
TRAILNET, INC.

FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

TRAILNET, INC.
DECEMBER 31, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Trailnet, Inc.
St. Louis, Missouri

Opinion

We have audited the financial statements of **Trailnet, Inc.** (a non-profit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 **Trailnet, Inc.** as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 **Trailnet, Inc.** 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are 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 will always detect a material misstatement when it exists.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 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 our 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.

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.

Kiefer Bonfanti & Co. LLP

St. Louis, Missouri
July 28, 2025

TRAILNET, INC.

STATEMENTS OF FINANCIAL POSITION

	Assets	
	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Current Assets		
Cash and cash equivalents	\$ 598,009	\$ 638,197
Accounts receivable	59,945	11,592
Grants receivable	-	37,500
Prepaid expenses	6,958	6,409
Total Current Assets	\$ 664,912	693,698
Investments, at Fair Value	386,984	355,453
Property and Equipment, Net	283,532	254,377
Total Assets	\$ 1,335,428	\$ 1,303,528
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 55,951	\$ 12,334
Accrued expenses	72,552	70,203
Current portion of long-term liabilities	319,368	292,012
Total Current Liabilities	447,871	374,549
Long-Term Liabilities		
Note payable	146,754	150,356
Deferred revenue	236,336	239,586
Total Long-Term Liabilities	383,090	389,942
Total Liabilities	830,961	764,491
Net Assets		
Without donor restrictions	504,467	455,939
With donor restrictions	-	83,098
Total Net Assets	504,467	539,037
Total Liabilities and Net Assets	\$ 1,335,428	\$ 1,303,528

TRAILNET, INC.

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue, and Gains			
Memberships and contributions	\$ 214,501	-	\$ 214,501
Corporate and foundation grants	321,884	-	321,884
Government grants	53,787	-	53,787
Sponsorships	24,322	-	24,322
In-kind contributions	30,611	-	30,611
Earned income and fees for service	285,436	-	285,436
Lease income	200,092	-	200,092
Investment income	51,956	-	51,956
Other income	595	-	595
Support, Revenue, and Gains Available	1,183,184	-	1,183,184
Net assets released from restrictions	83,098	(83,098)	-
Total Support, Revenue, and Gains	1,266,282	(83,098)	1,183,184
Expenses			
Program services	954,993	-	954,993
Management and general	107,461	-	107,461
Fundraising	155,300	-	155,300
Total Expenses	1,217,754	-	1,217,754
Increase (Decrease) in Net Assets	48,528	(83,098)	(34,570)
Net Assets, Beginning of Year	455,939	83,098	539,037
Net Assets, End of Year	\$ 504,467	-	\$ 504,467

TRAILNET, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue, and Gains			
Memberships and contributions	\$ 232,671	-	\$ 232,671
Corporate and foundation grants	330,473	83,098	413,571
Government grants	10,046	-	10,046
In-kind contributions	10,914	-	10,914
Earned income and fees for service	180,827	-	180,827
Lease income	181,619	-	181,619
Investment income	51,298	-	51,298
Employee retention credit	37,853	-	37,853
Other income	1,122	-	1,122
Total Support, Revenue, and Gains	1,036,823	83,098	1,119,921
Expenses			
Program services	717,843	-	717,843
Management and general	109,640	-	109,640
Fundraising	188,292	-	188,292
Total Expenses	1,015,775	-	1,015,775
Increase in Net Assets	21,048	83,098	104,146
Net Assets, Beginning of Year	434,891	-	434,891
Net Assets, End of Year	\$ 455,939	83,098	\$ 539,037

TRAILNET, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024**

	<u>Program Services</u>					<u>Supporting Activities</u>		<u>Total</u>
	<u>Rides, Travel Green, Safe Routes to School, and Livable</u>	<u>Outreach, Advocacy, and Communications</u>	<u>Planning and Healthy and Active Communities</u>	<u>Legacy Projects</u>	<u>Total Program Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and benefits	\$ 82,046	279,949	168,110	6,731	536,836	65,754	119,360	\$ 721,950
Consulting and subcontracting	34,525	47,803	58,596	-	140,924	18,135	9,173	168,232
Office expenses	13,322	52,697	5,081	-	71,100	9,540	10,447	91,087
Occupancy	22,546	20,674	9,821	-	53,041	3,435	1,717	58,193
Project delivery and supplies	31,618	14,592	5,529	58	51,797	1,013	2,340	55,150
Professional fees	8,906	23,229	8,906	-	41,041	1,256	7,513	49,810
Insurance	18,469	11,199	5,599	-	35,267	2,635	1,318	39,220
In-Kind	732	13,151	2,500	2,500	18,883	-	2,553	21,436
Conferences and reference materials	125	3,679	75	-	3,879	118	740	4,737
Interest	-	-	-	-	-	4,532	-	4,532
Equipment expenses	741	1,189	295	-	2,225	69	139	2,433
Depreciation	-	-	-	-	-	974	-	974
Total	\$ 213,030	468,162	264,512	9,289	954,993	107,461	155,300	\$ 1,217,754
Percentage of Total Expenses	17.5%	38.4%	21.7%	0.8%	78.4%	8.8%	12.8%	100.0%

TRAILNET, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023**

	Program Services				Supporting Activities		Total
	Rides, Travel Green, Safe Routes to School, and Livable	Outreach, Advocacy, and Communications	Planning and Healthy and Active Communities	Total Program Expenses	Management and General	Fundraising	
Salaries and benefits	\$ 77,504	245,489	130,023	453,016	77,064	119,148	\$ 649,228
Consulting and subcontracting	37,131	21,082	6,396	64,609	8,849	6,246	79,704
Office expenses	8,672	17,588	5,263	31,523	6,260	21,216	58,999
Occupancy	19,279	11,138	5,639	36,056	2,665	3,204	41,925
Project delivery and supplies	37,295	2,404	9,539	49,238	616	24,185	74,039
Professional fees	7,979	15,959	7,979	31,917	3,754	1,877	37,548
Insurance	19,774	8,183	4,092	32,049	1,925	963	34,937
In-Kind	2,500	-	-	2,500	-	6,274	8,774
Conferences and reference materials	-	79	982	1,061	-	629	1,690
Interest	-	-	-	-	4,282	-	4,282
Equipment expenses	2,862	8,441	4,571	15,874	3,251	4,550	23,675
Depreciation	-	-	-	-	974	-	974
Total	\$ 212,996	330,363	174,484	717,843	109,640	188,292	\$ 1,015,775
Percentage of Total Expenses	21.0%	32.5%	17.2%	70.7%	10.8%	18.5%	100.0%

TRAILNET, INC.

STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ (34,570)	\$ 104,146
Adjustments:		
Depreciation	974	974
Realized and unrealized gain on investments	(15,372)	(20,899)
(Increase) decrease in operating assets:		
Accounts and grants receivable	(10,853)	(38)
Prepaid expenses	(549)	741
Increase (decrease) in operating liabilities:		
Accounts payable	43,617	(2,759)
Accrued expenses	2,349	7,799
Deferred revenue	20,504	69,197
Net Cash Provided by Operating Activities	6,100	159,161
Cash Flows from Investing Activities		
Purchase of assets	(30,129)	-
Purchase of investments	(16,159)	(10,618)
Net Cash Used by Investing Activities	(46,288)	(10,618)
Net Increase (Decrease) in Cash and Cash Equivalents	(40,188)	148,543
Cash and Cash Equivalents, Beginning of Year	638,197	489,654
Cash and Cash Equivalents, End of Year	\$ 598,009	\$ 638,197
Supplemental Disclosure		
Cash paid for interest	\$ 4,532	\$ 4,282

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

BUSINESS DESCRIPTION

Trailnet, Inc. (the Organization) is a not-for-profit corporation that leads in fostering healthy, active, and vibrant communities where walking, bicycling, and the use of public transit are a way of life. The Organization's mission-driven activities include:

- 1) Programs: bicycle/pedestrian education and promoting the use of safe non-motorized transportation for daily living,
- 2) Policy initiatives: advocacy that supports and promotes the mission, and
- 3) Planning: partnering with communities to develop and enhance access to walking, biking, and public transit and to connect them to a regional transportation system.

The Organization's support comes primarily from public support and government grants. Other major revenue sources include membership dues, sponsorships, and lease income.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization uses the accrual method of accounting.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation

The Organization reports its information regarding financial position and activities according to the following net asset classifications:

Net assets without donor restrictions

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

Net assets with donor restrictions

Net assets subject to stipulation imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There were no restricted net assets at December 31, 2024. At December 31, 2023, the Organization had \$30,000 in net assets restricted for time and \$53,098 in net assets restricted for the purpose of improving walking and biking trails in Jefferson County.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts and Grants Receivable

Accounts receivable are uncollateralized customer and government obligations due under normal trade terms generally requiring payment within 30 days of the invoice date. The Organization does not charge interest on any accounts receivable. Balances that are still outstanding after management has used reasonable collection efforts are written off. Management does not consider an allowance for uncollectible receivables to be necessary.

The Organization recognizes the full amount of grants received in the period that they were made as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. At December 31, 2024, the Organization considered all grants receivable to be fully collectible; accordingly, there is no allowance for doubtful accounts. If amounts become uncollectible, they will be charged to operations at that time.

There was no bad debt expense for the years ended December 31, 2024 and 2023.

Property and Equipment

Purchased property and equipment are stated at cost. Donated property and equipment are reported at their estimated fair value at the date of donation. Depreciation on buildings and equipment is computed using the straight-line method over the estimated useful lives of the assets as follows:

Asset	Years
Capital improvements	15
Office equipment	5-15
Vehicles	5

Deferred Revenue

The Organization has granted outdoor advertising licenses and easement rights on its property to other entities for periods ranging from one month to ninety-nine years. Income from outdoor licenses is deferred and recognized over the periods to which the licenses relate. The Organization is also party to several contract and grant agreements spanning multiple years. Income relating to these agreements is deferred and recognized as services are performed or obligations are met.

Contributions

The Organization reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, or a stipulated time restriction ends, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Organization records donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support. Unrestricted contributions of long-lived assets and cash to acquire long-lived assets are treated as unrestricted when the acquired assets are placed in service.

Revenue and Revenue Recognition

Trailnet offers technical assistance for planning complete streets, walkable communities, multimodal networks, and a variety of community engagement activities. The Organization receives revenue from membership dues, contributions, grants, and rides and sponsorships. Membership dues, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided and a contribution element for the difference between the total dues paid and the exchange element. The Organization recognizes the exchange portion of membership dues over the membership period, which is generally one year, and the contribution portion immediately.

Notes to Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition (Continued)

Trailnet recognizes contributions when cash or securities are received. Grants are recognized at the time the grant is awarded if there are no barriers to receiving the grant money. If barriers exist, the amount of the grant received is deferred until the condition is met. Grants may be restricted for time and/or purpose.

Trailnet recognizes revenue derived from rides and sponsorships at the time the event takes place.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and benefits	Direct costs, time and effort
Consulting and subcontracting	Direct costs
Office expenses	Direct costs
Occupancy	Time and effort
Project delivery and supplies	Direct costs
Professional fees	Direct costs
Insurance	Direct costs, time and effort
In-Kind	Direct costs
Conferences and reference materials	Direct costs
Interest	Direct costs
Equipment expenses	Direct costs
Depreciation	Direct costs

Donated Materials and Services

The Organization receives contributions in the form of materials and services. Donated noncash assets are recorded as contributions at their fair values at the date of donation. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization. Volunteers provide various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Income Tax Status

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. The Organization has evaluated its tax positions, expiring tax statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings and believes that no provision for income taxes is necessary, at this time, to cover any uncertain tax position. The Organization's federal Form 990s are subject to examination, generally for three years after they are filed. As of July 28, 2025, no informational returns have been selected for examination.

Subsequent Events

The Organization has evaluated subsequent events through July 28, 2025, the date which the financial statements were available to be issued, for possible recognition or disclosure.

TRAILNET, INC.

Notes to Financial Statements (Continued)

NOTE 2 AVAILABILITY AND LIQUIDITY

The Organization's financial assets available within one year of the statements of financial position date for general expenditures are as follows:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 598,009	\$ 638,197
Accounts and grants receivable	59,945	49,092
Investments	386,984	355,453
Total Financial Assets	1,044,938	1,042,742
Less amounts not available to be used within one year:		
Net assets with donor restrictions	-	83,098
Less net assets with time and purpose restrictions to be met in less than one year	-	(83,098)
Total amounts not available to be used within one year	-	-
Financial assets available to meet general expenditures over the next twelve months	\$ 1,044,938	\$ 1,042,742

The Organization is substantially supported by membership dues, grants, and lease arrangements without donor restrictions. As part of the Organization's liquidity management, the policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization invests cash more than daily requirements in short-term investments.

NOTE 3 CONCENTRATIONS OF CASH AND CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash equivalents, trade accounts and grants receivable, and investments. The Organization maintains its cash primarily with one major financial institution. Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 under the FDIC's general deposit insurance rules. Cash balances exceeded the FDIC limits by approximately \$82,000 and \$107,000 at December 31, 2024 and 2023, respectively. The Organization maintains its investments primarily with one brokerage firm. Securities held at this firm are insured by Securities Investor Protection Corporation (SIPC) up to \$500,000. Investment balances did not exceed the SIPC limits at December 31, 2024 and 2023.

Notes to Financial Statements (Continued)

NOTE 4 FAIR VALUE MEASUREMENTS

Financial accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). The three levels of the fair value hierarchy under the standards are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are significant unobservable inputs.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value at December 31, 2024:

- *Mutual funds* – valued at daily closing price reported on the principal and active market on which the mutual fund is traded.
- *Equities* – valued at daily closing price reported on the principal and active market on which the equities and bonds are traded.

TRAILNET, INC.

Notes to Financial Statements (Continued)

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The inputs or methodologies used for valuing investments may not be an indication of the risk associated with investing in those securities. Furthermore, management believes its valuation methods are appropriate and consistent. The use of different methodologies or assumptions could result in a different fair value measurement at the reporting date.

The Organization's assets that are measured at fair value are as follows:

Description	Total	Fair Value Measurements at Reporting Date Using		
		Level 1	Level 2	Level 3
December 31, 2024				
Equities	\$ 24,055	24,055	-	\$ -
Mutual funds	362,929	362,929	-	-
Total	\$ 386,984	386,984	-	\$ -
December 31, 2023				
Equities	\$ 19,689	19,689	-	\$ -
Mutual funds	335,764	335,764	-	-
Total	\$ 355,453	355,453	-	\$ -

NOTE 5 PROPERTY AND EQUIPMENT

	December 31,	
	2024	2023
Land	\$ 244,501	\$ 244,501
Capital improvements	712,150	712,150
Office equipment	117,445	87,316
Vehicles	12,662	12,662
Property and equipment, at cost	1,086,758	1,056,629
Less accumulated depreciation	(803,227)	(802,252)
Property and Equipment, Net	\$ 283,531	\$ 254,377

Depreciation expense amounted to \$974 for the years ended December 31, 2024 and 2023.

NOTE 6 LONG-TERM DEBT

In October 2020, the Organization received an Economic Injury Disaster Loan from the U.S. Small Business Administration in the amount of \$150,000 which matures on October 2, 2050. Security for the loan includes all personal property of the Organization. The interest rate on the loan is 2.75% and is payable in monthly installments of \$641 beginning in October 2022. Interest from the date of the loan to the date of the first payment accrues to the principal balance of the loan.

Notes to Financial Statements (Continued)

NOTE 6 LONG-TERM DEBT (CONTINUED)

The following is a schedule of future principal payments:

Years Ending December 31,	
2025	\$ 3,306
2026	3,703
2027	3,806
2028	3,912
2029	4,021
Thereafter	131,312
<hr/>	
Total Future Principal Payments	\$ 150,060

NOTE 7 LEASES

The Organization has an agreement to lease office space. The term of the lease was three years, ending on August 15, 2021. Upon expiration, the lease terms changed to a month-to-month basis calling for monthly payments of \$2,109. Under the agreement, either party may cancel the agreement by mailing 30 days written notice to the other party.

On July 1, 2021, the Organization entered into a storage lease with an unrelated party. The term of the lease was for one year and was extended through July 2023 with monthly payments of \$600. The lease was extended again through July 2024 with the monthly payments of \$700. Upon expiration, the lease terms changed to a month-to-month basis. Under the agreement, either party may cancel the agreement with a written notice.

Rent expense related to operating leases for the years ended December 31, 2024 and 2023 totaled \$35,916 and \$31,902, respectively.

NOTE 8 LEASE AGREEMENTS

Gannett Lease

In December 1993, the Organization entered into an agreement to lease outdoor advertising space to Gannett Outdoor Company of St. Louis ("Gannett") and received a prepayment of \$131,127. The term of the lease is for twenty years and may be terminated upon thirty days written notice by either party. During the year ended December 31, 2013, the Organization renewed the agreement for an additional twenty year period. Gannett pays the Organization the greater of twenty-five percent of the annual net revenue (as defined in the lease agreement) or \$13,800 per year for the first 5 years, \$14,620 for years 6 through 10, \$16,216 for years 11 through 15 and \$17,828 for years 16 through 20. Accordingly, \$18,640 and \$18,280 was recognized as revenue in 2024 and 2023, respectively.

Ameren U.E. Agreements

The Organization has agreements with Ameren U.E. which call for prepayments for wire line leases. Deferred revenue related to these agreements of \$117,405 was recorded at December 31, 2024 and 2023, which will be recognized as revenue in subsequent years. The Organization recognized \$161,576 and \$149,464 related to these agreements as revenue in 2024 and 2023, respectively.

Notes to Financial Statements (Continued)

NOTE 8 LEASE AGREEMENTS (CONTINUED)

St. Louis County Leases

The Organization has agreements to lease certain properties to St. Louis County for a period of 99 years. At any time, the parties may consider a transfer to St. Louis County of the Organization's interest in the subject properties. Deferred revenue under those leases was \$236,335 and \$239,585 at December 31, 2024 and 2023, respectively. The Organization recognized \$3,250 as revenue in 2024 and 2023.

NOTE 9 EMPLOYEE BENEFIT PROGRAM

The Organization maintains a contributory retirement savings plan under Section 401(k) of the code covering substantially all employees who meet certain eligibility requirements. Employer contributions to the plan totaled \$11,488 and \$10,355 for the years ended December 31, 2024 and 2023, respectively.

NOTE 10 EMPLOYEE RETENTION CREDIT

The CARES Act provided an employee retention credit (ERC), which was initially a refundable tax credit against certain employment taxes of up to \$5,000 per employee for eligible employers. The tax credit was equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee through December 31, 2020. Subsequent ERC provisions were passed by the United States government, which extended and slightly expanded the qualified wage caps on these credits through September 30, 2021. Based on these additional provisions, the tax credit was equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee was increased to \$10,000 of qualified wages per quarter during 2021. During the year ended December 31, 2023, the Organization filed for credits of \$73,922, which represent refunds due for the quarters ending June 30, 2020 and March 31, 2021. Due to the conditional components of the refunds, the Organization has not recognized these as receivables and will record the refund as received. During the year ended December 31, 2023, the Organization received \$37,853 of the credits. As of July 28, 2025, the Organization has yet to receive and recognize the remaining refund.