# The David Network

## FINANCIAL STATEMENTS

### As of and for the Period From Inception (August 14, 2024) to June 30, 2025

**The David Network**
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# Independent Auditor's Report

Management and the Board of Directors
The David Network

## Report on the Financial Statements

### Opinion

I have audited the financial statements of The David Network (the "Organization") which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the period of inception (August 14, 2024) through June 30, 2025, and the related notes to the financial statements.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization at June 30, 2025, and the changes in its net assets and its cash flows for the period from inception (August 14, 2024) through June 30, 2025 in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Organization and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 of 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 Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

### Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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, I:

- 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 Organization'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.



September 16, 2025

**The David Network**
**Statement of Financial Position**
**June 30, 2025**

| | | |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ | 609,297 |
| Pledges receivable | | 70,841 |
| Prepaid expenses | | 31,255 |
| Total current assets | | 711,393 |
| Total assets | $ | 711,393 |
| **LIABILITIES AND NET ASSETS** | | |
| Accounts payable and accrued expenses | $ | 60,339 |
| Total liabilities | | 60,339 |
| Net Assets: | | |
| Temporarily restricted | | 188,654 |
| Unrestricted | | 462,400 |
| Total net assets | | 651,054 |
| Total liabilities and net assets | $ | 711,393 |

See accompanying notes to financial statements.

**The David Network**
**Statement of Activities**
**For the Period From Inception (August 14, 2024) to June 30, 2025**

| **Support and Revenue** | **Unrestricted** | **Temporarily Restricted** | **Total** |
|---|---|---|---|
| Donations | $ 579,709 | $ 190,750 | $ 770,459 |
| Investment income | 262 | | 262 |
| Net assets released from restrictions | 2,097 | (2,097) | |
| Total revenues | 582,067 | 188,654 | 770,721 |
| | | | |
| **Expenses** | | | |
| Program services | 84,520 | | 84,520 |
| Supporting services: | - | | |
| Fundraising | 10,664 | | 10,664 |
| Management and general | 24,483 | | 24,483 |
| Total expenses | 119,667 | | 119,667 |
| | | | |
| Increase in net assets | 462,400 | 188,654 | 651,054 |
| | | | |
| Net assets, beginning of period | - | | - |
| | | | |
| Net assets, end of period | $ 462,400 | $ 188,654 | $ 651,054 |

See accompanying notes to financial statements.

**The David Network**
**Statement of Functional Expenses**
**For the Period From Inception (August 14, 2024) to June 30, 2025**

| | | Support Services | | |
|---|---|---|---|---|
| | **Program Services** | **Management and General** | **Fundraising** | **Total** |
| Salaries and related expenses | 25,405 | | | 25,405 |
| Consulting fees and commissions | 11,563 | | 10,383 | 21,946 |
| Conferences and events | 33,573 | | | 33,573 |
| Grants and sponsorships | 3,000 | | | 3,000 |
| Travel, meals and lodging | 10,978 | | | 10,978 |
| Legal | | 19,383 | | 19,383 |
| Office expenses | | 4,148 | 282 | 4,430 |
| Insurance | | 952 | | 952 |
| Total expenses | $ 84,520 | $ 24,483 | $ 10,665 | $ 119,667 |

See accompanying notes to financial statements.

**The David Network**
**Statement of Cash Flows**
**For the Period From Inception (August 14, 2024) to June 30, 2025**

| | | |
|---|---|---|
| Cash flows from operating activities | $ | 651,054 |
| Changes in net assets | | |
| Adjustments to reconcile changes in net assets to net cash used in operating activities: | | |
| Changes in operating assets and liabilities | | |
| Accounts payable | | 60,339 |
| Prepaid expenses | | (31,255) |
| Pledges receivable | | (70,841) |
| Net cash provided by operating activities | | 609,297 |
| Increase (Decrease) in cash | | 609,297 |
| Cash, Beginning of Period | | - |
| Cash, End of Period | $ | 609,297 |

See accompanying notes to financial statements.

**The David Network**
**Notes to Financial Statements**
**As of and for the Period from Inception (August 14, 2024) to June 30, 2025**

## Note 1. Organization

The David Network is a nonprofit 501 (c)(3), non-stock Virginia corporation that was incorporated on August 14, 2024. The David Network's main purpose is to further charitable and educational activities, including for the purpose of promoting ideas towards societal renewal, human flourishing, and supporting free-speech principles.

## Note 2. Significant Accounting Policies

### Basis of Presentation
The financial records are maintained on the accrual basis in accordance with U.S. generally accepted accounting principles.

### Contributions and Revenue Recognition
Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted net assets depending on the existence of any donor restrictions. There were no permanently restricted net assets as of June 30, 2024. Revenues are recognized when an unconditional promise is received. Grants and contributions that are temporarily restricted by the donor will remain in temporarily restricted revenue and are reported as increases in unrestricted net assets (net assets released from restrictions) when time restrictions expire or expenses are incurred according to the grant agreement terms.

### Cash and Cash Equivalents
We consider all highly liquid investments with an original maturity of three months or less, when purchased, to be cash equivalents - with the exception of cash held for reinvestment. Cash is deposited in accounts at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC).

### Functional Allocation of Expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefitted. Expenses are charged directly to program or supporting services, in general categories based on specific identification.

### Use of Estimates
The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make certain 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.

### Unrestricted Net Assets
Net assets that are not subject to donor-imposed stipulations. Contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor.

### Temporarily Restricted Net Assets
Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and or the passage of time.

**Liquidity**
The Organization has a policy to maintain available cash and short-term investments to meet 45 days of normal operating expenses which, on average, approximate $150,000.

Financial assets available for general expenditures within one year of June 30, 2025, are as follows:

| Financial assets: | **June 30, 2025** |
|---|---|
| Cash and cash equivalents | $ 609,297 |
| Pledges receivable | 70,481 |
| Total financial assets | $ 679,778 |

**Investments**

**Fair Value Measurements**
The Organization follows FASB ASC Topic 820-20 on "Fair Value Measurements". The authoritative guidance provides a framework for measuring fair value under accounting principles generally accepted in the United States of America (U.S. GAAP). This standard applies to all financial instruments that are being measured and reported on a fair value basis.
The standard clarifies how organizations are required to use a fair value measure for recognition and disclosure by establishing a common definition of fair value, creating a framework for measuring fair value, and expanding disclosures about fair value measurements. The standard also establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.
- Level 1 - defined as observable inputs such as quoted market prices in active markets;
- Level 2 - defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable;
- Level 3 - defined as unobservable inputs in which little or no market data exists, therefore requiring an organization to develop its own assumptions.

The Organization's financial instruments at June 30, 2025 consisted of only Level 1assets:

| | |
|---|---|
| Cash and cash investments | $ 609,297 |
| Total cash and investments | $ 609,297 |

Investments are reported at fair value. The difference between the aggregate fair values of investments as of the end of the year and their fair values at the beginning of the year for investments still owned (or the cost, for acquisitions during the year) and the net gain or losses on dispositions of investments are reflected as net gain or loss on investment activity. Dividend and interest income are reported as investment income on the statement of activities.

**Note 3. Income Taxes**

The Organization is a not-for-profit organization incorporated in Virginia that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**Note 4. Concentrations and Commitments**

The Organization maintains cash and cash equivalents with a fintech company which places client funds with bank partners. Those funds are insured by the Federal Deposit Insurance Corporation (FDIC) up to $60 million.

The Organization received $587,000 of funding from three donors representing 76% of its contribution income. No other donor exceeded 5% of revenues.

**Note 5. Subsequent Events**

Management has evaluated subsequent events through September 16, 2025, the date the financial statements were available to be issued. During this period, there were no subsequent events that required recognition or disclosure in the financial statements.