 31, 2024, assets to be available and liquid amounting to \$3,146,000 have been designated by the Board of Directors for the following purposes:

- Continuity of operations in case of a catastrophic or other unforeseen event(s) which adversely impact(s) the normal flow of income to AOC;
- Income for large AOC capital purchases, such as a building acquisition or equipment upgrades; and,
- Resources for new AOC business opportunities requiring initial starting capital with the expectation that these opportunities will return these resources to the reserve fund at a future date.

# Association of Old Crows

## Notes to Financial Statements

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**December 31, 2024**

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**Note 3: Retirement plan:**

AOC provides retirement benefits to its employees through a defined contribution plan covering all full-time employees with three months of eligible service and who have attained the age of twenty-one years.

AOC contributes 3% percent of gross wages. Employees are vested in the employer portion of the contributions at the following rates:

|        |      |
|--------|------|
| Year 1 | 50%  |
| Year 2 | 75%  |
| Year 3 | 100% |

Contributions to the Plan during the year ended December 31, 2024 were \$48,694.

**Note 4: Investments:**

FASB ASC 820 requires financial assets and liabilities to be valued and disclosed based on the fair value hierarchy. As of December 31, 2024, all investments of AOC were classified in the hierarchy as Level 1 investments, which are investments that have readily determinable fair value based on quoted prices for identical investments in active markets as of the reporting date. There were no transfers between levels in the fair value hierarchy during the year ended December 31, 2024.

Investments at fair value as of December 31, 2024:

|                             |                     |
|-----------------------------|---------------------|
| Equities                    | \$ 3,611,763        |
| Government and agency bonds | 1,321,881           |
| Corporate bonds             | <u>369,492</u>      |
| Investment balance          | <u>\$ 5,303,136</u> |

Included in investment income are the following:

|   |                   |
|---|-------------------|
| Interest and dividends                      | \$ 128,191        |
| Realized and unrealized gain on investments | 453,259           |
| Management fees                             | <u>(31,819)</u>   |
| Total investment income, net                | <u>\$ 549,631</u> |

**Association of Old Crows**  
**Notes to Financial Statements**

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**December 31, 2024**

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**Note 5: Software costs:**

Software costs consist of a database development project that has been implemented and placed in service as of January 1, 2024. Capitalized costs of the database development project will be amortized over a useful life of three years. Amortization was \$32,634 for the year ended December 31, 2024.

Software costs as of December 31, 2024 consists of the following:

|                                |                   |
|--------------------------------|-------------------|
| Software costs                 | \$ 135,690        |
| Less: accumulated amortization | <u>(32,634)</u>   |
|                                | <u>\$ 103,056</u> |

Estimated software cost amortization expenses of completed projects only, for each of the next three years are:

|      |                   |
|------|-------------------|
| 2025 | \$ 45,230         |
| 2026 | 45,230            |
| 2027 | <u>12,596</u>     |
|      | <u>\$ 103,056</u> |

**Note 6: Commitments:**

AOC is committed under agreements for conference spaces through the year 2029. The total commitments under the agreements are not determinable as it depends upon attendance and other unknown factors. There are cancellation penalties that would be due if the agreements were cancelled prior to the event date. The amounts of the cancellation penalties increase through the date of the event.

Additionally, AOC maintained two operating lease agreements for office equipment and related maintenance that expire in future years through 2028, which require monthly payments between \$119 to \$240.

**Association of Old Crows**  
**Notes to Financial Statements**

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**December 31, 2024**

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**Note 7: Concentrations:**

A significant percentage of the Association's revenue is received from foreign sales, approximately 15% for the year ended December 31, 2024. Foreign operations are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, possible limitations on foreign investment and repatriation, government price or foreign exchange controls, and restrictions on currency exchange. Foreign currency transaction gains (losses) result from exchange rate fluctuations on transactions denominated in currency other than U.S. dollars. As a result, the transactions of those operations that are denominated in foreign currencies are re-measured into U.S. dollars, and any resulting gains or losses are included in earnings. Total foreign currency transaction gains for the year ended December 31, 2024 totaled \$37,714.

**Note 8: Related party:**

AOC has an affiliated 501(c)(3), the AOC Educational Foundation (the Foundation), which provides scholarships to undergraduate students in the hard sciences, Enlisted Tuition Grants to assist enlisted members of the Armed Forces with educational expenses not reimbursed by the government and speaker support from member events.

For the year ended December 31, 2024, AOC made contributions to the Foundation totaling \$36,573.

**Note 9: Subsequent events:**

Subsequent events have been evaluated through May 30, 2025, which is the date the financial statements were available to be issued.

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