



PARTNERSHIP TO END ADDICTION

Financial Statements

December 31, 2024

(With summarized comparative financial information as of
and for the year ended December 31, 2023)

(With Independent Auditors' Report Thereon)



KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

Board of Directors
Partnership to End Addiction:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Partnership to End Addiction (the Partnership), which comprise the balance sheet as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

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 Financial Statements section of our report. We are required to be independent of the Partnership and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership'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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.



- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership'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 the Partnership's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

KPMG LLP

New York, New York
September 3, 2025

PARTNERSHIP TO END ADDICTION

Balance Sheet

December 31, 2024

(With comparative financial information as of December 31, 2023)

Assets	2024	2023
Cash and cash equivalents	\$ 1,426,349	1,997,159
Contributions and other receivables (note 4)	2,056,570	1,704,685
Prepaid expenses	1,208,255	1,292,933
Investments (note 3)	34,547,116	35,991,923
Goodwill, net	426,500	533,125
Property and equipment, net (note 6)	1,236,101	1,399,914
Right-of-use asset (note 10)	18,903,637	20,317,493
Total assets	<u>\$ 59,804,528</u>	<u>63,237,232</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,477,119	1,307,471
Deferred revenue	50,000	50,000
Lease liability (note 10)	23,067,021	24,256,506
Total liabilities	<u>24,594,140</u>	<u>25,613,977</u>
Net assets:		
Without donor restrictions	27,387,811	29,203,298
With donor restrictions (note 8)	7,822,577	8,419,957
Total net assets	<u>35,210,388</u>	<u>37,623,255</u>
Total liabilities and net assets	<u>\$ 59,804,528</u>	<u>63,237,232</u>

See accompanying notes to financial statements.

PARTNERSHIP TO END ADDICTION

Statement of Activities

Year ended December 31, 2024

(With summarized financial information for the year ended December 31, 2023)

	2024			2023
	Without donor restrictions	With donor restrictions	Total	Total
Revenues:				
Contributions (note 4)	\$ 639,584	8,341,451	8,981,035	9,132,464
Net investment return	2,927,267	429,952	3,357,219	4,227,893
Contributions of nonfinancial assets (note 5)	2,322,587	—	2,322,587	26,177,102
Program service fees	1,822,983	—	1,822,983	308,602
Special events, net of direct benefit to donors	921,103	—	921,103	660,564
Net special events revenues	921,103	—	921,103	660,564
Miscellaneous revenue	2,560	—	2,560	19,614
Net assets released from donor restrictions	9,368,749	(9,368,749)	—	—
Total revenues	18,004,833	(597,346)	17,407,487	40,526,239
Expenses and losses:				
Program operations:				
Public policy	566,443	—	566,443	914,903
Health and treatment research	4,592,127	—	4,592,127	3,306,550
Research and program development	391,248	—	391,248	576,877
Communications and outreach	4,277,660	—	4,277,660	29,140,743
Family services	5,117,617	—	5,117,617	3,934,112
Total program operations	14,945,095	—	14,945,095	37,873,185
Supporting services:				
Administration	3,621,347	—	3,621,347	3,532,686
Fundraising	1,252,328	—	1,252,328	1,075,570
Total supporting services	4,873,675	—	4,873,675	4,608,256
Total expenses	19,818,770	—	19,818,770	42,481,441
Loss on uncollectible contributions receivable	1,550	34	1,584	303
Total expenses and losses	19,820,320	34	19,820,354	42,481,744
Deficiency in operating revenues over operating expenses and losses	(1,815,487)	(597,380)	(2,412,867)	(1,955,505)
Nonoperating activities:				
Other	—	—	—	542,406
Decrease in net assets	(1,815,487)	(597,380)	(2,412,867)	(1,413,099)
Net assets at beginning of year	29,203,298	8,419,957	37,623,255	39,036,354
Net assets at end of year	\$ 27,387,811	7,822,577	35,210,388	37,623,255

See accompanying notes to financial statements.

PARTNERSHIP TO END ADDICTION

Statement of Functional Expenses

Year ended December 31, 2024

(With summarized financial information for the year ended December 31, 2023)

	Public policy	Health and treatment research	Research and program development	Communications and outreach	Family services	Total program operations	Administration	Fundraising	Total supporting services	Total expenses	
										2024	2023
Salaries and wages	\$ 321,003	1,596,853	118,268	873,695	2,563,569	5,473,388	1,402,942	554,293	1,957,235	7,430,623	7,612,847
Fringe benefits	109,141	542,930	40,211	297,024	871,646	1,860,952	816,761	188,460	1,005,221	2,866,173	2,697,484
Total salaries and wages and fringe benefits	430,144	2,139,783	158,479	1,170,719	3,435,215	7,334,340	2,219,703	742,753	2,962,456	10,296,796	10,310,331
Professional services (note 5)	5,710	283,439	165,730	2,665,920	352,544	3,473,343	472,124	231,527	703,651	4,176,994	28,152,649
Pass-through grants and contracts	—	1,394,638	—	—	300,000	1,694,638	—	—	—	1,694,638	564,260
Office expenses and supplies (note 10)	—	22,935	2,864	1,643	15,736	43,178	133,398	10,728	144,126	187,304	171,175
Occupancy and related costs	79,043	393,205	29,122	215,130	631,252	1,347,752	405,650	136,488	542,138	1,889,890	1,887,235
Equipment maintenance	7,699	87,664	202	80,623	117,624	293,812	188,953	53,924	242,877	536,689	529,945
Travel, meetings, and conferences	8,444	100,887	21,394	13,674	80,182	224,581	17,496	20,135	37,631	262,212	141,729
Dues, subscriptions, and publications	15,923	72,670	6,280	76,932	29,490	201,295	3,434	3,001	6,435	207,730	146,809
Insurance	8,170	40,640	3,010	22,235	65,244	139,299	41,926	14,107	56,033	195,332	197,631
Depreciation and amortization	11,310	56,266	4,167	30,784	90,330	192,857	58,049	19,531	77,580	270,438	277,877
Miscellaneous	—	—	—	—	—	—	80,614	20,134	100,748	100,747	101,800
Total expenses	\$ 566,443	4,592,127	391,248	4,277,660	5,117,617	14,945,095	3,621,347	1,252,328	4,873,675	19,818,770	42,481,441
Direct benefit to donors										458,821	452,349
										\$ 20,277,591	42,933,790

See accompanying notes to financial statements.

PARTNERSHIP TO END ADDICTION

Statement of Cash Flows

Year ended December 31, 2024

(With summarized financial information for the year ended December 31, 2023)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (2,412,867)	(1,413,099)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation and amortization	270,438	277,877
Net appreciation in fair value of investments	(2,629,182)	(3,636,036)
Loss on uncollectible grants and contributions receivable	1,584	303
Amortization of right of use asset	1,413,856	1,396,067
Changes in operating assets and liabilities:		
Contributions and other receivables	(353,469)	(527,458)
Prepaid expenses	84,678	(8,134)
Accounts payable and accrued expenses	169,648	(823,841)
Lease liability	(1,189,485)	(1,094,105)
Deferred revenue	—	13,745
Net cash used in operating activities	<u>(4,644,799)</u>	<u>(5,814,681)</u>
Cash flows from investing activities:		
Proceeds from sales of investments	30,289,398	39,523,701
Purchases of investments	<u>(26,043,058)</u>	<u>(33,525,857)</u>
Net cash provided by investing activities	<u>4,246,340</u>	<u>5,997,844</u>
Net (decrease) increase in cash and cash equivalents	(398,459)	183,163
Cash and cash equivalents at beginning of year	<u>1,997,159</u>	<u>1,813,996</u>
Cash and cash equivalents at end of year	<u>\$ 1,598,700</u>	<u>1,997,159</u>
Reconciliation of cash and cash equivalents reported within the balance sheet that sum to the amounts above:		
Cash and cash equivalents	\$ 1,426,349	1,997,159
Cash included in investments	<u>172,351</u>	<u>—</u>
Total cash, cash equivalents shown above	<u>\$ 1,598,700</u>	<u>1,997,159</u>
Supplemental disclosures of cash flow information:		
Contribution of nonfinancial assets	\$ 2,322,587	26,177,102

See accompanying notes to financial statements.

PARTNERSHIP TO END ADDICTION

Notes to Financial Statements

December 31, 2024

(With summarized comparative financial information as of December 31, 2023)

(1) Organization and Tax-Exempt Status

Incorporated in April 1991, the Partnership to End Addiction (the Partnership) is a not-for-profit organization that informs Americans of the economic and social costs of addiction and risky substance use and its impact on their lives; assesses what works in prevention, treatment, and disease management; and encourages every individual and institution to take responsibility to reduce these health problems. The Partnership strives to provide healthcare providers, policymakers, and individuals with the tools they need to succeed and to remove the stigma of addiction, replacing shame and despair with hope. The Partnership helps empower families to support loved ones, advance effective addiction care, and shape public policies to prevent and treat addiction as a public health issue.

The Partnership's has been classified as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (the Code) as an organization described in Section 501(c)(3). It has been classified as an organization that is not a private foundation under Section 509(a) and has been designated as a "publicly supported" organization under Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code. The Partnership recognizes the effect of income tax provisions only if those positions are more-likely than-not of being sustained. Income generated from activities unrelated to the Partnership's exempt purpose is subject to tax under Internal Revenue Code Section 511. As of December 31, 2024 and 2023 the Partnership does not have any uncertain tax positions or any unrelated income tax liability, which would have a material impact on its financial statements.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

(b) Basis of Presentation

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

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that will be met by either actions of the Partnership and/or the passage of time.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor-stipulation or by law. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

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Notes to Financial Statements

December 31, 2024

(With summarized comparative financial information as of December 31, 2023)

(c) Fair Value Measurements

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The hierarchy gives the highest priority to unadjusted quoted or published prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted or published prices (unadjusted) in active markets for identical assets or liabilities that the Partnership has the ability to access at the measurement date.
- Level 2 inputs include quoted or published prices for similar assets or liabilities; quoted or published prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 inputs are unobservable inputs for the assets or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

(d) Cash and Cash Equivalents

Cash and cash equivalents include all short-term liquid investments with original maturities of three months or less, except for those short-term investments held by the Partnership's investment managers as part of a long-term investment strategy.

(e) Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying balance sheet, as determined by quoted or published market prices.

Investments in funds that do not have readily determinable fair values (alternative investments) are measured at estimated fair value using net asset value per share or its equivalent as a practical expedient as reported by the fund managers. The estimated fair values may differ significantly from values that would have been used had a ready market for these securities existed. These values are reviewed and evaluated by management for reasonableness.

Realized and unrealized gains and losses are recognized as changes in net assets in the period in which they occur, and interest and dividends are recognized as revenue in the period earned.

(f) Property and Equipment and Intangible Assets

Property and equipment are recorded at cost. Furniture and equipment are depreciated on a straight-line basis over their estimated useful lives of 3–10 years. Leasehold Improvements are depreciated on a straight-line basis over their estimated useful lives of 15 years. Goodwill, related to

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Notes to Financial Statements

December 31, 2024

(With summarized comparative financial information as of December 31, 2023)

the acquisition of Partnership for Drug-free Kids by the National Center on Addiction and Substance Abuse, is being amortized over the estimated useful life of 8 years.

(g) Contributions of Nonfinancial Assets

The value of donated services is based on information obtained from the providers and is reported as both revenues and expenses in the accompanying statement of activities. A number of broadcast and print media, advertising agencies, and production, distribution, and monitoring service companies have made contributions to the Partnership in the form of pro bono advertising time and space, talent, production, and related services. The Partnership is dependent on these contributions to continue its current programs. The Partnership's policy for recognizing contributed advertising, including media time and space, is to recognize the contributed asset if it is determined that the contributions are for the benefit of the Partnership, help the Partnership communicate its message, and that the Partnership has significant influence over the creative product.

Contributions of services are recognized if the services received (a) create or enhance nonfinancial 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.

The value of these contributions is required to be reflected in the accompanying statement of activities at fair value. Fair value of the contributed services, media time, and space has been determined by using unobservable inputs, such as the number of spots aired, net impressions, and rate per spot. During 2025 the Partnership's marketing strategy changed to emphasize digital media as opposed to traditional media and as a result, in-kind media volume significantly decreased in 2024.

(h) Contributions of Cash and Other Financial Assets

Contributions, including unconditional promises to give (pledges), are initially reported at fair value as revenues in the period received or pledged. Contributions with purpose and/or time restrictions are reported as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the purpose or time restrictions are met. Contributions subject to donor-imposed restrictions that the corpus be maintained permanently are recognized as increases in net assets with donor restrictions. Conditional grants and contributions to be recognized in future periods are approximately \$4,550,000 at December 31, 2024.

Contributions are considered conditional when the underlying agreement includes a performance barrier and a right of return or a right to release promised assets exists. Conditional promises to give are not recognized as revenue until the performance barrier has been met. Contributions of assets other than cash are recorded at their estimated fair value.

(i) Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs such as insurance, legal fees, depreciation and amortization, and occupancy costs have been allocated among the programs and supporting services benefited. The allocation is primarily based on personnel hours charged to divisions.

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Notes to Financial Statements

December 31, 2024

(With summarized comparative financial information as of December 31, 2023)

(j) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that 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 reporting period. Actual results could differ from those estimates.

(k) Prior Year Summarized Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class or function in the accompanying statement of activities and the statement of functional expenses, respectively. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Partnership's financial statements as of and for the year ended December 31, 2023, from which the summarized information was derived.

(l) Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

(3) Investments

The Partnership invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the balance sheet.

The following table presents the fair value hierarchy for investments, the only financial instruments measured at fair value, as of December 31, 2024 and 2023:

	2024		2023	
	Fair value	Level 1	Fair value	Level 1
Money market funds	\$ 1,984,911	1,984,911	\$ 3,994,685	3,994,685
Fixed income mutual funds	5,111,596	5,111,596	5,449,517	5,449,517
Equity mutual funds:				
Domestic	15,546,653	15,546,653	15,447,285	15,447,285
International	5,708,573	5,708,573	5,739,366	5,739,366
Hedge-strategy mutual funds	5,145,615	5,145,615	4,427,650	4,427,650
Commodities	1,049,768	1,049,768	933,420	933,420
Total investments	\$ <u>34,547,116</u>	<u>34,547,116</u>	\$ <u>35,991,923</u>	<u>35,991,923</u>

(4) Contributions of Cash and Other Financial Assets

Contributions and other receivable were \$2,056,570 and \$1,704,685 for the years ended December 31, 2024 and 2023, respectively. Balances are expected to be collected within one year.

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Notes to Financial Statements

December 31, 2024

(With summarized comparative financial information as of December 31, 2023)

During 2024 and 2023, 68% and 64%, respectively of grants and contributions revenue were from six funding sources. At December 31, 2024 and 2023, 49% and 50%, respectively of grants and contributions receivable, net, were from three funding sources.

(5) Contributions of Nonfinancial Assets

For the years ending December 31, 2024 and 2023, contributed nonfinancial assets recognized within the statement of activities include:

	<u>2024</u>	<u>2023</u>
Advertising	\$ 2,322,587	26,101,234
Legal services	<u>—</u>	<u>75,868</u>
Total contributions of nonfinancial assets	<u>\$ 2,322,587</u>	<u>26,177,102</u>

The Partnership recognized contributed nonfinancial assets within revenue, including contributed advertising and legal services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed advertising recognized comprise advertisements ran on the Partnership's behalf through various media outlets; TV, radio, digital, and print in the form of other public service announcements. Contributed advertisements are valued and are reported at the estimated fair value in the financial statements based on current rates for similar advertisements. Donated advertising supports programs to inform and empower families.

Contributed legal services recognized comprise professional services from attorneys advising the Partnership on various legal matters. Contributed legal services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar legal services.

(6) Property and Equipment

Property and equipment, net at December 31, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Furniture & fixtures	\$ 2,232,702	2,232,702
Leasehold improvements	<u>1,356,608</u>	<u>1,356,608</u>
	3,589,310	3,589,310
Accumulated depreciation and amortization	<u>(2,353,209)</u>	<u>(2,189,396)</u>
Property and equipment, net	<u>\$ 1,236,101</u>	<u>1,399,914</u>

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Notes to Financial Statements

December 31, 2024

(With summarized comparative financial information as of December 31, 2023)

(7) Retirement Plan

The Partnership has a noncontributory defined-contribution retirement plan covering substantially all employees. Contributions are based on the following formula: 8.0% of the first \$160,200 of annual salary and 13.7% of annual salary in excess of \$160,200 to a maximum of \$330,000. Total pension expense for the years ended December 31, 2024 and 2023 was \$578,679 and \$602,045, respectively.

(8) Net Assets with Donor Restrictions

Net assets with donor restrictions are available primarily for research, public policy, and family services at December 31, 2024 and 2023.

(9) Liquidity and Availability of Resources

The Partnership's financial assets available within one year of the balance sheet date for general expenditures are as follows:

	<u>2024</u>	<u>2023</u>
Financial assets available:		
Cash and cash equivalents	\$ 1,426,349	1,997,159
Contributions and other receivable	2,056,570	1,704,685
Investments	<u>34,547,116</u>	<u>35,991,923</u>
	38,030,035	39,693,767
Less amounts not available in the next year:		
Net assets with donor restrictions not available within one year	<u>(3,468,400)</u>	<u>(3,740,001)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 34,561,635</u>	<u>35,953,766</u>

The Partnership has \$34,561,635 available within one year of the balance sheet date of December 31, 2024. None of the financial assets above are subject to donor or other contractual restrictions that make them unavailable for general expenditures. The grants and contributions receivable is subject to implied satisfaction of purpose restrictions but is expected to be collected within one year. The Partnership has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Partnership invests any excess cash in various short-term investments.

(10) Leases

The Partnership determines if an arrangement is or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Partnership determines these assets are leased because the Partnership has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the

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Notes to Financial Statements

December 31, 2024

(With summarized comparative financial information as of December 31, 2023)

practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because the Partnership determines it does not have the right to control and direct the use of the identified asset. The Partnership's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Leases result in the recognition of right-of-use (ROU) asset and lease liability on the balance sheet. ROU assets represent the right to use an underlying asset for the lease term, and are recognized in an amount equal to the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. Lease liabilities represent the present value of the future lease payments over the expected lease term, which includes options to extend or terminate the lease when it is reasonably certain those options will be exercised. The present value of the lease liability is determined using the risk-free discount rate at lease inception for operating leases of 1.6%. Operating lease expense is recognized on a straight-line basis over the lease term. The Partnership determines lease classification as operating or finance at the lease commencement date. Finance leases are not material to the financial statements.

The Partnership has elected not to record leases with an initial term of 12 months or less on the balance sheet. Lease expense on such leases is recognized on a straight-line basis over the lease term.

The Partnership elected the package of practical expedients under the new standard, which permits entities to not reassess lease classifications, lease identifications or initial direct costs for existing or expired leases prior to the effective date. The Partnership did not elect the hindsight practical expedient. The Partnership also elected the practical expedient to utilize the risk-free rate for all operating leases. The Partnership elected the practical expedient to account for nonlease components and the lease components to which they relate as a single component for all operating leases.

Operating Leases

In 2019, the Partnership entered into a lease agreement to rent office space in New York. Total payments under the agreements are approximately \$30,000,000. Minimum lease payments are approximately \$1.9 million per year for the next five years starting eight months after the commencement date under the lease, which is August 2020. Under the terms of the lease agreement, the Partnership provided the landlord with a security deposit of approximately \$775,000 in November 2019. Subsequent to December 31, 2019, the Partnership amended the lease agreement with a new commencement date of March 1, 2021 through October 31, 2036.

Total operating lease expense for the year ended December 31, 2024 and 2023 was \$1,791,698 and \$1,791,699, respectively. As of December 31, 2024 and 2023, right-of-use asset and lease liability were \$18,903,637 and \$20,317,493 and \$23,067,021 and \$24,256,506, respectively.

PARTNERSHIP TO END ADDICTION

Notes to Financial Statements

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(11) Subsequent Events

In connection with the preparation of the financial statements, the Partnership evaluated events after the balance sheet date of December 31, 2024 through September 3, 2025, which was the date the financial statements were available to be issued and determined that there were no matters that are required to be disclosed.