

Meridian International Center and Affiliate

Consolidated Financial Report
September 30, 2024

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Independent Auditor's Report

Board of Trustees
Meridian International Center

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Meridian International Center and Affiliate (Meridian), which comprise the consolidated statements of financial position as of September 30, 2024 and 2023, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Meridian as of September 30, 2024 and 2023, and the changes in their net assets and their 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Meridian 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 Meridian's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS and *Government 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 GAAS and *Government 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 Meridian'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 Meridian'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2025, on our consideration of Meridian's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of the testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Meridian's internal control over financial reporting and compliance.

RSM US LLP

Washington, D.C.
March 3, 2025

Meridian International Center and Affiliate

**Consolidated Statements of Financial Position
September 30, 2024 and 2023**

	2024	2023
Assets		
Cash and cash equivalents	\$ 4,866,346	\$ 4,815,977
Grants and contributions receivable, net	3,131,413	3,866,692
Accounts receivable	227,287	-
Prepaid expenses and other assets	943,923	815,085
Investments	11,847,056	10,377,091
Property held for sale	-	1,055,937
Right-of-use-assets, operating, net	204,798	96,022
Investments held for endowment	829,797	751,227
Property and equipment, net	4,534,624	3,511,651
	\$ 26,585,244	\$ 25,289,682
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 710,721	\$ 927,499
Accrued expenses	3,506,131	3,423,272
Refundable advances	1,048,325	1,069,996
Deferred revenue—contracts and other exchange agreements	491,390	865,260
Deferred revenue—parking lot sale	-	2,900,000
Paycheck Protection Program loan	62,018	169,320
Lease liability, operating, net	203,449	96,022
Term loan	2,823,777	2,883,264
	8,845,811	12,334,633
Net assets:		
Without donor restrictions	16,835,532	11,922,101
With donor restrictions:		
Time and purpose restrictions	220,294	349,341
Perpetual in nature	683,607	683,607
	903,901	1,032,948
	17,739,433	12,955,049
	\$ 26,585,244	\$ 25,289,682

See notes to consolidated financial statements.

Meridian International Center and Affiliate

Consolidated Statements of Activities Years Ended September 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Federal grants	\$ 32,851,167	\$ -	\$ 32,851,167	\$ 40,715,007	\$ -	\$ 40,715,007
Other contracts and grants	2,116,767	-	2,116,767	1,799,356	-	1,799,356
Contributions	7,510,687	105,000	7,615,687	6,233,275	319,000	6,552,275
Event income	745,226	-	745,226	709,545	-	709,545
Contributions of nonfinancial assets	20,445	-	20,445	40,475	-	40,475
Other revenue	3,214,147	-	3,214,147	2,500	-	2,500
Investment income, net	1,790,033	105,914	1,895,947	1,335,480	94,964	1,430,444
Net assets released from restrictions	339,961	(339,961)	-	518,679	(518,679)	-
Total support and revenue	48,588,433	(129,047)	48,459,386	51,354,317	(104,715)	51,249,602
Expenses:						
Programs:						
International visitor leadership program	23,587,075	-	23,587,075	26,227,660	-	26,227,660
Customized exchange programs	8,357,792	-	8,357,792	13,358,592	-	13,358,592
Cultural programs	2,473,256	-	2,473,256	2,462,640	-	2,462,640
Diplomacy programs	1,436,082	-	1,436,082	1,188,249	-	1,188,249
Development	3,832,603	-	3,832,603	3,258,595	-	3,258,595
Supporting services:						
General and administrative	3,465,286	-	3,465,286	2,321,622	-	2,321,622
Maintenance and operations	522,908	-	522,908	814,345	-	814,345
Total expenses	43,675,002	-	43,675,002	49,631,703	-	49,631,703
Change in net assets	4,913,431	(129,047)	4,784,384	1,722,614	(104,715)	1,617,899
Net assets:						
Beginning	11,922,101	1,032,948	12,955,049	10,199,487	1,137,663	11,337,150
Ending	\$ 16,835,532	\$ 903,901	\$ 17,739,433	\$ 11,922,101	\$ 1,032,948	\$ 12,955,049

See notes to consolidated financial statements.

Meridian International Center and Affiliate

**Consolidated Statement of Functional Expenses
Year Ended September 30, 2024**

	Program Services				Supporting Services			Total
	International Visitor Leadership Program	Customized Exchange Programs	Cultural Programs	Diplomacy Programs	Development	General and Administrative	Maintenance and Operations	
Participant support costs	\$ 14,253,148	\$ 2,608,087	\$ 388,951	\$ 17,028	\$ -	\$ -	\$ -	\$ 17,267,214
Salaries	4,488,423	1,797,231	487,589	579,369	1,643,546	3,270,886	1,118,316	13,385,360
Contract services and professional fees	834,599	311,727	564,354	100,568	307,767	834,934	321,019	3,274,968
Benefits	1,244,982	473,740	131,641	157,597	417,337	894,973	290,718	3,610,988
Subawards	-	1,525,832	978	-	-	-	-	1,526,810
Staff travel	86,073	361,893	382,960	46,725	53,965	31,972	-	963,588
Conferences and meetings	271,457	81,867	85,445	78,778	436,850	76,792	11,660	1,042,849
Technology	43,404	17,077	8,562	10,140	45,437	361,368	4,462	490,450
Furniture and equipment, rent, moving and storage	4,716	3,850	7,617	-	18,662	58,934	71,466	165,245
Resource materials, memberships and other	25,885	23,971	7,482	119,198	24,515	146,114	28,638	375,803
Depreciation and amortization	-	-	-	-	-	-	499,451	499,451
Repair, maintenance and building services	-	-	3,806	-	3,119	-	285,528	292,453
Telephone and utilities	33,589	13,654	3,543	4,172	11,433	24,022	212,009	302,422
Supplies, printing and postage and other office expenses	22,982	(5,011)	23,738	9,429	37,717	33,027	45,184	167,066
Insurance	-	3,008	2,666	-	9,184	103,212	75,964	194,034
Interest and service charges	669	2,797	97	-	31	22,159	90,548	116,301
Total direct expenses	21,309,927	7,219,723	2,099,429	1,123,004	3,009,563	5,858,393	3,054,963	43,675,002
Allocation of shared expenses	2,277,148	1,138,069	373,827	313,078	823,040	(2,393,107)	(2,532,055)	-
Total expenses	\$ 23,587,075	\$ 8,357,792	\$ 2,473,256	\$ 1,436,082	\$ 3,832,603	\$ 3,465,286	\$ 522,908	\$ 43,675,002

See notes to consolidated financial statements.

Meridian International Center and Affiliate

Consolidated Statement of Functional Expenses Year Ended September 30, 2023

	Program Services				Supporting Services			Total
	International	Customized	Cultural	Diplomacy	Development	General and	Maintenance	
	Visitor Leadership Program	Exchange Programs	Programs	Programs		Administrative	and Operations	
Participant support costs	\$ 17,107,649	\$ 4,782,432	\$ 260,827	\$ -	\$ -	\$ -	\$ -	\$ 22,150,908
Salaries	4,253,686	1,984,259	409,571	439,847	1,298,075	2,924,464	969,105	12,279,007
Contract services and professional fees	673,768	970,598	599,312	98,654	275,720	1,191,437	266,977	4,076,466
Benefits	1,125,409	508,622	106,919	110,940	326,683	763,470	240,674	3,182,717
Subawards	-	2,679,100	19,982	-	-	-	-	2,699,082
Staff travel	72,631	500,251	545,819	147,704	58,248	37,941	48	1,362,642
Conferences and meetings	474,254	185,531	11,285	97,373	440,780	86,032	19,860	1,315,115
Technology	38,526	14,553	9,013	5,019	35,069	319,826	14,476	436,482
Furniture and equipment, rent, moving and storage	87,557	10,698	59,360	3,080	37,175	87,796	107,739	393,405
Resource materials, memberships and other	29,825	75,682	13,375	15,437	31,436	131,700	17,551	315,006
Depreciation and amortization	-	-	-	-	-	-	307,939	307,939
Repair, maintenance and building services	88	-	-	-	127	234	298,912	299,361
Telephone and utilities	31,390	15,643	3,512	3,146	8,710	21,337	190,168	273,906
Supplies, printing and postage and other office expenses	71,534	10,791	24,756	14,008	16,509	29,989	46,131	213,718
Insurance	-	5,003	3,207	-	13,488	105,242	69,762	196,702
Interest and service charges	4,004	7,872	528	-	84	24,635	92,124	129,247
Total direct expenses	23,970,321	11,751,035	2,067,466	935,208	2,542,104	5,724,103	2,641,466	49,631,703
Allocation of shared expenses	2,257,339	1,607,557	395,174	253,041	716,491	(3,402,481)	(1,827,121)	-
Total expenses	\$ 26,227,660	\$ 13,358,592	\$ 2,462,640	\$ 1,188,249	\$ 3,258,595	\$ 2,321,622	\$ 814,345	\$ 49,631,703

See notes to consolidated financial statements.

Meridian International Center and Affiliate

Consolidated Statements of Cash Flows Years Ended September 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 4,784,384	\$ 1,617,899
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	499,451	307,939
Realized and unrealized gains on investments	(1,488,116)	(1,165,461)
Contribution of property	-	(40,000)
Deferred revenue—parking lot sale	(3,214,147)	-
Change in operating assets and liabilities:		
(Increase) decrease in:		
Grants and contributions receivables, net	735,279	1,747,936
Accounts receivable	(227,287)	-
Prepaid expenses and other assets	(128,838)	62,014
Operating lease right-of-use assets	(108,776)	(96,022)
Increase (decrease) in:		
Accounts payable	(216,778)	(1,008,878)
Accrued expenses	82,859	117,678
Deferred revenue and refundable advances	(395,541)	269,156
Operating lease liabilities	107,427	96,022
Net cash provided by operating activities	429,917	1,908,283
Cash flows from investing activities:		
Purchases of property and equipment	(466,487)	(206,190)
Proceeds from sales or maturity of investments	11,705,660	12,124,420
Purchases of investments	(11,766,079)	(12,283,843)
Deposit received for property held for sale	314,147	-
Net cash used in investing activities	(212,759)	(365,613)
Cash flows from financing activities:		
Payments on Paycheck Protection Program loan	(107,302)	(107,877)
Payments on term loan	(59,487)	(57,565)
Net cash used in financing activities	(166,789)	(165,442)
Net increase in cash and cash equivalents	50,369	1,377,228
Cash and cash equivalents:		
Beginning	4,815,977	3,438,749
Ending	\$ 4,866,346	\$ 4,815,977
Supplemental disclosure of cash flow information:		
Cash payments for interest	\$ 110,120	\$ 113,129
Supplemental schedules of noncash investing activities:		
Property acquired through donation	\$ -	\$ 40,000
Property reclassified from property held for sale to property and equipment, net	\$ 1,055,937	\$ -

See notes to consolidated financial statements.

Meridian International Center and Affiliate

Notes to Consolidated Financial Statements

Note 1. Nature of Activities

Nature of activities: Meridian International Center (Meridian) was established in 1960 as a nonprofit corporation in the District of Columbia. Meridian specializes in intercultural exchange programs and serves as an educational and cultural center presenting an extensive series of world affairs programs, lectures, seminars and international exhibitions to international visitors and United States residents.

Under contracts with the United States government, and with funds from foundation grants and corporate and private contributions, Meridian supports and administers its program services.

On March 5, 2013, Meridian formed a single member limited liability company, Meridian Global Leadership Institute (GLI), of which it is the sole member. GLI was formed for the purpose of developing and implementing global leadership training and educational programs. GLI is a disregarded entity for tax purposes.

Meridian receives funding for its largest educational and cultural exchange program from the United States Department of State (Department of State). Current funding commitments with the Department of State extend through December 31, 2025. A significant decrease in the Department of State funding would affect operating results adversely.

Note 2. Significant Accounting Policies

A summary of Meridian's significant accounting policies follows:

Principles of consolidation: The consolidated financial statements include the accounts of Meridian and GLI (collectively, Meridian). All significant inter-company transactions have been eliminated upon consolidation.

Basis of presentation: The consolidated financial statement presentation follows the recommendation of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As required by the Non-Profit Entities topic of the ASC, Financial Statements of Not-for-Profit Organizations, Meridian is required to report information regarding its financial position and activities within two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Undesignated net assets represent funds that are available for the support of Meridian's operations and not subject to donor restrictions.

Net assets with donor restrictions: Net assets with donor restrictions include time and purpose restricted net assets and net assets for which the restriction is perpetual in nature.

Time and purpose restricted: These net assets are subject to donor-imposed stipulations on the use of the assets that may be met by Meridian's actions and/or the passage of time.

Perpetual in nature: These net assets result from contributions and other inflows of assets whose use is subject to donor-imposed stipulations that the principal must be maintained in perpetuity by Meridian. The donors may or may not require Meridian to use all or part of the investment return on these net assets for specified or unspecified purposes.

Meridian International Center and Affiliate

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies (Continued)

Cash and cash equivalents: Meridian considers all cash and highly liquid investments with initial maturities of three months or less and which present insignificant risk of change in value to be cash and cash equivalents. Cash and cash equivalents held by investment custodians are considered investments.

Concentration of credit risk: Meridian maintains its cash and cash equivalents in various bank accounts and money market funds that, at times, may exceed federally insured limits. Meridian's cash and cash equivalent accounts are placed with high credit quality financial institutions. Meridian has not experienced, nor does it anticipate, any losses in such accounts.

Allowable investments in corporate bonds, common stock, government bonds and fixed income securities are stipulated in Meridian's investment policy. These investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is possible that changes in risks in the near term would materially affect investment balances and amounts reported in the consolidated financial statements.

Grants and contributions receivable: Grants and contributions are recognized as revenue and receivables in the year unconditional promises to give are received from the grantor/donor. They are reported as increases in the appropriate revenue category of net assets.

Grants and contracts are recognized as revenue without donor restrictions and receivables when direct and indirect expenses are incurred in compliance with the specific terms of the grants and contracts.

The allowance for doubtful accounts is determined based upon management's best estimate of the potential uncollectable amounts in accounts receivable. Billed accounts receivable is evaluated for collectability on a case-by-case basis. Meridian writes-off receivables only when all means of collection have been exhausted. Meridian has established an allowance for doubtful accounts in the amount of \$248,902 and \$133,902 at September 30, 2024 and 2023, respectively.

Accounts receivable: Meridian adopted Accounting Standards Codification (ASC) 326, Financial Instruments—Credit Losses, as of October 1, 2023, with the cumulative-effect transition method with the required prospective approach. There was no significant impact of this adoption as of October 1, 2023. The measurement of expected credit losses under the current expected credit loss (CECL) methodology is applicable to financial assets measured at amortized cost, which include billed and unbilled receivables as well as contract assets. An allowance for credit losses under the CECL methodology is determined using the loss-rate approach and measured on a collective (pool) basis when similar risk characteristics exist. Where financial instruments do not share risk characteristics, they are evaluated on an individual basis. The CECL allowance is based on relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. The allowance for credit losses as of September 30, 2024, was \$0.

Investments: Investments are carried at estimated fair value in the consolidated statements of financial position. The fair value of common stock and money market funds are estimated based on quoted market prices, where available. Corporate bonds, government bonds and other fixed income securities are valued based on stated interest rates and quality ratings. Investments may include some short-term investments, which consist primarily of money market funds and other short-term investments.

Investments consist primarily of common stock, corporate bonds, government bonds and other fixed income securities carried at fair value as described in Note 10. To adjust the carrying value of investments, the change in fair value is recorded as a component of investment income on the accompanying consolidated statements of activities.

Meridian International Center and Affiliate

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies (Continued)

Property and equipment: Property and equipment is recorded at cost or, in the case of donated items, at fair value as of the date of acquisition, less accumulated depreciation. Meridian capitalizes assets that cost more than \$5,000 and have an estimated useful life greater than three years. Purchases with an acquisition cost of less than \$5,000 or a useful life of less than three years are expensed in the year of purchase.

Depreciation of assets is provided on the straight-line basis over the estimated useful lives of the assets as follows:

	<u>Years</u>
Land improvements	25
Buildings	20-40
Building improvements	20
Furniture and equipment	5
Parking garage	40
Computer software	3-5

Meridian has capitalized its collections since its inception. Collections consist of works of art, historical treasures or similar assets that are held for public exhibition and are protected and preserved. Collections purchased are capitalized at cost, and collections donated are capitalized at appraised value as of the date of the acceptance of the donation. Collections are not depreciated.

Valuation of long-lived assets: Meridian reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Leases: Meridian leases certain office equipment and storage space. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities in Meridian's consolidated statements of financial position.

ROU assets represent Meridian's right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Meridian uses the implicit rate when it is readily determinable. Since most of Meridian's leases do not provide an implicit rate, to determine the present value of lease payments, management has elected to use a risk-free discount rate, determined using a period comparable with that of the lease term. ROU assets also include any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Meridian's lease terms may include options to extend or terminate the lease when it is reasonably certain that Meridian will exercise the option.

Meridian International Center and Affiliate

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies (Continued)

Meridian made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. Meridian also made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component.

Contributions of nonfinancial assets: Meridian records various types of contributions of nonfinancial assets, including services, materials and other tangible assets. Contributed materials are valued based on the estimated prices of identical or similar materials. Contributed materials are considered without donor restrictions and are able to be used by Meridian as determined by management. Meridian does not sell contributed nonfinancial assets. The total fair value of contributed materials, furniture and equipment are included as contributions of nonfinancial assets in the accompanying consolidated statements of activities.

Accounting principles generally accepted in the United States of America (U.S. GAAP) requires recognition of professional services received if those services: (a) create or enhance long-lived assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During 2024 and 2023, no specialized services were contributed to Meridian although volunteers provided time to Meridian.

The fair values of donated goods on the date of donation are as follows for the years ended September 30, 2024 and 2023:

	2024	2023
Description:		
Contributed materials	\$ 445	\$ 475
Contributed rental space for event	20,000	-
Contributed parking space	-	40,000
Total fair value of in-kind contributions	<u>\$ 20,445</u>	<u>\$ 40,475</u>

Revenue recognition:

Grants: Meridian is the recipient of grants from the federal government to fund various programs. These grants consist primarily of conditional grants, that is, those with a measurable performance or other barrier, and a right of return. Grant revenues are not recognized until the conditions on which they depend have been substantially met. The federal grants are conditioned upon the incurrence of allowable qualifying expenses. Grant funds are recorded as revenue when the related approved expenditures are made. Grant funds received prior to the incurrence of related costs by Meridian are considered refundable advances. At September 30, 2024 and 2023, conditional reimbursement-basis grants of \$26,192,452 and \$29,070,279, respectively, were awarded to Meridian, for which Meridian has not yet incurred related expenditures nor has received the cash. Conditional grants are recognized to net assets without donor restrictions if all restrictions have been satisfied at the time the conditions were met. Private grants are typically recognized as unconditional contributions.

Contributions received: Meridian may receive support from individuals, foundations, corporations and other non-governmental organizations to support Meridian's mission. Unconditional contribution revenue is recognized at fair value on the earlier of the receipt of cash or an unconditional promise to give. From time to time, Meriden receives contributions that have certain conditions, such as meeting a specific performance-related barriers or limit discretion of Meridian's use of the funds. Other contributions may have revocable features to the promise to give. Conditional contributions are recognized when the conditions are substantially met. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence of and/or nature of any donor restrictions.

Meridian International Center and Affiliate

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies (Continued)

Contracts with customers: Meridian enters into some contracts to provide services to the federal government, foreign governments and other entities that are typically designated as exchange transactions, as each party receives commensurate value. These contracts include awards with achievement milestones, cost plus fixed fee contracts and cooperative agreements. For milestone-based contracts, revenue is typically recognized in a manner consistent with milestones set forth in the contract that coincide with progress of the services provided. Revenue is recognized over time, with milestones achieved as the output method. For contracts where Meridian has an unconditional right to consideration from a customer in an amount that corresponds directly with the value of our performance completed to date, Meridian recognizes revenue in the amount to which it has a right to invoice for services performed.

Meridian also enters into contracts for events and special activities. Revenue is typically recorded at the point in time when the event or activity occurs.

Performance obligations: Revenue is recognized when Meridian satisfies a performance obligation by transferring a promised good to or performing a service for a customer. The amount of revenue recognized reflects the consideration Meridian expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, Meridian combines it with other performance obligations until a distinct bundle of goods or services exists.

Contracts are considered to contain a single performance obligation if the promise to transfer individual goods or services is not separately identifiable from other promises in the contracts primarily because Meridian provides a significant service of integrating a complex set of tasks and components into a single project or capability. A series of goods or services are a single performance obligation if the goods or services are substantially the same, and each distinct good or service in the series will be satisfied over time and the same method would be used to measure progress towards satisfaction.

Transaction price: The transaction price is the amount of consideration Meridian expects to be entitled to in exchange for transferring goods and services to the customer. When a contract has a single performance obligation, the entire transaction price is attributed to that performance obligation. When a contract has more than one performance obligation, the transaction price is allocated to each performance obligation based on estimated relative standalone selling prices of the services at the inception of the contract.

Contract assets and liabilities: A contract asset is recorded when revenue is recognized in advance of the right to bill and receive consideration. The contract asset will decrease as services are provided and billed. When consideration is received in advance of the delivery of goods or services, a contract liability is recorded. Reductions in the contract liability will be recorded as the performance obligations are satisfied. Contract assets are included in accounts receivables, and contract liabilities are included in deferred revenue—contracts and other exchange agreements in the consolidated statements of financial position.

Contract assets and liabilities as of October 1, 2022, were as follows:

Unbilled receivables—contracts and other exchange agreements	\$	551,432
Deferred revenue—contracts and other exchange agreements		657,016

Meridian International Center and Affiliate

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies (Continued)

Description of program services: Meridian's program constitutes the promotion of international understanding through the exchange of people, ideas, arts and diplomacy. Program expenses include department costs to operate study tours, exhibitions, training sessions, diplomatic convenings and other cultural and educational programs for international visitors, United States residents and diplomats. Development expenses are considered as department expenses.

Income taxes: Meridian is recognized as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except for unrelated business income. Meridian has processes presently in place to ensure the maintenance of its tax-exempt status: to identify and report unrelated income, to determine its filing and tax obligations in jurisdictions for which it has nexus and to identify and evaluate other matters that may be considered tax positions.

Use of estimates: The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Functional allocation of expenses: The costs of providing programs and services are summarized on a functional basis in the accompanying consolidated financial statements. Accordingly, certain costs have been allocated among programs and supporting services benefited. Meridian charges direct expenses incurred for a specific function directly to the program or supporting service. These costs are those that can be identified as being incurred specifically for the activities of that program or service. Other costs that are incurred for Meridian as a whole, and benefit more than one program or service, are allocated on a reasonable basis that is consistently applied. Expenses that are allocated include maintenance and operations costs, including salaries and benefits of the maintenance staff, depreciation, repairs and maintenance, utilities, furniture and equipment, insurance and interest on the term loans which are allocated on a square footage basis. Other allocated costs include general and administration costs related to information technology, finance and accounting, human resources and support for Meridian's website, including procurement and recruiting functions, media and marketing and preparation and dissemination of Meridian's annual report. These costs are allocated based on total direct expenses excluding participant support costs..

Reclassifications: Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported consolidated net assets.

Subsequent events: Meridian has evaluated subsequent events through March 3, 2025, the date on which the consolidated financial statements were available to be issued.

Meridian International Center and Affiliate

Notes to Consolidated Financial Statements

Note 3. Liquidity

Meridian regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to maximize the return on investment of its funds not required for annual operations. As of September 30, 2024 and 2023, the following financial assets are available to meet annual operating needs for the upcoming fiscal year:

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	\$ 4,866,346	\$ 4,815,977
Grants and contributions receivable, net	3,131,413	3,866,692
Accounts receivable	227,287	-
Investments	11,847,056	10,377,091
Investments held for endowment	829,797	751,227
Total financial assets available	<u>20,901,899</u>	<u>19,810,987</u>
Less amounts not available to be used within one year:		
Invested funds use of which is subject to board approval	(9,874,779)	(8,287,844)
Perpetually restricted net assets	(683,607)	(683,607)
Time and purpose restricted net assets	(220,294)	(349,341)
	<u>(10,778,680)</u>	<u>(9,320,792)</u>
Financial assets available to meet operating needs within one year	<u>\$ 10,123,219</u>	<u>\$ 10,490,195</u>

Meridian has various sources of liquidity at its disposal, including cash and cash equivalents, amounts due from donors within one year, investments in marketable debt and equity securities and a line of credit. At September 30, 2024 and 2023, available borrowing on the line of credit was \$1,150,000. See Note 9 regarding the line of credit. Up to 5% of Meridian's invested funds may be used for operations as needed. The finance and audit committee may approve an additional \$200,000 annually for the preservation of facilities. See Note 12 regarding board approval requirement for any use of additional invested funds.

Note 4. Grants and Contributions Receivable

Grants and contributions receivable consist of the following as of September 30, 2024 and 2023:

	2024	2023
Amounts billed—federal grants	\$ 2,445,097	\$ 355,849
Recoverable costs not yet billed—federal grants	442,472	3,588,272
Promises to give	492,746	56,473
	<u>3,380,315</u>	<u>4,000,594</u>
Allowance for doubtful accounts	(248,902)	(133,902)
	<u>\$ 3,131,413</u>	<u>\$ 3,866,692</u>

Meridian International Center and Affiliate

Notes to Consolidated Financial Statements

Note 5. Investments

Investments are classified on the consolidated statements of financial position as follows:

	2024	2023
Investments	\$ 11,847,056	\$ 10,377,091
Investments held for endowment	829,797	751,227
	<u>\$ 12,676,853</u>	<u>\$ 11,128,318</u>

Investments at fair value consist of the following at September 30, 2024 and 2023:

	2024	2023
Money market funds and cash and cash equivalents	\$ 2,672,814	\$ 1,198,967
Corporate bonds	782,082	801,507
Government bonds	3,769,014	3,382,886
Common stock	4,016,655	4,123,029
Fixed income securities	1,436,288	1,621,929
	<u>\$ 12,676,853</u>	<u>\$ 11,128,318</u>

Investment income consists of the following for the years ended September 30, 2024 and 2023:

	2024	2023
Interest and dividends	\$ 468,757	\$ 323,003
Realized and unrealized gains on investments	1,488,116	1,165,461
Investment management fees	(60,926)	(58,020)
	<u>\$ 1,895,947</u>	<u>\$ 1,430,444</u>

Note 6. Property and Equipment, Net

Property and equipment consist of the following at September 30, 2024 and 2023:

	2024	2023
Land	\$ 1,395,695	\$ 735,695
Land improvements	54,067	54,067
Buildings	1,150,888	1,100,065
Building improvements	8,686,306	7,896,136
Furniture and equipment	2,752,821	2,746,521
Collections: art and antiques	249,849	249,849
Parking garage	1,440,000	1,440,000
	<u>15,729,626</u>	<u>14,222,333</u>
Accumulated depreciation	(11,195,002)	(10,710,682)
	<u>\$ 4,534,624</u>	<u>\$ 3,511,651</u>

Depreciation and amortization expense was \$499,451 and \$307,939 for the years ended September 30, 2024 and 2023, respectively.

Meridian International Center and Affiliate

Notes to Consolidated Financial Statements

Note 7. Property Held For Sale

On November 7, 2013, Meridian entered into a purchase and sale agreement to convey the White Meyer parking lot for a base sale price of \$12,000,000 and an original closing date in March 2016. As a result of several amendments, court rulings and appeals, the closing date was extended multiple times. Earnest money deposits totaling \$2,900,000 were recorded as deferred revenue—parking lot sale in the accompanying consolidated statement of financial position as of September 30, 2023. In May 2024, the closing date was again extended and an additional \$150,000 was disbursed to Meridian from escrow bringing total deferred revenue to \$3,050,000. In June 2024, the purchaser defaulted on the scheduled closing date. After notification of default and passage of the cure period, the remaining earnest money totaling \$150,000 and earnings thereon of \$14,147 was disbursed to Meridian, bringing the total deposits to \$3,214,147, which is recognized as other revenue in the accompanying consolidated statements of activities. Property held for sale of \$1,055,937 was transferred to property and equipment, net on the consolidated statement of financial position during the year ended September 30, 2024.

Note 8. Term Loan

In February 2011, Meridian entered into a term loan and revolving credit line agreements for a combined total of \$3.4 million. In June 2021, Meridian extinguished this term loan and secured a new term loan which included \$500,000 in new borrowings. The outstanding balance on the term loan at the time of extinguishment was \$2,476,709. The new term loan was obtained in the amount of \$3,007,358 with a term of 15 years and a fixed interest rate of 3.75% for the first 10 years of the loan. After 10 years, the rate will be reset and determined by the five-year Treasury yield plus 275 basis points, with a floor of 3.75% and a maximum rate of 9.75%. The term loan matures on July 1, 2036, at which time all remaining principal and interest will become due. As of September 30, 2024 and 2023, the outstanding balances were \$2,823,777 and \$2,883,264, respectively.

The approximate aggregate amount of principal maturities of the loan outstanding at September 30, 2024, for the five subsequent fiscal years and thereafter are as follows:

Years ending September 30:	
2025	\$ 61,898
2026	64,293
2027	66,781
2028	69,087
2029	72,037
Thereafter	2,489,681
	<u>\$ 2,823,777</u>

Meridian International Center and Affiliate

Notes to Consolidated Financial Statements

Note 9. Line of Credit

Meridian entered into a collateralized line of credit agreement with a financial institution with up to \$1,150,000 available to provide funds for working capital purposes. The line of credit expires May 31, 2025, unless extended. There is no outstanding balance as of September 30, 2024 and 2023. Borrowings under the line of credit bear interest at 6.34% and 6.81% as of September 30, 2024 and 2023, respectively, equal to the one-month Daily Bloomberg Short-Term Bank Yield plus 150 basis points.

Note 10. Fair Value Measurements

The ASC Topic on Fair Value Measurement establishes a framework for measuring fair value in accordance with U.S. GAAP and expands disclosures about fair market value measurements. This enables the reader of the consolidated financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking quality and reliability of the information used to determine fair value.

The provision applies to all assets and liabilities that are being measured and reported on a fair value basis, and are disclosed in one of the following three categories:

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

Level 2: Observable market-based inputs or unobservable inputs corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, Meridian performs a detailed analysis of the assets and liabilities that are subject to the Fair Value Measurement Topic. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. There were no Level 3 inputs for any assets held by Meridian at September 30, 2024 and 2023.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Meridian believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Meridian International Center and Affiliate

Notes to Consolidated Financial Statements

Note 10. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, Meridian's financial assets which are measured at fair value as of September 30, 2024:

	Level 1	Level 2	Level 3	Total
Investments:				
Common stock:				
Capital goods	\$ 496,151	\$ -	\$ -	\$ 496,151
Commercial services	218,311	-	-	218,311
Consumer services	120,315	-	-	120,315
Data analytics	205,342	-	-	205,342
Home builders	166,801	-	-	166,801
Hospitality	221,522	-	-	221,522
Insurance	456,208	-	-	456,208
Retail	1,249,390	-	-	1,249,390
Software and services	632,955	-	-	632,955
Transportation	249,660	-	-	249,660
	<u>4,016,655</u>	<u>-</u>	<u>-</u>	<u>4,016,655</u>
Corporate bonds:				
Data analytics	-	96,774	-	96,774
Home builders	-	92,573	-	92,573
Insurance	-	251,337	-	251,337
Materials	-	49,047	-	49,047
Retail	-	222,543	-	222,543
Building materials	-	69,808	-	69,808
	<u>-</u>	<u>782,082</u>	<u>-</u>	<u>782,082</u>
Government bonds:				
Treasury note	-	3,769,014	-	3,769,014
	<u>-</u>	<u>3,769,014</u>	<u>-</u>	<u>3,769,014</u>
Fixed income securities:				
Certificates of deposit	-	1,436,288	-	1,436,288
	<u>-</u>	<u>1,436,288</u>	<u>-</u>	<u>1,436,288</u>
Money market funds	2,031,298	-	-	2,031,298
Cash and equivalents	641,516	-	-	641,516
	<u>2,672,814</u>	<u>-</u>	<u>-</u>	<u>2,672,814</u>
Total	<u>\$ 6,689,469</u>	<u>\$ 5,987,384</u>	<u>\$ -</u>	<u>\$ 12,676,853</u>

Meridian International Center and Affiliate

Notes to Consolidated Financial Statements

Note 10. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, Meridian's financial assets which are measured at fair value as of September 30, 2023:

	Level 1	Level 2	Level 3	Total
Investments:				
Common stock:				
Capital goods	\$ 387,906	\$ -	\$ -	\$ 387,906
Commercial services	145,438	-	-	145,438
Consumer services	130,183	-	-	130,183
Data analytics	266,640	-	-	266,640
Diversified financials	289,595	-	-	289,595
Home builders	196,789	-	-	196,789
Hospitality	200,759	-	-	200,759
Insurance	441,370	-	-	441,370
Retail	1,153,654	-	-	1,153,654
Software and services	560,539	-	-	560,539
Transportation	350,156	-	-	350,156
	<u>4,123,029</u>	<u>-</u>	<u>-</u>	<u>4,123,029</u>
Corporate bonds:				
Data analytics	-	91,867	-	91,867
Home builders	-	83,330	-	83,330
Insurance	-	132,668	-	132,668
Materials	-	139,689	-	139,689
Retail	-	279,709	-	279,709
Transportation	-	74,244	-	74,244
	<u>-</u>	<u>801,507</u>	<u>-</u>	<u>801,507</u>
Government bonds:				
Treasury note	-	3,382,886	-	3,382,886
	<u>-</u>	<u>3,382,886</u>	<u>-</u>	<u>3,382,886</u>
Fixed income securities:				
Certificates of deposit	-	1,621,929	-	1,621,929
	<u>-</u>	<u>1,621,929</u>	<u>-</u>	<u>1,621,929</u>
Money market funds	880,363	-	-	880,363
Cash and equivalents	318,604	-	-	318,604
	<u>1,198,967</u>	<u>-</u>	<u>-</u>	<u>1,198,967</u>
Total	<u>\$ 5,321,996</u>	<u>\$ 5,806,322</u>	<u>\$ -</u>	<u>\$ 11,128,318</u>

Meridian International Center and Affiliate

Notes to Consolidated Financial Statements

Note 11. Paycheck Protection Program (PPP) Loan

In April 2020, Meridian was granted a loan of \$1,842,000 under the federal PPP administered by a financial institution that is a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the federal government. Meridian initially recorded the loan as a refundable advance and subsequently recognized contribution revenue in accordance with guidance from ASC 958-605 for conditional contributions, which allows revenue recognition when conditions are substantially met. For the remaining balance that Meridian is required to repay, Meridian elected the guidance from ASC 470 to recognize \$62,018 and \$169,320 as a liability on the consolidated statements of financial position as of September 30, 2024 and 2023, respectively. The interest is accrued at 1% per annum with monthly payments beginning once forgiveness is granted by the SBA. Principal and interest payments are required through the maturity date, April 20, 2025. The amount of principal maturities for the loan outstanding at September 30, 2024, are as follows:

Year ending September 30:	
2025	<u>\$ 62,018</u>

For the years ended September 30, 2024 and 2023, PPP loan interest expense totaled \$1,226 and \$2,310, respectively.

Note 12. Net Assets With Donor Restrictions

Net assets with donor restrictions include funds which are only available for specific program activities or general support designated for future years. Net assets with donor specified restrictions related to time and purpose are released from restrictions by incurring expenses satisfying the program restriction or the passage of time. Changes in net assets with donor restrictions during the year ended September 30, 2024, were as follows:

	September 30, 2023	Additions	Releases	September 30, 2024
Time and purpose:				
Mexican Exhibit	\$ 2,500	\$ -	\$ -	\$ 2,500
Sport Diplomacy	25,000	-	(25,000)	-
The Bill & Melinda Gates Foundation	17,579	-	(17,579)	-
Marin Community Foundation	15,000	-	(15,000)	-
Merrill Foundation	57,642	-	(36,038)	21,604
Jackson Foundation	4,000	-	(4,000)	-
Akin Gump	25,000	-	(25,000)	-
Akin Gump	50,000	-	(50,000)	-
Home Health Connections	50,000	-	(50,000)	-
Glenn Bailey Foundation	35,000	-	(35,000)	-
Scholl Foundation	-	20,000	(20,000)	-
Gordon and Betty Moore Foundation	-	25,000	(25,000)	-
Richard Lounsbery Foundation - STEM	-	10,000	(10,000)	-
Shahin Mafi	-	50,000	-	50,000
	<u>281,721</u>	<u>105,000</u>	<u>(312,617)</u>	<u>74,104</u>
Appropriation of endowment assets for expenditures related to diplomatic insight series	67,620	105,914	(27,344)	146,190
	<u>349,341</u>	<u>210,914</u>	<u>(339,961)</u>	<u>220,294</u>
Perpetual:				
Cutler Endowment Tribute Fund	320,317	-	-	320,317
Gertrude Laughlin Chanler	250,000	-	-	250,000
Historic Preservation Fund	78,500	-	-	78,500
Parker Family	9,000	-	-	9,000
Margaret Bennett	8,000	-	-	8,000
Smith Family	5,000	-	-	5,000
Art Endowment	12,790	-	-	12,790
	<u>683,607</u>	<u>-</u>	<u>-</u>	<u>683,607</u>
	<u>\$ 1,032,948</u>	<u>\$ 210,914</u>	<u>\$ (339,961)</u>	<u>\$ 903,901</u>

Meridian International Center and Affiliate

Notes to Consolidated Financial Statements

Note 12. Net Assets With Donor Restrictions (Continued)

Changes in net assets with donor restrictions during the year ended September 30, 2023, were as follows:

	September 30, 2022	Additions	Releases	September 30, 2023
Time and purpose:				
Mexican Exhibit	\$ 2,500	\$ -	\$ -	\$ 2,500
Sport Diplomacy	25,000	-	-	25,000
The Bill & Melinda Gates Foundation	398,303	-	(380,724)	17,579
Global Blood Therapeutics, Inc.	28,253	-	(28,253)	-
Marin Community Foundation	-	15,000	-	15,000
Merrill Foundation	-	60,000	(2,358)	57,642
For Freedoms Arts on the March to Democracy Exhibition	-	60,000	(60,000)	-
Jackson Foundation	-	4,000	-	4,000
Akin Gump	-	25,000	-	25,000
Akin Gump	-	50,000	-	50,000
Home Health Connections	-	50,000	-	50,000
Glenn Bailey Foundation	-	35,000	-	35,000
Scholl Foundation	-	20,000	(20,000)	-
	<u>454,056</u>	<u>319,000</u>	<u>(491,335)</u>	<u>281,721</u>
Appropriation of endowment assets for expenditures related to diplomatic insight series	-	94,964	(27,344)	67,620
	<u>454,056</u>	<u>413,964</u>	<u>(518,679)</u>	<u>349,341</u>
Perpetual:				
Cutler Endowment Tribute Fund	320,317	-	-	320,317
Gertrude Laughlin Chanler	250,000	-	-	250,000
Historic Preservation Fund	78,500	-	-	78,500
Parker Family	9,000	-	-	9,000
Margaret Bennett	8,000	-	-	8,000
Smith Family	5,000	-	-	5,000
Art Endowment	12,790	-	-	12,790
	<u>683,607</u>	<u>-</u>	<u>-</u>	<u>683,607</u>
	<u>\$ 1,137,663</u>	<u>\$ 413,964</u>	<u>\$ (518,679)</u>	<u>\$ 1,032,948</u>

Interpretation of relevant law: The Management of Meridian has interpreted the District of Columbia Uniform Prudent Management of Institutional Funds Act of 2007, absent explicit donor stipulations to the contrary, to require Meridian to act in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in making determinations to appropriate or accumulated endowment funds, taking into account both its obligation to preserve the value of the endowment and its obligation to use the endowment to achieve the purposes for which it was donated. Meridian classifies as net assets restricted in perpetual: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment required by the applicable donor gift instrument, if applicable.

Endowment investment policies: Meridian's investments are managed in accordance with the board adopted Investment Policy Statement. Meridian's investment policy is to maximize its return without exposure to undue risk. Investment earnings are reinvested and available for general purposes as provided by the investment policy, which allows up to 5% of the investment balance to be used in support of operations. Use of any further amounts must be approved by the finance and audit committee and/or the board of trustees.

Meridian International Center and Affiliate

Notes to Consolidated Financial Statements

Note 12. Net Assets With Donor Restrictions (Continued)

Funds with deficiencies: From time to time, the fair value of assets associated with the individual donor restricted endowment funds may fall below the level that the donor requires Meridian to retain as a fund of perpetual duration. As of September 30, 2024 and 2023, there were no accumulated deficiencies in Meridian's various endowments.

Changes in net assets with donor restrictions that are perpetual in nature for the year ended September 30, 2024, are as follows:

	Net Assets With Donor Restrictions		
	Purpose Restricted	Perpetual in Nature	Total
Donor-restricted endowment funds	\$ 67,620	\$ 683,607	\$ 751,227
Endowment net assets, beginning of year	\$ 67,620	\$ 683,607	\$ 751,227
Investment income:			
Net appreciation	90,744	-	90,744
Interest and dividend income	15,170	-	15,170
Total investment return	105,914	-	105,914
Appropriation of endowment assets for expenditure	(27,344)	-	(27,344)
Endowment net assets, end of year	\$ 146,190	\$ 683,607	\$ 829,797

Changes in net assets with donor restrictions that are perpetual in nature for the year ended September 30, 2023, are as follows:

	Net Assets With Donor Restrictions		
	Purpose Restricted	Perpetual in Nature	Total
Donor-restricted endowment funds	\$ -	\$ 683,607	\$ 683,607
Endowment net assets, beginning of year	\$ -	\$ 683,607	\$ 683,607
Investment income:			
Net appreciation	84,382	-	84,382
Interest and dividend income	10,582	-	10,582
Total investment return	94,964	-	94,964
Appropriation of endowment assets for expenditure	(27,344)	-	(27,344)
Endowment net assets, end of year	\$ 67,620	\$ 683,607	\$ 751,227

Meridian International Center and Affiliate

Notes to Consolidated Financial Statements

Note 13. Lease Obligations

Effective October 1, 2022, Meridian's leases have been recorded in accordance with ASC Topic 842. Meridian has obligations as a lessee for office equipment and storage space with initial noncancelable terms in excess of one year. Meridian classified these leases as operating leases. These leases generally contain renewal options, because Meridian is not reasonably certain to exercise these renewal options, the optional periods are not included in determining the lease term and associated payments under these renewal options are excluded from lease payments. Meridian's leases do not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contracts include fixed payments plus, for one of Meridian's leases, variable payments.

The following summarizes the line items in the consolidated statements of financial position which include amounts for operating leases as of September 30:

	2024	2023
Operating lease right-of-use assets	\$ 204,798	\$ 96,022
Operating lease liabilities	203,449	96,022

The following summarizes the weighted average remaining lease term and discount rate as of September 30:

	2024	2023
Weighted-average remaining lease term:		
Operating leases	3.01 years	4.28 years
Weighted-average discount rate:		
Operating leases	4.50%	4.20%

The following summarizes the line items in the consolidated statements of activities which include the components of lease expense for the years ended September 30:

	2024	2023
Operating lease expense included in operating expenses	\$ 57,659	\$ 30,452

The following summarizes cash flow information related to leases for the years ended September 30:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 57,659	\$ 30,452
Lease assets obtained in exchange for lease obligations:		
Operating leases	\$ 155,544	\$ 126,474

Meridian International Center and Affiliate

Notes to Consolidated Financial Statements

Note 13. Lease Obligations (Continued)

Maturities of lease liabilities under noncancellable operating leases as of September 30, 2024, are as follows:

Years ending September 30:	
2025	\$ 74,836
2026	74,836
2027	51,855
2028	15,990
Total lease payments	<u>217,517</u>
Less imputed interest	<u>(14,068)</u>
Total present value of lease liabilities	<u>\$ 203,449</u>

Note 14. Retirement Plans

Employees are eligible to participate in the Meridian International Center Defined Contribution Retirement Plan, a 403(b) plan, immediately upon hire. After two full years of employment, employees who are contributing at least 5% of their compensation, receive a contribution from Meridian, equaling 10% of compensation. Total contribution expense was \$1,213,025 and \$1,065,831 for the years ended September 30, 2024 and 2023, respectively.

In December 2017, Meridian established a 457(b) plan for certain members of management to defer a limited portion of their compensation on a pre-tax basis. Eligible employees may contribute to this 457(b) plan up to the legal limits defined by the Internal Revenue Service. The employer contributes to the 457(b) plan. Total contribution expense was \$6,300 and \$17,760 for the years ended September 30, 2024 and 2023, respectively. The value of assets held and the related deferred compensation liability was \$450,027 and \$291,405 as of September 30, 2024 and 2023, respectively, and is included within prepaid expenses and other assets and accrued expenses, respectively, on the accompanying consolidated statements of financial position.

Note 15. Contingencies

Meridian recognizes revenue on its contracts and grants when expenses are incurred in compliance with the specific restrictions of the governing documents. These expenses are subject to audit by the contract and granting agencies, and the total amount of revenue ultimately retained is contingent upon the results of such audits. Management believes that any adjustments resulting from such audits would not materially affect the consolidated financial statements of Meridian.

Note 16. Subsequent Events

Subsequent to year-end, President Donald Trump signed several executive orders that impact federal assistance programs. Federal agencies are required to review their programs to ensure compliance. Meridian subsequently received stop work notifications from certain federal agencies and suspended work accordingly. Meridian recognized \$32,851,167 in revenue from Federal grants. This includes \$898,128 in revenue on programs that were subsequently suspended. Additionally, \$167,645 was due on these awards as of September 30, 2024 and is included in Grants and contributions received in the accompanying statements of financial position. As of March 3, 2025, \$31,910 remains outstanding. Meridian is currently evaluating the impact of these orders on its programs.

Independent Auditor's Report on the Supplementary Information

Board of Trustees
Meridian International Center

We have audited the consolidated financial statements of Meridian International Center and Affiliate (Meridian) as of and for the year ended September 30, 2024, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements. See pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

RSM US LLP

Washington, D.C.
March 3, 2025

Meridian International Center and Affiliate

**Schedule of Indirect Cost Rates
Year Ended September 30, 2024**

Calculation of General and Administrative Indirect Cost Rate

Total general and administrative (G&A) expenses reported in the consolidated statement of functional expenses	\$ 5,858,393
Add allocation of maintenance and operations (M&O) at actual rate	531,608
Less:	
Special activities income offsetting allocable G&A expenses	(225,588)
Other exclusions, including unallowable costs	<u>(316,995)</u>
G&A expenses allocable to direct expense base	<u>\$ 5,847,418</u>
Total direct costs (excluding G&A and M&O) reported in the consolidated statement of functional expenses	\$ 34,761,646
Less:	
Participants/escorts related costs	(17,267,214)
In-kind contributions	(20,000)
Subrecipients costs, net of \$25,000 allowance	(1,275,832)
Add unallowable costs	<u>316,995</u>
Direct expense base	<u>\$ 16,515,595</u>
G&A indirect cost rate	<u>35.41%</u>

Calculation of M&O Indirect Cost Rate

Total M&O expenses reported in the consolidated statement of functional expenses	\$ 3,054,963
Less M&O related income	(745,276)
Less unallowable M&O	<u>(32,546)</u>
Net M&O expenses	<u>\$ 2,277,141</u>
Total square footage	<u>38,016</u>
M&O indirect cost rate (per square foot)	<u>\$ 59.90</u>

Meridian International Center and Affiliate

Uniform Guidance
Supplementary Financial Report
Year Ended September 30, 2024

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RSM US LLP

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With *Government Auditing Standards***

Independent Auditor's Report

Board of Trustees
Meridian International Center

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of Meridian International Center and Affiliate (Meridian), which comprise the consolidated statement of financial position as of September 30, 2024, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 3, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Meridian's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Meridian's internal control. Accordingly, we do not express an opinion on the effectiveness of Meridian's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However material weaknesses or significant deficiencies may exist that have not been identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Meridian's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Meridian's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Meridian's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Washington, D.C.
March 3, 2025

**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and Report on the Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance**

Independent Auditor's Report

Board of Trustees
Meridian International Center

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Meridian International Center and Affiliate's (Meridian) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Meridian's major federal programs for the year ended September 30, 2024. Meridian's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Meridian complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Meridian and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Meridian's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Meridian's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Meridian's compliance based on our audit. 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 GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on Meridian's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Meridian's compliance with the compliance requirements referred to above, and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Meridian's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Meridian's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of Meridian as of and for the year ended September 30, 2024, and have issued our report thereon dated March 3, 2025, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

RSM US LLP

Washington, D.C.
March 3, 2025

Meridian International Center and Affiliate

**Schedule of Expenditures of Federal Awards
Year Ended September 30, 2024**

Federal Grantor/Program Title	Federal Assistance Listing Number	Grant/Contract Number	Total Federal Expenditures	Provided to Subrecipients
United States Department of State				
Professional and Cultural Exchange Programs—International Visitor Leadership Program:				
Bangladesh Human Trafficking Collaborative Services 2023-2025	19.402	SBG30019GR0051	\$ 16,113	\$ -
IVLP 2021-2023	19.402	SECAGD21CA3017	6,067,982	-
A263-International Visitors Leadership Program	19.402	SECAGD24CA0020	14,962,594	-
Total International Visitors Program			24,325,197	-
Public Diplomacy Programs for Afghanistan and Pakistan:				
A258-Pakistan Cultural Preservation	19.501	SPK33023CA0042	149,334	-
International Exchange Leadership Program (IELP)	19.501	SPK33024CA5014	9,924	-
Total Public Diplomacy Programs for Afghanistan and Pakistan			159,258	-
Public Diplomacy Programs:				
50 Years of U.S.-Bangladesh Relations Exhibition	19.040	SBG30021GR3056	187	-
Argentina Labor Union Leaders	19.040	SAR20019GR0074	105	-
Canada City Pair & Alum Conference 2020	19.040	SCA52519GR0068	(2,647)	-
Central Asia Journalism Program	19.040	STI40018CA0006	4,076	-
China Street Art Exhibit	19.040	SCH50023CA0023	112,204	-
FPC - International Media Reporting Programs	19.040	SLMAQM18CA2026	4,843	-
FY 19 US Speaker to India	19.040	SIN65019CA0029	36,957	-
FY21 Brazil US Speaker program	19.040	SBR25021GR3083	33,059	-
FY22 US Speaker to India	19.040	SIN65022CA0079	64,857	-
India Future of Journalism and AI	19.040	SIN65021CA3062	(4,248)	-
Korea LGBTQI program	19.040	SKS70022CA0032	173,718	-
US-Korea Reporting Tours	19.040	SKS70018GR0009	177,456	-
A241-FPC - International Media Reporting Programs	19.040	SAQMIP23CA0419	613,585	-
A246-FY23 US Speakers to Brazil	19.040	SBR25023CA0060	78,000	-
A250-US Speaker Republic of Korea	19.040	SKS70023CA0020	49,017	-
A253-Argentina Nonprofit and board management	19.040	SAR20023CA0046	163,146	-
A255-Colombia Media Coop	19.040	SVE30023GR4594	69,472	-
A256-Canada US Speaker Program	19.040	SCA52523GR0022	39,609	-
A269-US Embassy India - Reconciling the Past	19.040	SIN65024CA0004	61,795	-
A279 - Osaka EXPO Cultural Performers	19.040	SAQMIP24CA5029	22,073	-
US-Turkmen Artists Exchange	19.040	STX10019CA0012	23,706	-
Total Public Diplomacy Programs			1,720,970	-
Professional and Cultural Exchange Programs—Citizen Exchanges:				
Next level 10.0	19.415	SECAGD22CA0072	867,598	-
Next Level 9.0	19.415	SECAGD21CA3057	185,348	978
US Korea National Assembly FY22-FY24	19.415	SECAGD22GR0041	142,542	-
Next Level 11.0	19.415	SECAGD23CA0072	226,365	-
US National Korea Assembly FY2023	19.415	SECAGD23GR0040	1,042	-
Pan-Africa Youth Leadership Program PAYLP	19.415	SECAGD19CA0122	131,395	1,062
PAYLP 2022-2025	19.415	SECAGD22CA0062	1,419,617	295,171
US Korea Natl' Assembly FY21	19.415	SECAGD21GR3042	5,197	-
Total Professional and Cultural Exchange Programs—Citizen Exchanges			2,979,104	297,211

(Continued)

Meridian International Center and Affiliate

**Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2024**

Federal Grantor/Program Title	Federal Assistance Listing Number	Grant/Contract Number	Total Federal Expenditures	Provided to Subrecipients
United States Department of State (Continued)				
Environmental and Scientific Partnerships and Programs:				
A163-Science Envoys 2020	19.017	SLMAQM20CA2414	\$ 245,189	\$ -
Total Environmental and Scientific Partnerships and Programs			245,189	-
AEECA/ESF PD Programs:				
Azerbaijan US Speakers Program	19.900	SAJ20021GR3048	20	-
FY 22 US Speaker to Serbia	19.900	SRB10022CA0115	11,652	-
FY22 US Speaker to Macedonia program	19.900	SMK80022GR0036	12,147	-
Kyrgyzstan Co-ops 2018	19.900	SKG10018GR0029	57	-
Macedonia US Speaker FY21	19.900	SMK80021GR3017	10	-
Russia 2018 FPC Reporting Tour	19.900	SRS50018CA0013	4,363	-
Russian Reporting Tours FY2019	19.900	SRS50019CA0077	243,099	-
A245-Macedonia US Speaker Program FY2023	19.900	SMK80023GR0036	19,789	-
A249-US Speaker to Serbia	19.900	SRB10023CA0064	46,844	-
A251-US Speakers to Azerbaijan	19.900	SAJ20023GR0037	7,226	-
A252-Kosovo Media Coop	19.900	SKV42023GR0028	44,101	-
Total AEECA/ESF PD Programs			389,308	-
Academic Exchange Programs—Undergraduate Programs:				
SUSI GSL	19.009	SECAGD22CA0042	1,650,799	762,309
SUSI Leaders from Europe 2021-2025	19.009	SECAGD21CA3095	1,027,063	467,289
SUSI Student Leaders Program	19.009	SECAGD19CA0074	5,845	-
Total Academic Exchange Programs—Undergraduate Programs			2,683,707	1,229,598
Educational and Cultural Exchange Program Appropriation				
Overseas Grants:				
Kazakhstan Cultural Heritage	19.022	SKZ20023CA0010	213,260	-
Total Kazakhstan Cultural Heritage			213,260	-
The Secretary's Office of the Global Partnership Initiative (S/GPI) Grant Programs:				
Symposium on Strategic Subnational Diplomacy	19.301	SAQMIP24CA5041	4,830	-
Total Symposium on Strategic Subnational Diplomacy			4,830	-
Total expenditures of federal awards			\$ 32,720,823	\$ 1,526,809

See notes to schedule of expenditures of federal awards.

Meridian International Center and Affiliate

Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Meridian International Center and Affiliate (Meridian) under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Meridian, it is not intended to and does not present the financial position, changes in net assets or cash flows of Meridian.

Note 2. Summary of Significant Accounting Policies—Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Basis of Computation of Indirect Cost Rate

General and administrative (G&A) expenses are allocated based on the direct expenses incurred by the departments, excluding participant/escort expenses, amounts in excess of \$25,000 paid to each subrecipient and in-kind contributions. Maintenance and operations (M&O) expenses net of related income are allocated based on square footage and time and effort. Meridian has recognized revenue and expenses applying the rate of 35.41% which is less than the approved provisional rate of 35.64% for G&A costs and at the approved provisional rate of \$45.22 per square foot for M&O costs. Indirect cost allocation is based upon management's interpretation of the guidance set forth in the Negotiated Rate Agreement dated June 7, 2023

Meridian has not elected to use the 10% de minimis cost rate as allowed under the Uniform Guidance.

Note 4. Reconciliation of Schedule of Expenditures of Federal Awards to the Consolidated Statement of Activities and Changes in Net Assets

Federal grants revenue as shown on the consolidated statement of activities	\$ 32,851,167
Less fixed agreement revenue included in the total grants and contract revenue	<u>(130,344)</u>
Total expenses as shown on the schedule of expenditures of federal awards	<u><u>\$ 32,720,823</u></u>

Meridian International Center and Affiliate

**Schedule of Findings and Questioned Costs
Year Ended September 30, 2024**

Section I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of the major programs:

Assistance Listing Number(s)

19.402

Name of Federal Program or Cluster

Professional and Cultural Exchange Programs—International Visitor Leadership Program

Dollar threshold used to distinguish between Type A and Type B programs: \$ 981,625

Auditee qualified as low risk auditee? X Yes No

(Continued)

Meridian International Center and Affiliate

**Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2024**

Section II. Financial Statements Findings

No matters were reported.

Section III. Federal Award Findings and Questioned Costs

No matters were reported.

Meridian International Center and Affiliate

**Summary Schedule of Prior Audit Findings
Year Ended September 30, 2024**

The prior year single audit disclosed no findings in the Schedule of Findings and Questioned Costs (Sections II or III) and no uncorrected or unresolved findings exist from the prior audit's Summary of Prior Audit Findings.