

Hood & Strong

Advisory, Tax
and Assurance

Draper Richards Kaplan Foundation

December 31, 2024

Independent Auditors' Report and
Consolidated Financial Statements

Draper Richards Kaplan Foundation

Independent Auditors' Report and Consolidated Financial Statements

Independent Auditors' Report	1 - 3
Consolidated Financial Statements	
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities and Changes in Net Assets	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 18

Independent Auditors' Report

THE BOARD OF DIRECTORS
DRAPER RICHARDS KAPLAN FOUNDATION
Menlo Park, California

Opinion

We have audited the consolidated financial statements of **DRAPER RICHARDS KAPLAN FOUNDATION (DRK)**, which comprise the consolidated statement of financial position as of December 31, 2024, the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of DRK as of December 31, 2024, and the changes in its net assets and its cash flow 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of DRK 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about DRK's ability to continue as a going concern for one year from the date of this report.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 DRK'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 consolidated financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about DRK'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 DRK's 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 28, 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 consolidated financial statements from which it has been derived.

Hood & Strong LLP

San Jose, California
June 5, 2025

Draper Richards Kaplan Foundation

Consolidated Statement of Financial Position

<i>December 31, 2024 (with comparative totals for 2023)</i>	2024	2023
Assets:		
Cash and cash equivalents	\$ 12,355,849	\$ 13,679,847
Investments, net, at fair value	16,265,760	15,208,637
Contributions receivable, net	6,691,498	9,118,702
Program-related investments, net	4,088,193	4,122,736
Property and equipment, net	8,995	19,086
Right-of-use leased assets	1,023,054	1,741,102
Other assets	249,906	492,272
Total assets	\$ 40,683,255	\$ 44,382,382
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,063,194	\$ 1,069,425
Deferred revenue	37,376	
Lease obligations	1,097,602	1,848,753
Total liabilities	2,198,172	2,918,178
Net Assets:		
Without donor restrictions	29,136,078	30,167,174
With donor restrictions	9,349,005	11,297,030
Total net assets	38,485,083	41,464,204
Total liabilities and net assets	\$ 40,683,255	\$ 44,382,382

See accompanying notes to the consolidated financial statements.

Draper Richards Kaplan Foundation

Consolidated Statement of Activities and Changes in Net Assets

Year Ended December 31, 2024 (with comparative totals for 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support:				
Contributions	\$ 6,478,335	7,015,216	\$ 13,493,551	\$ 12,680,295
Net assets released from restrictions	8,963,241	(8,963,241)	-	-
Tax refund after public charity conversion	30,255		30,255	-
Total revenue and support	15,471,831	(1,948,025)	13,523,806	12,680,295
Expenses:				
Direct grants to beneficiary organizations	4,150,000		4,150,000	4,250,000
Direct program support	11,097,454		11,097,454	9,796,439
Management and general	2,053,088		2,053,088	2,593,021
Fundraising	1,434,974		1,434,974	1,217,358
Total expenses	18,735,516	-	18,735,516	17,856,818
Revenue and Support less Expenses	(3,263,685)	(1,948,025)	(5,211,710)	(5,176,523)
Net investment increase (see Note 4)	2,232,589		2,232,589	1,028,262
Total Change in Net Assets	(1,031,096)	(1,948,025)	(2,979,121)	(4,148,261)
Net Assets, beginning of year	30,167,174	11,297,030	41,464,204	45,612,465
Net Assets, end of year	\$ 29,136,078	\$ 9,349,005	\$ 38,485,083	\$ 41,464,204

See accompanying notes to the consolidated financial statements.

Draper Richards Kaplan Foundation

Consolidated Statement of Cash Flows

<i>Year Ended December 31, 2024 (with comparative totals for 2023)</i>	2024	2023
Cash Flows from Operating Activities:		
Change in net assets	\$ (2,979,121)	\$ (4,148,261)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	9,317	11,807
Loss on disposal of assets		53,170
Cumulative foreign currency translation adjustment	774	(1,510)
Net realized and unrealized gain on investments	(430,733)	(114,615)
Amortization of right-of-use leased assets	718,048	685,585
Change in operating assets and liabilities:		
Program related investments	34,543	570,861
Contributions receivable	2,427,204	1,753,473
Other assets	242,366	69,857
Accounts payable and accrued liabilities	(6,231)	(303,488)
Deferred revenue	37,376	
Lease obligations	(751,151)	(693,302)
Net cash used by operating activities	(697,608)	(2,116,423)
Cash Flows from Investing Activities:		
Purchases of investments	(5,751,151)	(685,492)
Purchases of property and equipment		(11,527)
Proceeds from sale or redemption of investments	5,124,761	13,560,214
Net cash (used) provided by investing activities	(626,390)	12,863,195
Net Change in Cash and Cash Equivalents	(1,323,998)	10,746,772
Cash and Cash Equivalents, beginning of year	13,679,847	2,933,075
Cash and Cash Equivalents, end of year	\$ 12,355,849	\$ 13,679,847
Non-cash Operating Activities:		
Right-of-use assets obtained by lease liabilities		\$ 645,227
Supplementary Cash Flow Disclosure:		
Cash paid for operating leases during the year	\$ 802,804	\$ 749,497

See accompanying notes to the consolidated financial statements.

Draper Richards Kaplan Foundation

Notes to the Consolidated Financial Statements

Note 1 - Organization:

Established in 2002, the Draper Richards Kaplan Foundation (DRK) is a not-for-profit organization based in Menlo Park, California. The primary purpose of DRK is to find, fund and support exceptional social enterprises that have the potential to create profound and lasting impact on society's most complex problems. DRK typically provides either unrestricted grant funding or investment capital aggregating up to \$300,000 over a three-year period. As part of the support, each DRK portfolio organization receives substantial resources, including a DRK senior team member serving on their board for the duration of the three-year period as well as significant and frequent advice and training on strategic planning, board development, fundraising, organizational development, and leadership. In addition, DRK provides portfolio organizations with access to DRK's networks and consultants with expertise and specialized skills to help these organizations grow. DRK provides each of these organizations with leadership development opportunities during the three-year period including an annual three-day retreat designed to help each organization achieve its objectives. Together, with each organization's leadership, DRK develops strategic goals for the social enterprise that can be measured on a yearly basis and over the three-year period. Between inception and December 31, 2024, DRK has funded and supported 257 social impact organizations around the world.

In October 2019, DRK formed a new charitable entity in the Netherlands, Stichting Draper Richards Kaplan Foundation (DRK Netherlands), to expand its charitable purposes within Europe. The total assets for DRK Netherlands as of December 31, 2024 were approximately \$182,922 and the total change in net assets for the year ended December 31, 2024 was \$409,466. DRK Netherlands' activity represents monies paid through DRK Netherlands for DRK's efforts in the Netherlands and other parts of Europe. DRK Netherlands' activity does not include the additional monies paid through the DRK U.S. accounts to support the Netherlands, Europe and other parts of the globe.

Note 2 - Summary of Significant Accounting Policies:

Basis of Accounting

The consolidated financial statements of DRK have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Principles of Consolidation

The consolidated financial statements include the accounts of DRK and Stichting Draper Richards Kaplan Foundation. All intercompany accounts are eliminated in consolidation.

The functional currency of Stichting Draper Richards Kaplan Foundation is the Euro. Gains and losses on foreign currency are recorded in the consolidated statement of activities and changes in net assets.

Draper Richards Kaplan Foundation

Notes to the Consolidated Financial Statements

Description of Net Assets

DRK reports its financial position and operating activities in two classes of net assets:

Without Donor Restrictions

Net assets not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of DRK. These net assets may be used at the discretion of DRK's management and the board of directors.

With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors are restricted. DRK's net assets with donor restrictions are temporary in nature and include restrictions that will be met by actions of DRK or by the passage of time.

Contributions

Contributions are recognized at their fair value when the donor makes an unconditional promise to give. DRK evaluates the need for an allowance for doubtful contributions receivable on a specific identification method.

Donor-restricted support is reported as an increase in net assets with donor restrictions. 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 on the consolidated statement of activities and changes in net assets as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases to net assets without donor restrictions if the restrictions are met in the fiscal year in which the contributions are recognized.

Property and Equipment

Property and equipment purchased by DRK is recorded at cost or, if donated, at the approximate fair value at the date of donation. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets.

Cash and Cash Equivalents

Cash and cash equivalents are defined as checking, savings and deposit accounts that have a maturity period of three months or less at the time of purchase.

Draper Richards Kaplan Foundation

Notes to the Consolidated Financial Statements

Investments

Investments are stated at their fair value based on quoted prices for similar securities in active markets, except for an investment in a private equity fund which is stated at the fund's net asset value (NAV) which approximates fair value. Investments received by donation are recorded at their fair value on the date received. Realized and unrealized gains or losses are included in the consolidated statement of activities and changes in net assets.

Program-Related Investments (PRIs)

Equity investments are carried at cost, unless a public market exists in which case the investment is carried at market value. Debt investments are also carried at cost, unless it is determined that a discount is material to DRK's financial statements. PRIs are evaluated annually for impairment. DRK evaluates the need for an allowance for doubtful program-related investments on a specific identification method.

Leases

DRK determines whether an arrangement is or includes a lease and categorizes leases as either operating or finance leases. DRK does not have any finance leases. Operating lease right-of-use (ROU) assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term. DRK used a risk-free discount rate at the commencement date for the new lease agreements that do not provide implicit rates. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

Fair Value Measurements

DRK classifies its financial assets and liabilities measured at fair value on a recurring basis based on a fair value hierarchy with three levels of input. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Level 1 values are based on unadjusted quoted prices in active markets for identical securities. Level 2 values are based on significant observable market inputs, such as quoted prices for similar securities and quoted prices in inactive markets. Level 3 values are based on significant unobservable inputs that reflect DRK's determination of assumptions that market participants might reasonably use in valuing the securities. The valuation levels are not necessarily an indication of the risk or liquidity associated with the assets and liabilities measured at fair value.

DRK reports alternative investments using NAV per share as determined by the respective fund managers. This practical expedient allows NAV to represent fair value for reporting purposes when the criteria for using this method are met.

Draper Richards Kaplan Foundation

Notes to the Consolidated Financial Statements

Grants

Grants awarded as an unconditional promise to give are accrued as a liability and expensed when approved. Typically, the first grant payment is considered unconditional and subsequent payments are considered conditional upon the grantee meeting certain milestones.

Income Taxes

DRK has been granted tax exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Effective January 1, 2019, DRK transitioned from a private operating foundation to a public charity within the meaning of Section 509(a) of the Internal Revenue Code.

Management evaluated DRK's tax positions and concluded that DRK had maintained its tax-exempt status and had not taken uncertain tax positions that required adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

Allocation of Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in Note 9. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an estimated basis as follows:

- Personnel expenses are allocated by each position's classification after considering the operational roles and time spent in those roles;
- Occupancy and depreciation are allocated based upon factors of full-time equivalency and approximate square footage;
- Professional services and travel, meals and conferences are allocated based upon time and effort of personnel;
- Supplies and other expenses are based upon headcount or direct charges to the benefited operational area;
- Grants and direct program support are charged directly to program.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Draper Richards Kaplan Foundation

Notes to the Consolidated Financial Statements

Prior Year Information

The financial statements include certain prior-year summarized comparative information in total but not in sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with DRK's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Subsequent Events

DRK evaluated subsequent events from December 31, 2024 through June 5, 2025, the date these financial statements were available to be issued. Except as noted in Note 10, there were no other material subsequent events that required recognition or additional disclosure in these financial statements.

Note 3 - Liquid Assets:

DRK's financial assets at December 31, 2024 available to meet general expenditures over the next twelve months were as follows:

Financial assets at year end:	
Cash and cash equivalents	\$ 12,355,849
Investments	16,265,760
Contributions receivable	6,691,498
<hr/>	
Total financial assets	35,313,107
Less amounts not available to be used within one year:	
Long-term pledges receivable, net of discount	(3,171,058)
Private equity fund, included in investments	(209,009)
<hr/>	
Financial assets available to meet general expenditures over the next twelve months	\$ 31,933,040
<hr/>	

DRK's goal is to maintain financial assets to meet all grant and operating needs. As financial obligations become due, investments are liquidated. In the amount available for general expenditures, DRK includes \$3,520,440 which has been restricted by donors; however, DRK expects to satisfy the donor's restrictions within the next year.

Draper Richards Kaplan Foundation

Notes to the Consolidated Financial Statements

Note 4 - Investments:

Investments consisted of the following at December 31, 2024:

Equity securities (Level 1)	\$ 1,454,850
Corporate fixed income (Level 2)	10,404,212
Government securities (Level 2)	4,197,689
Private equity fund (NAV)	209,009
<hr/>	
Total	\$ 16,265,760

The private equity fund is an investment in a limited liability company valued at NAV with a strategy of long-term investment returns which the members are encouraged to contribute to charities of their choice. There is no remaining unfunded committed capital.

Net investment gain consisted of the following for the year ended December 31, 2024:

Interest and dividends	\$ 1,229,558
Realized losses	(31,941)
Unrealized gains	462,592
Investment service fees	(76,126)
<hr/>	
Net investment increase generated from holdings above	1,584,083
Gains on program related investments	648,506
<hr/>	
Net investment increase on reported Statement of Activities	\$ 2,232,589

Draper Richards Kaplan Foundation

Notes to the Consolidated Financial Statements

Note 5 - Program-Related Investments:

PRIs provide strategic funding to selected nonprofits with the specific objective of furthering DRK's charitable purpose and may be in the form of an equity investment, loan, simple agreement for future equity, or convertible note. Program-related investments consisted of the following at December 31, 2024:

Type	Number	Interest Rate	Amount
Convertible promissory notes	20	0% - 8% simple interest per annum	\$ 2,475,000
Promissory notes	3	8% simple interest per annum	150,000
Revenue loan promissory note	1	0%	75,000
Preferred stock	15	N/A	2,387,971
Common stock	1	N/A	3,313
Common stock subscription agreement	1	N/A	150,000
Simple agreements for future equity	13	N/A	1,270,000
Publicly traded stock	1	N/A	12,758
Provision for possible losses on PRI's			(2,435,849)
Total			\$ 4,088,193

Note 6 - Contributions Receivable:

Contributions receivable at December 31, 2024 consisted of the following:

Receivable in less than one year	\$ 3,520,440
Receivable in one to five years	3,663,500
Less discounts to net present value	(492,442)
Total contributions receivable	\$ 6,691,498

Draper Richards Kaplan Foundation

Notes to the Consolidated Financial Statements

Contributions receivable due in more than one year are reflected at the value of estimated future cash flows using discount rates ranging from 4.01% to 4.38%.

Additionally, DRK has received verbal commitments from certain donors as well as other commitments considered conditional. As of December 31, 2024, these conditional commitments totaled \$6,156,668. These gifts are not reflected in DRK's financial statements until collected or the related conditions have been met.

Note 7 - Grants to Beneficiary Organizations:

During the year ended December 31, 2024, DRK funded or accrued grants payable to the following organizations or their fiscal sponsor.

Accelerator for America	\$ 100,000
accessOS	100,000
Activating Change	50,000
Africa Center, The	100,000
American Journalism Project	50,000
American University (Project: Polarization and Extremism Research Innovation Lab (PERIL))	100,000
Brilliant Detroit	50,000
Cambiar Education (Project: All Means All)	50,000
Carina	100,000
CatchLight	100,000
Chancery Lane Project, The	100,000
Child Poverty Action Lab	100,000
City Bureau	50,000
Common GOAL USA	100,000
Community Builders	50,000
Crystal Bridges Museum of American Art (Project: Remuseum)	50,000
Cultural Brokers	50,000
Define American	50,000
Dollar For	100,000
EducationSuperHighway	50,000
Entryway (formerly Shelter to Shutters)	100,000
Fast Forward (Project: Adalat AI)	50,000
Fast Forward (Project: GIVEDIGNIFIEDWORK)	100,000
First Place for Youth	100,000
For The People	100,000
Forward Impact (dba Represent Justice)	100,000
Fundi Robotics (dba Fundi Bots)	100,000
Generation You Employed	100,000
Housing Connector	100,000
Imagine Worldwide	50,000
Intelehealth	50,000
JUST Capital Foundation	50,000

Draper Richards Kaplan Foundation

Notes to the Consolidated Financial Statements

Lone Star Justice Alliance	50,000
Mafisa	50,000
Newark Alliance	50,000
North Carolina Education Corps	100,000
Oakland REACH, The	100,000
Open Supply Hub	100,000
PFP	100,000
Project on Predatory Student Lending (PPSL)	50,000
REACH Institute: Resource for Advancing Children's Health	100,000
Reboot Rx	100,000
Rocket Learning Foundation	50,000
Rwanda Men's Resource Center (RWAMREC)	50,000
Shamiri Institute	100,000
SmartStart Early Learning	100,000
SolarAPP Foundation	50,000
Stichting Join Us	100,000
Tarjimly	100,000
Texas Water Trade	100,000
WE Program	100,000
Within Reach (formerly Labhya Foundation)	100,000

Total Grants	\$ 4,150,000
--------------	--------------

DRK's grant agreements contain conditions that, if met by the grantee, would commit DRK to future grant payments. These amounts have not been recognized in DRK's financial statements. The anticipated payment schedule is as follows:

Year Ending December 31,	
2025	\$ 3,150,000
2026	1,200,000
2027	350,000

Total	\$ 4,700,000
-------	--------------

Note 8 - Net Assets With Donor Restrictions:

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

Contributions receivable – time restricted	\$ 6,691,498
Other	2,657,507

Total net assets with donor restrictions	\$ 9,349,005
--	--------------

Draper Richards Kaplan Foundation

Notes to the Consolidated Financial Statements

Net assets released from restriction during the year ended December 31, 2024 consisted of:

Release of restriction by passage of time	\$ 3,767,585
Release of restriction met by actions of DRK	5,195,656
Total net assets released from restrictions	\$ 8,963,241

Note 9 - Functional Expenses:

During the year ended December 31, 2024, DRK's expenses by function consisted of the following:

	Program	Fundraising	Management and General	Total
Grants	\$ 4,150,000			\$ 4,150,000
Salaries and benefits	6,313,972	\$ 876,738	\$ 1,349,724	8,540,434
Direct program support	838,736	116,814		955,550
Occupancy	539,109	52,353	262,255	853,717
Travel, meals and conferences	431,301	40,489	35,230	507,020
Professional services	1,281,068	225,569	224,371	1,731,008
Software and supplies	170,635	16,611	144,550	331,796
Marketing		101,883		101,883
Depreciation	5,350	967	3,001	9,318
Provision for possible losses on PRIs	1,360,701			1,360,701
Other	35,374	3,550	20,210	59,134
Realized (gain)/loss on foreign currency transactions	(1,292)		13,747	12,455
Uncollectable pledge receivable	122,500			122,500
	\$ 15,247,454	\$ 1,434,974	\$ 2,053,088	\$ 18,735,516

Note 10 - Lease Commitments:

Office Lease – Menlo Park

DRK leases its headquarters office in Menlo Park, California. In November 2021, the lease was extended through June 2026. The lease requires a rental payment of \$23,320 per month plus other operating expenses such as utilities and property taxes.

Office Lease – San Francisco

In September 2019, DRK entered into a 62-month lease for office space in San Francisco, California. The lease requires rental payments of \$22,205 per month plus other operating expenses such as utilities and property taxes.

Draper Richards Kaplan Foundation

Notes to the Consolidated Financial Statements

In January 2022, DRK entered into an agreement to sublease the office space in San Francisco, California from March 1, 2022 through November 15, 2024, the end of DRK's lease commitment. DRK received \$18,877 per month with an annual increase of 3% which offset the rent expense.

Both the lease and the sublease expired in November 2024 and were not renewed.

Office Lease – Boston

DRK leases office space in Boston, Massachusetts. In August 2022, the lease was extended through June 2028. The lease requires a rental payment of \$13,502 per month plus other operating expenses such as utilities and property taxes.

Office Lease – Netherlands

In May 2020, DRK entered into a month-to-month lease in The Hague, Netherlands with a 30-day advance notice for termination of the agreement. The lease requires rental payments of 2,399 Euros per month (approximately \$2,600).

In December 2024, DRK entered into a three year agreement effective February 2025 and ending January 2028. The lease requires rental payment of 2,331 euros per month (approximately \$2,500).

Office Lease- Texas

In November 2022, DRK entered into a 38 month lease in Dallas, Texas. The lease requires rental payments of \$8,704 per month plus certain operating expenses.

As of December 31, 2024, DRK had ROU assets of \$1,023,054 and lease liabilities related to its operating lease obligations of \$1,097,602. During the fiscal year ended December 31, 2024, DRK incurred \$787,680 in lease expense. The weighted average remaining lease term as of December 31, 2024 was 2.51 years. The weighted average discount rate as of December 31, 2024 was 3.70%

Future minimum rental payments, net of sublease income, for all DRK leasing arrangements are as follows:

Year Ending December 31,	
2025	\$ 559,451
2026	333,810
2027	170,250
2028	85,971
<hr/>	
Subtotal	1,149,482
Discount	(51,880)
<hr/>	
Total	\$ 1,097,602

Draper Richards Kaplan Foundation

Notes to the Consolidated Financial Statements

Note 11 - Retirement Plan:

DRK offers eligible employees the opportunity to participate in a 401(k) plan. Employees who have reached the age of 21 are eligible to participate in the plan. At the end of the calendar year, DRK may make a discretionary contribution equal to a percentage of each active employee's eligible compensation on an annual basis. Employer contribution expense for the year ended December 31, 2024 amounted to \$599,720.

Note 12 - Related Party Transactions:

DRK has historically been funded by individuals closely associated with DRK, including certain members of the Board of Directors and individuals related to them. During the year ended December 31, 2024, gifts from related parties included in contributions amounted to \$2,900,000. Included in contributions receivable were amounts due from related parties that amounted to \$200,000.

Note 13 - Concentrations of Credit Risk:

Financial instruments, which potentially subject DRK to concentrations of credit risk consist of cash, investments (including program-related investments) and contributions receivable. Cash balances may, from time to time, exceed Federal Deposit Insurance Corporation insurable limits. DRK has not experienced any losses in such accounts. Investments are managed subject to a formal investment policy; however, investment valuations are subject to volatility based on market conditions.

Major donors are defined as those who contributed more than 10% of total contribution revenue or account for over 10% of the contribution receivable balance at year-end. For the year ended December 31, 2024, two major donors accounted for 27% of DRK's contribution income, and two major donors represented 43% of DRK's contribution receivable. Management evaluates the need for an allowance annually and has determined that no such allowance is necessary at this time.