



CPAs SERVING CLIENTS SINCE 1947

**NATIONAL SECURITY ARCHIVE FUND, INC.**  
**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**  
**DECEMBER 31, 2021 AND 2020**

**MATTHEWS, CARTER & BOYCE**  
RESPECT. CONFIDENCE. TRUST.

**NATIONAL SECURITY ARCHIVE FUND, INC.**

**TABLE OF CONTENTS**

**DECEMBER 31, 2021 AND 2020**

Independent Auditors' Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-14



## Independent Auditors' Report

The Board of Directors  
National Security Archive Fund, Inc.  
Washington, DC

### ***Opinion***

We have audited the financial statements of the National Security Archive Fund, Inc., which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, 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 the National Security Archive Fund, Inc., as of December 31, 2021 and 2020, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the National Security Archive Fund, 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 National Security Archive Fund, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 National Security Archive Fund, Inc.'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 National Security Archive Fund, Inc.'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.

A handwritten signature in black ink that reads "Matthew, Carter and Baye". The signature is written in a cursive, flowing style.

Fairfax, Virginia  
November 17, 2022

**NATIONAL SECURITY ARCHIVE FUND, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2021 AND 2020**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,455,300	\$ 1,633,546
Foundation grants receivable, short term - with donor restrictions	600,000	954,000
Royalties due from co-publishers	106,531	158,918
Other receivables	9,831	2,118
Prepaid expenses	56,706	69,579
Total Current Assets	\$ 2,228,368	\$ 2,818,161
<b>NON-CURRENT ASSETS</b>		
Foundation grants receivable, long term - with donor restrictions	\$ 395,000	\$ -
Property, plant, and equipment, net	15,315	19,700
Total Non-Current Assets	\$ 410,315	\$ 19,700
<b>TOTAL ASSETS</b>	<b>\$ 2,638,683</b>	<b>\$ 2,837,861</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 6,031	\$ 1,000
Accrued expenses	18,000	21,745
Total Current Liabilities	\$ 24,031	\$ 22,745
<b>NET ASSETS</b>		
Without donor restrictions	\$ 1,329,909	\$ 1,404,860
With donor restrictions	1,284,743	1,410,256
Total Net Assets	\$ 2,614,652	\$ 2,815,116
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,638,683</b>	<b>\$ 2,837,861</b>

The accompanying notes are an integral part of these financial statements.

**NATIONAL SECURITY ARCHIVE FUND, INC.**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

(With comparative totals for the year ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
<b>REVENUE AND OTHER SUPPORT</b>				
Gifts from individuals	\$ 24,223	\$ -	\$ 24,223	\$ 10,475
Grants from foundations:				
Received in the current year	887,000	305,000	1,192,000	1,359,090
Receivable in future years	-	995,000	995,000	250,000
Royalties, honoraria, and sale of materials	581,701	-	581,701	526,173
Net assets released from restriction	1,425,513	(1,425,513)	-	-
<b>Total Revenue and Other Support</b>	<b>\$ 2,918,437</b>	<b>\$ (125,513)</b>	<b>\$ 2,792,924</b>	<b>\$ 2,145,738</b>
<b>EXPENSES</b>				
Program expenses	\$ 2,645,487	\$ -	\$ 2,645,487	\$ 2,503,777
Supporting services:				
Management and general	\$ 286,248	\$ -	\$ 286,248	\$ 288,788
Fund raising	61,653	-	61,653	62,323
<b>Total Supporting Services</b>	<b>\$ 347,901</b>	<b>\$ -</b>	<b>\$ 347,901</b>	<b>\$ 351,111</b>
<b>Total Expenses</b>	<b>\$ 2,993,388</b>	<b>\$ -</b>	<b>\$ 2,993,388</b>	<b>\$ 2,854,888</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ (74,951)</b>	<b>\$ (125,513)</b>	<b>\$ (200,464)</b>	<b>\$ (709,150)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>1,404,860</b>	<b>1,410,256</b>	<b>2,815,116</b>	<b>3,524,266</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 1,329,909</b>	<b>\$ 1,284,743</b>	<b>\$ 2,614,652</b>	<b>\$ 2,815,116</b>

The accompanying notes are an integral part of these financial statements.

**NATIONAL SECURITY ARCHIVE FUND, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	2020 Total
<b>REVENUE AND OTHER SUPPORT</b>			
Gifts from individuals	\$ 10,475	\$ -	\$ 10,475
Grants from foundations:			
Received in the current year	712,000	647,090	1,359,090
Receivable in future years	-	250,000	250,000
Royalties, honoraria, and sale of materials	526,173	-	526,173
Net assets released from restriction	1,473,677	(1,473,677)	-
Total Revenue and Other Support	\$ 2,722,325	\$ (576,587)	\$ 2,145,738
<b>EXPENSES</b>			
Program expenses	\$ 2,503,777	\$ -	\$ 2,503,777
Supporting services:			
Management and general	\$ 288,788	\$ -	\$ 288,788
Fund raising	62,323	-	62,323
Total Supporting Services	\$ 351,111	\$ -	\$ 351,111
Total Expenses	\$ 2,854,888	\$ -	\$ 2,854,888
<b>CHANGE IN NET ASSETS</b>	\$ (132,563)	\$ (576,587)	\$ (709,150)
<b>NET ASSETS, BEGINNING OF YEAR</b>	1,537,423	1,986,843	3,524,266
<b>NET ASSETS, END OF YEAR</b>	\$ 1,404,860	\$ 1,410,256	\$ 2,815,116

The accompanying notes are an integral part of these financial statements.

NATIONAL SECURITY ARCHIVE FUND, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

(With comparative totals for the year ended December 31, 2020)

	Program	Management and General	Fund Raising	2021 Total	2020 Total
<b>EXPENSES</b>					
Staff salaries	\$ 1,705,614	\$ 173,500	\$ 43,000	\$ 1,922,114	\$ 1,848,298
Staff benefits and general insurance	744,872	66,901	14,352	826,125	801,041
Books, subscriptions, directories, and dues	2,230	-	-	2,230	2,586
Computer equipment, supplies, and services	36,552	5,945	-	42,497	45,062
Depreciation and amortization	6,612	-	-	6,612	5,893
Office equipment, supplies, and services	7,114	1,881	-	8,995	10,566
Professional fees, consultants, and honoraria	73,051	18,050	-	91,101	47,629
Rent, document storage, and parking	79,012	-	-	79,012	77,849
Telephone equipment and services	12,186	-	-	12,186	12,177
Travel, meetings, and conferences	2,516	-	-	2,516	3,787
Allocation of supporting services	(24,272)	19,971	4,301	-	-
<b>TOTAL EXPENSES</b>	<u>\$ 2,645,487</u>	<u>\$ 286,248</u>	<u>\$ 61,653</u>	<u>\$ 2,993,388</u>	<u>\$ 2,854,888</u>

The accompanying notes are an integral part of these financial statements.



**NATIONAL SECURITY ARCHIVE FUND, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program	Management and General	Fund Raising	2020 Total
<b>EXPENSES</b>				
Staff salaries	\$ 1,631,798	\$ 173,500	\$ 43,000	\$ 1,848,298
Staff benefits and general insurance	716,625	69,441	14,975	801,041
Books, subscriptions, directories, and dues	2,586	-	-	2,586
Computer equipment, supplies, and services	39,033	6,029	-	45,062
Depreciation and amortization	5,893	-	-	5,893
Office equipment, supplies, and services	8,591	1,975	-	10,566
Professional fees, consultants, and honoraria	30,379	17,250	-	47,629
Rent, document storage, and parking	77,849	-	-	77,849
Telephone equipment and services	12,177	-	-	12,177
Travel, meetings, and conferences	3,342	445	-	3,787
Allocation of supporting services	(24,496)	20,148	4,348	-
<b>TOTAL EXPENSES</b>	<b>\$ 2,503,777</b>	<b>\$ 288,788</b>	<b>\$ 62,323</b>	<b>\$ 2,854,888</b>

The accompanying notes are an integral part of these financial statements.

**NATIONAL SECURITY ARCHIVE FUND, INC.**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS - OPERATING ACTIVITIES</b>		
Change in net assets	\$ (200,464)	\$ (709,150)
Adjustments to reconcile change in net assets to net cash flows - operating activities:		
Depreciation and amortization	\$ 6,612	\$ 5,893
(Increase) Decrease In:		
Foundation grants receivable	(41,000)	761,000
Royalties due from co-publishers	52,387	(49,260)
Other receivables	(7,713)	(50)
Prepaid expenses	12,873	(3,972)
(Decrease) Increase In:		
Accounts payable and accrued expenses	1,286	182
Total adjustments	\$ 24,445	\$ 713,793
Net Cash Flows - Operating Activities	\$ (176,019)	\$ 4,643
<b>CASH FLOWS - INVESTING ACTIVITIES</b>		
Payments for purchase of equipment	\$ (2,227)	\$ (11,377)
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	\$ (178,246)	\$ (6,734)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	1,633,546	1,640,280
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 1,455,300	\$ 1,633,546

There were no non-cash investing or financing activities for the years ended December 31, 2021 or 2020.

The accompanying notes are an integral part of these financial statements.

# NATIONAL SECURITY ARCHIVE FUND, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

### Note 1. Organization and Nature of Activities

The National Security Archive Fund, Inc. (the NSAF) is a District of Columbia non-profit corporation. Since July 1, 1999, the NSAF has been the corporate base for the National Security Archive (the Archive). The Archive was founded in 1985 under the auspices of a multi-program non-profit corporation to collect, analyze, and publish unclassified and declassified documents bearing upon U.S. foreign policy and related topics in international affairs. Its published collections of documents are used by the students and faculty of colleges and universities in the U.S. and abroad, and by journalists, researchers, and non-governmental organizations throughout the world. It also undertakes research projects and conferences to facilitate the study and open discussion of world events and trends.

Since 1995, the Archive has been located in the Gelman Library at The George Washington University (GWU) in Washington, DC. Although the Archive and GWU are separate legal entities, the Archive provides many materials and services to GWU students and faculty (including direct access to Archive document collections; research-assistant positions and internships for GWU students; assistance in the use of the U.S. Freedom of Information Act in scholarly research; and participation in frequent collaborative activities including seminars, conferences, and research projects) and receives access to various GWU facilities (including office space and telephone services; information-technology equipment and support; university library, on-campus parking, and athletic facilities; participation in the services of the Washington Research Library Consortium; and advice and assistance from GWU faculty in the formulation and undertaking of Archive research projects). The services and opportunities GWU and the Archive provide each other are significant and mutually beneficial, including many intangible elements. Where appropriate, the fair value of the services provided and received is reflected in the NSAF's financial statements.

### Note 2. Summary of Significant Accounting Policies

#### Basis of Accounting

The accompanying financial statements of the NSAF have been prepared on the accrual basis, which conforms to accounting principles generally accepted in the United States of America.

#### Basis of Presentation

The NSAF follows Accounting Standards Codification Topic 958, *Not-for-Profit Entities* (FASB ASC 958). FASB ASC 958 specifies that financial statements provided by not-for-profit organizations include statements of financial position, statements of activities, statements of functional expenses, and statements of cash flows. Contributions are recognized as revenue when they are received or unconditionally pledged. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

# NATIONAL SECURITY ARCHIVE FUND, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

### Note 2. Summary of Significant Accounting Policies (Continued)

#### Basis of Presentation (Concluded)

Accordingly, net assets of the NSAF and changes therein are classified and reported as follows:

**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 objectives of the organization. These net assets may be used at the discretion of NSAF's management and the Board of Directors.

**Net assets with donor restrictions** – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of NSAF or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The NSAF does not currently hold net assets with perpetual donor restrictions.

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 and changes in net assets.

#### Management Estimates and Uncertainties

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid bank accounts. At December 31, 2021 and 2020, the NSAF's cash and cash equivalents were held by one bank. The balance on deposit at times may exceed the amount insured by federal agencies. The NSAF does not believe that, as a result of this concentration, it is subject to any unusual financial risk beyond the normal risk associated with commercial banking relationships.

#### Grants Receivable

The NSAF accounts for grants and contributions under FASB ASC 958, which requires the NSAF to record a receivable to reflect the promises of donors to make future grants. Under Accounting Standards Codification Topic 820, *Fair Value Measurement* (FASB ASC 820), grants receivable are initially recorded at fair value and are discounted to their net present value using an appropriate market rate.

#### Property, Plant, and Equipment and Depreciation

Property, plant, and equipment are recorded at cost at the date of purchase or fair market value at the date of donation. Acquisitions greater than \$1,000 of property and equipment are capitalized. Computer and office equipment are depreciated using the straight-line method over their estimated useful lives of five years. Leasehold improvements have been fully amortized as of December 31, 2021.

# NATIONAL SECURITY ARCHIVE FUND, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

### Note 2. Summary of Significant Accounting Policies (Continued)

#### Revenue Recognition

NSAF adopted ASC 606 on January 1, 2019. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. The five-step model is:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Royalties due to the NSAF from co-publishers are recorded as revenue in the periods in which they are earned from the sale of publications or subscriptions. The adoption of ASC 606 did not have a material impact on NSAF as the royalties income continues to be recognized at a point in time and uses the same recognition methodology that was applied prior to the adoption of ASC 606.

The recording of contributions and grants is outside of the scope of ASC 606. NSAF recognizes contributions and grants when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected based on a market rate of return.

#### Income Taxes

The NSAF is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and the applicable state income tax regulations, except for taxes on unrelated business income. Because the NSAF had no unrelated business income for the years ended December 31, 2021 or 2020, no provision for income taxes has been made in the accompanying financial statements.

FASB ASC 740, *Income Taxes* prescribes a model for how an entity should recognize, measure, present, and disclose in its financial statements uncertain tax positions that the entity has taken or expects to take on a tax return. FASB ASC 740 requires an entity to recognize the benefit of tax positions when it is “more likely than not” that the provision will be sustainable based on the merits of the position taken by an entity. The NSAF has analyzed its tax positions, and has concluded that no liability should be recorded related to any uncertain tax positions. The NSAF is not aware of any tax positions that it believes will change materially in the next twelve months. If this position changes, the NSAF will assess the impact of any such matters on its financial position and results of operations.

# NATIONAL SECURITY ARCHIVE FUND, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

### Note 2. Summary of Significant Accounting Policies (Concluded)

#### Grantees and Indemnifications

The NSAF may enter into service agreements with service providers in which it agrees to indemnify the service provider against certain losses and liabilities arising from the service provider's performance under the agreement. Generally, such indemnification obligations do not apply in situations in which the service provider is grossly negligent, engages in willful misconduct, or acts in bad faith. The NSAF is not aware of any liability under such service agreements for the years ended December 31, 2021 or 2020.

#### Functional allocation of expenses

The costs of providing the NSAF's various programs and supporting services have been summarized on a functional basis in the accompanying financial statements. Costs that can be identified with a particular program or support function are charged directly to that program or function. Salaries and related costs have been allocated among the programs and supporting services based upon the proportion of these costs applicable to each program. Other costs have been allocated to program expenses and supporting services based upon management's best estimates.

### Note 3. Availability and Liquidity

The following represent the NSAF's financial assets at December 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$1,455,300	\$1,633,546
Receivables, net	<u>1,111,362</u>	<u>1,115,036</u>
Total financial assets	\$2,566,662	\$2,748,582
Less amounts not available to be used within one year:		
Net assets with donor restrictions expiring after December 31 of the following year	<u>(547,409)</u>	<u>(162,166)</u>
Financial assets available to meet general and restricted program expenditures over the next twelve months	<u>\$2,019,253</u>	<u>\$2,586,416</u>

The NSAF is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, NSAF must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of NSAF's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

# NATIONAL SECURITY ARCHIVE FUND, INC.

## NOTES TO FINANCIAL STATEMENTS

### DECEMBER 31, 2021 AND 2020

#### Note 4. Defined Contribution Retirement Plan

In April 2002, the NSAF established a defined contribution retirement plan for its employees under Section 403(b) of the Internal Revenue Code. All non-temporary employees may make contributions to accounts under the plan on a pre-tax basis, subject to the maximums provided by law. In cases in which employees who are at least 21 years of age and who have been employed by the NSAF for at least two years without a break in service, and contribute five percent or more of their salaries, the NSAF makes contributions to their retirement accounts established under the plan equal to ten percent of their salaries. The NSAF's contributions to employees' accounts under the plan totaled \$165,000 and \$165,450 for the years ended December 31, 2021 and 2020.

#### Note 5. Commitments

Under the terms of a license agreement, the NSAF pays GWU \$50,000 a year for office space and certain related facilities and services. The agreement, which commenced in January 1995, runs in automatically renewable five-year periods and is cancelable upon nine months' notice by either party.

The NSAF leases office equipment from commercial suppliers under non-cancelable leases; future gross minimum annual rental payments to be paid under these leases as of December 31, 2021 totaled \$9,309 (payable during 2021 through 2023). Rent expense under the lease agreements for the years ended December 31, 2021 and 2020 totaled \$5,316 each year.

#### Note 6. Foundation Grants Receivable

As of December 31, 2021 and 2020, the NSAF held the following multi-year grant commitments:

	<u>2021</u>	<u>2020</u>
Grants receivable	\$ 995,000	\$ 954,000
Less current portion	<u>(600,000)</u>	<u>(954,000)</u>
Net Grants Receivable, long term	<u>\$ 395,000</u>	<u>\$ -</u>

#### Note 7. Property, Plant, and Equipment

As of December 31, 2021 and 2020, property, plant, and equipment consisted of the following:

	<u>2021</u>	<u>2020</u>
Leasehold improvements	\$ 181,824	\$ 181,824
Computer, office equipment and customized software	<u>205,692</u>	<u>203,465</u>
	\$ 387,516	\$ 385,289
Accumulated depreciation and amortization	<u>(372,201)</u>	<u>(365,589)</u>
	<u>\$ 15,315</u>	<u>\$ 19,700</u>

Depreciation and amortization expense was \$6,612 and \$5,893 for the years ended December 31, 2021 and 2020.

# NATIONAL SECURITY ARCHIVE FUND, INC.

## NOTES TO FINANCIAL STATEMENTS

### DECEMBER 31, 2021 AND 2020

#### Note 8. Composition of Net Assets with Donor Restrictions

As of December 31, 2021 and 2020, the NSAF held net assets with donor restrictions for the following purposes:

	<u>2021</u>	<u>2020</u>
Latin America Programs	\$ 160,764	\$ 252,242
U.S.-Russia Relations and Nuclear Weapons Policy Programs	970,000	793,903
Freedom of Information Law Programs: United States	60,000	15,000
Freedom of Information Law Programs: International	-	7,320
Cyber Security Program	48,570	296,382
Broadly-based Human Rights Programs	45,409	45,409
	<u>\$ 1,284,743</u>	<u>\$ 1,410,256</u>

Net assets with donor restrictions were released from restriction for the following purposes during the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Latin America Programs	\$ 281,478	\$ 289,795
U.S.-Russia Relations and Nuclear Weapons Policy Programs	793,903	771,378
Freedom of Information Law Programs: United States	45,000	156,667
Freedom of Information Law Programs: International	7,320	7,990
Cyber Security Program	297,812	247,847
	<u>\$ 1,425,513</u>	<u>\$ 1,473,677</u>

#### Note 9. Risks and Uncertainties

In response to the COVID-19 pandemic declared by the World Health Organization in early 2020, the NSAF has adjusted its procedures in several ways, including most of the staff working remotely, suspending visits to the Archive by outside researchers, conducting seminars and meetings on-line, and curtailing almost all travel. Productivity has been sustained, and publication deadlines have been met. Foundation funding has been largely unaffected and royalties from document collections have increased modestly. Additional measures may be undertaken, but because the duration and intensity of the pandemic are not predictable the possibility of future loss cannot be estimated.

#### Note 10. Subsequent Events

The NSAF has performed an evaluation of subsequent events through November 17, 2022, which is the date the financial statements were available to be issued. The NSAF is not aware of any events occurring subsequent to December 31, 2021 that would have a material impact on the NSAF's results of operations or financial position that requires recognition or disclosure in these financial statements.