

FINANCIAL STATEMENTS



**FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

COALITION FOR INTEGRITY

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Coalition for Integrity
Washington, D.C.

Opinion

We have audited the accompanying financial statements of the Coalition for Integrity (C4I), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of C4I as of December 31, 2021 and 2020, 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 C4I 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 C4I's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

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 C4I'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 C4I'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.



April 22, 2022

COALITION FOR INTEGRITY
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 806,432	\$ 831,701
Contributions receivable	138,500	112,500
Prepaid expenses and other assets	<u>3,386</u>	<u>10,245</u>
Total current assets	<u>948,318</u>	<u>954,446</u>
FIXED ASSETS		
Furniture and equipment	-	10,407
Computer equipment	<u>-</u>	<u>6,697</u>
	-	17,104
Less: Accumulated depreciation	<u>-</u>	<u>(17,104)</u>
Net fixed assets	<u>-</u>	<u>-</u>
NONCURRENT ASSETS		
Security deposit	<u>-</u>	<u>4,895</u>
TOTAL ASSETS	<u>\$ 948,318</u>	<u>\$ 959,341</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 27,066	\$ 22,747
Deferred rent	<u>-</u>	<u>576</u>
Total liabilities	<u>27,066</u>	<u>23,323</u>
NET ASSETS		
Without donor restrictions	<u>921,252</u>	<u>936,018</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 948,318</u>	<u>\$ 959,341</u>

COALITION FOR INTEGRITY

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Grants and contributions	\$ 265,110	\$ -	\$ 265,110
In-kind contributions	345,103	-	345,103
Interest income	<u>63</u>	<u>-</u>	<u>63</u>
Total support and revenue	<u>610,276</u>	<u>-</u>	<u>610,276</u>
EXPENSES			
Program Services	<u>510,005</u>	<u>-</u>	<u>510,005</u>
Supporting Services:			
Management and General	124,329	-	124,329
Fundraising	<u>21,080</u>	<u>-</u>	<u>21,080</u>
Total supporting services	<u>145,409</u>	<u>-</u>	<u>145,409</u>
Total expenses	<u>655,414</u>	<u>-</u>	<u>655,414</u>
Change in net assets before other item	(45,138)	-	(45,138)
OTHER ITEM			
Extinguishment of debt	<u>30,372</u>	<u>-</u>	<u>30,372</u>
Change in net assets after other item	(14,766)	-	(14,766)
Net assets at beginning of year	<u>936,018</u>	<u>-</u>	<u>936,018</u>
NET ASSETS AT END OF YEAR	<u>\$ 921,252</u>	<u>\$ -</u>	<u>\$ 921,252</u>

COALITION FOR INTEGRITY

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Grants and contributions	\$ 279,212	\$ -	\$ 279,212
Gala dinner, net of expenses totaling \$2,430 in 2020	155,070	-	155,070
In-kind contributions	1,461,095	-	1,461,095
Interest income	149	-	149
Net assets released from donor restrictions	<u>125,000</u>	<u>(125,000)</u>	<u>-</u>
Total support and revenue	<u>2,020,526</u>	<u>(125,000)</u>	<u>1,895,526</u>
EXPENSES			
Program Services	<u>1,693,076</u>	<u>-</u>	<u>1,693,076</u>
Supporting Services:			
Management and General	222,961	-	222,961
Fundraising	<u>30,650</u>	<u>-</u>	<u>30,650</u>
Total supporting services	<u>253,611</u>	<u>-</u>	<u>253,611</u>
Total expenses	<u>1,946,687</u>	<u>-</u>	<u>1,946,687</u>
Change in net assets before other item	73,839	(125,000)	(51,161)
OTHER ITEM			
Extinguishment of debt	<u>33,160</u>	<u>-</u>	<u>33,160</u>
Change in net assets after other item	106,999	(125,000)	(18,001)
Net assets at beginning of year	<u>829,019</u>	<u>125,000</u>	<u>954,019</u>
NET ASSETS AT END OF YEAR	<u>\$ 936,018</u>	<u>\$ -</u>	<u>\$ 936,018</u>

COALITION FOR INTEGRITY

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Supporting Services			Total Supporting Services	Total Expenses
	Program Services	Management and General	Fundraising		
Salaries	\$ 87,639	\$ 50,713	\$ 13,921	\$ 64,634	\$ 152,273
Benefits and payroll taxes	26,438	15,298	4,200	19,498	45,936
Occupancy	8,760	5,069	1,391	6,460	15,220
Accounting and audit	-	49,131	-	49,131	49,131
Consultants	34,100	1,445	834	2,279	36,379
Insurance	1,509	873	240	1,113	2,622
Telecommunications	374	216	59	275	649
Printing and production	3,220	-	-	-	3,220
Travel and entertainment	196	40	11	51	247
Postage and deliver	21	12	3	15	36
Supplies	86	50	14	64	150
Other	2,559	1,482	407	1,889	4,448
In-kind professional services	345,103	-	-	-	345,103
TOTAL	\$ 510,005	\$ 124,329	\$ 21,080	\$ 145,409	\$ 655,414

COALITION FOR INTEGRITY

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Supporting Services</u>				<u>Total Expenses</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries	\$ 86,110	\$ 88,225	\$ 16,400	\$ 104,625	\$ 190,735
Benefits and payroll taxes	24,860	25,470	4,735	30,205	55,065
Occupancy	37,596	38,519	7,160	45,679	83,275
Accounting and audit	-	60,892	-	60,892	60,892
Consultants	66,149	1,259	3,077	4,336	70,485
Insurance	2,609	2,673	497	3,170	5,779
Telecommunications	3,049	2,606	484	3,090	6,139
Printing and production	504	-	-	-	504
Depreciation	19	19	4	23	42
Travel and entertainment	1,142	70	122	192	1,334
Postage and deliver	586	601	112	713	1,299
Supplies	347	161	30	191	538
Equipment and repairs	4,777	701	130	831	5,608
Other	4,233	1,765	329	2,094	6,327
In-kind professional services	1,461,095	-	-	-	1,461,095
Subtotal	1,693,076	222,961	33,080	256,041	1,949,117
Less: Direct costs of gala dinner presented net of revenue	-	-	(2,430)	(2,430)	(2,430)
TOTAL	\$ 1,693,076	\$ 222,961	\$ 30,650	\$ 253,611	\$ 1,946,687

COALITION FOR INTEGRITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (14,766)	\$ (18,001)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation	-	42
Extinguishment of debt	(30,372)	(33,160)
(Increase) decrease in:		
Contributions receivable	(26,000)	27,500
Prepaid expenses and other assets	6,859	(1,684)
Security deposit	4,895	-
Increase (decrease) in:		
Accounts payable and accrued expenses	4,319	(3,124)
Deferred rent	<u>(576)</u>	<u>576</u>
Net cash used by operating activities	<u>(55,641)</u>	<u>(27,851)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan	<u>30,372</u>	<u>33,160</u>
Net cash provided by financing activities	<u>30,372</u>	<u>33,160</u>
Net (decrease) increase in cash and cash equivalents	(25,269)	5,309
Cash and cash equivalents at beginning of year	<u>831,701</u>	<u>826,392</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 806,432</u>	<u>\$ 831,701</u>
SCHEDULE OF NONCASH TRANSACTIONS:		
Extinguishment of Debt	<u>\$ 30,372</u>	<u>\$ 33,160</u>

COALITION FOR INTEGRITY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Coalition for Integrity (C4I) is a non-profit organization, incorporated in the Commonwealth of Virginia in 1993 and located in Washington, D.C.

C4I is organized for the charitable and education purpose of educating the public, companies and governmental agencies as to the prevalence of corruption in governance, business and commerce (including international business transactions) and the daily lives of people, and to encourage the adoption of standards and practices to combat economic and political corruption in the United States and internationally.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

Cash and cash equivalents -

C4I 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, C4I maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Contributions receivable -

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

Fixed assets -

Fixed assets in excess of \$1,500 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to ten years.

COALITION FOR INTEGRITY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Fixed assets (continued) -

The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation expense for the year ended December 31, 2020 totaled \$42.

Income taxes -

C4I is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. C4I is not a private foundation.

Uncertain tax positions -

For the years ended December 31, 2021 and 2020, C4I has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Revenue recognition -

The majority of C4I's activities are supported by grants and contributions from foundations, corporations, and other private entities. These awards are for various activities performed by C4I. Grants and contributions are recognized in the appropriate category of net assets in the period received. C4I performs an analysis of the individual grant or 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 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. Contributions and grants qualifying as 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. Funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Contributions or grants qualifying as conditional contributions contain a right of return from obligation provision that limits C4I on how funds transferred should be spent. Additionally, a barrier is present that is related to the purpose of the agreement. C4I recognizes revenue for conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. C4I did not receive any conditional awards for the years ended December 31, 2021 and 2020.

Sponsorship revenue received for the gala is considered a contribution and is recognized in the appropriate category of net assets in the period received. Sponsorship revenue received in advance for the gala is recorded as "net assets with donor restrictions".

In-kind contributions -

In-kind contributions consisted of time donated by attorneys and other professionals who provide expertise related to C4I's programmatic purpose.

COALITION FOR INTEGRITY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

In-kind contributions (continued) -

These services are reported at their actual value, based on the number of donated hours and billing rates of the professionals donating their time. The value of contributed services provided for C4I has been reported as "In-kind professional services" in the accompanying Statements of Functional Expenses, and totaled \$345,103 and \$1,461,095 during the years ended December 31, 2021 and 2020, 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 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 Statements of Activities and Changes 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 C4I 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 spent.

Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact C4I's operations. The overall potential impact is unknown at this time.

C4I's operations are heavily dependent on private and public donations from individuals and corporations. The outbreak may have a continued material adverse impact in economic market conditions, triggering a period of global economic slowdown. Given C4I's financial condition and liquidity, management does not believe this will hinder the Organization's ability to advance its mission. Management believes that C4I has adequate resources to cover its obligations, operations, and core activities.

New accounting pronouncements not yet adopted -

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The amendment will not change the recognition and measurement requirements for those contributed nonfinancial assets.

COALITION FOR INTEGRITY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

New accounting pronouncements not yet adopted (continued) -

ASU 2019-01, *Leases* (Topic 842) changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statements of Financial Position and disclosure of key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non-public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment. C4I plans to adopt the new ASUs at the required implementation dates and management is currently in the process of evaluating the adoption method and the impact of the new standards on its accompanying financial statements.

2. **EXTINGUISHMENT OF DEBT**

On May 4, 2020, C4I received loan proceeds in the amount of \$33,160 with a 1% fixed interest rate under the Paycheck Protection Program. The promissory note called for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first six months. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note was eligible for forgiveness by the Small Business Administration in whole or in part. On November 20, 2020, C4I received confirmation from the financial institution that the Small Business Administration approved forgiveness of the full loan amount and has recorded revenue from extinguishment of debt on the accompanying Statements of Activities and Changes in Net Assets.

On February 12, 2021, C4I received loan proceeds in the amount of \$30,372 with a 1% fixed interest rate under the second round of funding of the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments amortized over the term of the promissory note, unless otherwise forgiven. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part. On September 27, 2021, C4I received confirmation from the financial institution that the Small Business Administration approved forgiveness of the full loan amount and has recorded revenue from extinguishment of debt on the accompanying Statements of Activities and Changes in Net Assets.

3. **NET ASSETS WITH DONOR RESTRICTIONS**

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:

	<u>2021</u>	<u>2020</u>
Program Services	\$ -	\$ 75,000
Passage of Time: General Support	<u>-</u>	<u>50,000</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	\$ <u>-</u>	\$ <u>125,000</u>

COALITION FOR INTEGRITY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

4. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statements of Financial Position date comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 806,432	\$ 831,701
Contributions receivable	<u>138,500</u>	<u>112,500</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 944,932</u>	<u>\$ 944,201</u>

C4I has a policy to structure its financial assets to be available and liquid as its obligations become due.

5. LEASE COMMITMENT

C4I rents office space in Washington, D.C. under a lease with an initial termination date of November 30, 2018. C4I extended the lease through January 31, 2021, which includes two months of base rent be 50% abated with no rent escalation adjustment. Under the terms of the lease, C4I is responsible for its proportionate share of the building's real estate taxes. The lease was not renewed at the end of the term.

In February 2021, C4I entered an agreement to lease workstations in Washington, D.C. with an initial lease term through March 31, 2021. After the initial term the lease will continue on a month to month basis unless terminated with a 30 day notice. As part of the agreement, C4I will pay a membership fee of \$305 per workstation through March 31, 2021 and \$634 per workstation per month thereafter.

Occupancy expense during the years ended December 31, 2021 and 2020 totaled \$15,220 and \$83,275, respectively.

6. RETIREMENT PLAN

C4I has a retirement plan under Section 401(k) of the Internal Revenue Code. The Plan covers all employees. Employees with at least one year of service are eligible to receive discretionary contributions from C4I. Employees may make contributions to the Plan up to the maximum allowed by the Internal Revenue Code. The Plan does not provide for C4I to make any mandatory contributions; however, C4I may make contributions to the Plan if approved by the Board of Directors. There were no contributions made during the years ended December 31, 2021 and 2020, respectively.

7. SUBSEQUENT EVENTS

In preparing these financial statements, C4I has evaluated events and transactions for potential recognition or disclosure through April 22, 2022, the date the financial statements were issued.