NEW BUILDINGS INSTITUTE, INC.

Audited Financial Statements

For the Year Ended June 30, 2023

McDONALD JACOBS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
New Buildings Institute, Inc.

Opinion
We have audited the accompanying financial statements of New Buildings Institute (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of New Buildings Institute as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 New Buildings Institute 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 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 New Buildings Institute's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of New Buildings Institute'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 New Buildings Institute'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 New Buildings Institute 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 26, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

McDonald Jacobs, P.C.

Portland, Oregon
November 8, 2023

NEW BUILDINGS INSTITUTE, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2023
(With comparative totals for 2022)

	2023	2022
ASSETS		
Cash and cash equivalents	$ 1,747,317	$ 1,758,329
Certificates of deposit	508,955	1,118,279
Contracts receivable	925,422	853,754
Grants receivable	175,000	150,000
Prepaid expenses and other assets	73,565	86,260
Operating lease right-of-use asset	260,061	-
Property and equipment, net	31,437	42,066
TOTAL ASSETS	$ 3,721,757	$ 4,008,688
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 267,499	$ 424,550
Accrued personnel expenses	324,943	311,509
Deferred revenue	124,827	91,409
Operating lease liability	263,996	-
Total liabilities	981,265	827,468
Net assets:		
Without donor restrictions:		
Undesignated	2,120,084	2,473,120
Net property and equipment	31,437	42,066
Total without donor restrictions	2,151,521	2,515,186
With donor restrictions	588,971	666,034
Total net assets	2,740,492	3,181,220
TOTAL LIABILITIES AND NET ASSETS	$ 3,721,757	$ 4,008,688

See notes to financial statements.

NEW BUILDINGS INSTITUTE, INC.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2023
(With comparative totals for 2022)

	2023			
	Without Donor Restrictions	With Donor Restrictions	Total	2022 Total
Support and revenue:				
Contract service revenue	$ 3,958,150	$ -	$ 3,958,150	$ 3,397,801
Sponsorship revenue	718,109	-	718,109	938,969
Grants and contributions	180,000	875,000	1,055,000	1,611,075
Forum revenue	189,515	-	189,515	209,156
Other income	36,792	-	36,792	10,403
Net assets released from restrictions:				
Satisfaction of time and purpose restrictions	952,063	(952,063)	-	-
Total support and revenue	6,034,629	(77,063)	5,957,566	6,167,404
Expenses:				
Program services:				
Leadership and Market Development	1,377,777	-	1,377,777	1,306,218
Codes and Policy	2,267,925	-	2,267,925	2,156,998
Building and Program Innovation	1,886,491	-	1,886,491	1,325,110
Total program services	5,532,193	-	5,532,193	4,788,326
Management and general	801,414	-	801,414	669,387
Fundraising	64,687	-	64,687	47,079
Total expenses	6,398,294	-	6,398,294	5,504,792
Change in net assets	(363,665)	(77,063)	(440,728)	662,612
Net assets:				
Beginning of the year	2,515,186	666,034	3,181,220	2,518,608
End of the year	$ 2,151,521	$ 588,971	$ 2,740,492	$ 3,181,220

See notes to financial statements.

NEW BUILDINGS INSTITUTE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2023
(With comparative totals for 2022)

	2023							2022
	Program Services							
	Leadership and Market Development	Codes and Policy	Building and Program Innovation	Total Program Services	Management and General	Fundraising	Total	2022 Total
Salaries and related expenses	$ 746,477	$ 1,344,819	$ 1,140,806	$ 3,232,102	$ 633,183	$ 59,003	$ 3,924,288	$ 3,439,488
Project subcontractors	55,610	672,321	552,098	1,280,029	-	-	1,280,029	1,120,140
Project direct costs	482,269	66,678	46,045	594,992	-	-	594,992	554,826
Professional fees	13,660	20,484	18,530	52,674	76,116	211	129,001	119,091
Office, technology and other	33,964	65,115	53,855	152,934	36,720	1,378	191,032	139,946
Occupancy	17,369	31,145	27,078	75,592	16,214	1,450	93,256	66,031
Other operating expenses	26,004	62,797	44,183	132,984	37,077	2,448	172,509	52,076
Depreciation and amortization	2,424	4,566	3,896	10,886	2,104	197	13,187	13,194
Total expenses	$ 1,377,777	$ 2,267,925	$ 1,886,491	$ 5,532,193	$ 801,414	$ 64,687	$ 6,398,294	$ 5,504,792

See notes to financial statements.

NEW BUILDINGS INSTITUTE, INC.
STATEMENT OF CASH FLOWS
For the year ended June 30, 2023
(With comparative totals for 2022)

	2023	2022
Cash flows from operating activities:		
Cash received from contractors	$ 3,919,900	$ 3,005,841
Cash received from sponsors, grantors and other	1,953,051	2,618,941
Cash received from interest	21,365	2,674
Cash paid for payroll and related expenses	(3,910,853)	(3,477,954)
Cash paid for other operating expenses	(2,521,141)	(2,007,233)
Cash paid for operating lease	(80,099)	-
Net cash flows from operating activities	(617,777)	142,269
Cash flows from investing activities:		
Purchase of property and equipment	(2,559)	(35,159)
Net proceeds from (additions to) certificates of deposit	609,324	(500,995)
Net cash flows from investing activities	606,765	(536,154)
Net change in cash and cash equivalents	(11,012)	(393,885)
Cash and cash equivalents - beginning of year	1,758,329	2,152,214
Cash and cash equivalents - end of year	$ 1,747,317	$ 1,758,329

Supplemental cash flow:

Non-cash investing and financing activity:		
Obtaining right-of-use asset in exchange for lease liability	$ 336,159	$ -

See notes to financial statements.

1. NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

New Buildings Institute, Inc. (the Institute) is an independent, nonprofit organization founded in 1997 dedicated to making buildings better for people and the environment. The Institute promotes energy efficiency in buildings through policy development, research, training programs, and the development of guidelines and codes. The Institute works with national, regional, state, and utility groups, and serves as a "carrier" of ideas among states and regions regarding efficient, effective, and "advanced" buildings. The Institute's programs are as follows:

Leadership and Market Development:

The Institute's thought leadership, research, project tracking, education, communications, convening and networking on "Getting to Zero" focuses on driving higher numbers of zero energy and carbon neutral buildings. This program utilizes these multiple strategy areas to help build market capability and capacity, raise awareness and create advocates that will continue the current momentum for a transformation of the built environment to a standard of ultra-efficient, low-embodied carbon buildings that consume only as much energy as they produce through clean, renewable resources located onsite and within the community.

The Getting to Zero Forum convenes leading policymakers, design professionals, systems manufacturers, and others dedicated to zero energy and zero carbon buildings to connect, learn and collaborate.

Codes and Policy:

Energy codes continue to be a crucial lever in transforming markets for high performance buildings. The Institute's work in this program area includes strengthening model building energy codes and increasing use and usefulness. The Institute also develops the necessary thought leadership to overcome critical issues that are hindering code advancement and create the technical basis for progressive code and policy approaches, such as stretch and outcome-based codes. The Institute works directly with leading jurisdictions to implement and increase compliance with these advanced code and policy strategies, as well as to develop code and policy roadmaps.

Building and Program Innovation:

Under its Building and Program Innovation program, the Institute develops the technical analyses, tools and guidance that provide critical support for building owners, practitioners, utilities and advanced jurisdictions that want to create or enhance programs that favor ultra-efficiency in commercial buildings. Examples include building science research, technology assessment, building standards and tools development, training and services, including the *New Construction and Multifamily Guides*, building portfolio diagnostic assessments using *FirstView*, modeling protocols and a building and code energy performance scale called *zEPI*.

1. NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Net Assets

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

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

- *Net Assets With Donor Restrictions* - Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Institute considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents.

Certificates of Deposit

Certificates of deposit are reflected at cost and earn interest at 2.71% with maturity dates through July 2023.

Contracts Receivable

Contracts receivable are unsecured and reported at the amount management expects to collect on balances outstanding at year-end. Based on an assessment of the credit history with those having outstanding balances and current relationships with them, an estimate is made of the portion of the balance that may not be collected and reflected in an allowance for uncollectible accounts. Receivables are written off as a charge to the allowance when management deems the balance is uncollectible. As of June 30, 2023 and 2022, management believes all receivables are collectible and no allowance for uncollectible accounts is deemed necessary. Contracts receivable over 90 days at June 30, 2023 and 2022 total approximately $128,900 and $102,700, respectively.

Grants Receivable

Grants receivable are unsecured and reported at the amount management expects to collect on balances outstanding at year-end. Based on an assessment of the credit history with those having outstanding balances and current relationships with them, management has concluded that realization losses on balances outstanding at year-end will be immaterial. The total balance is anticipated to be collected within one year.

1. NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets represent the Institute's right to use an underlying asset for the lease term, and lease liabilities represent the Institute's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Institute has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Institute's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Institute will exercise the option.

The Institute does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Property and Equipment
Acquisitions of property and equipment in excess of $2,000 are capitalized ($1,000 in 2022). Property and equipment purchased are recorded at cost. Donated assets are reflected as contributions at their estimated values on the date received.

Depreciation and Amortization
Depreciation of property and equipment and amortization of software and website costs are calculated using the straight-line method over the estimated useful lives of the assets which range from three to five years.

Revenue Recognition
Revenues from various sources are recognized as follows:

Contract service revenue: Revenue associated with contracts and fee for service arrangements is recorded when services are performed. Monies received in advance of providing services or incurring expenses are recorded as deferred revenue until earned. Conditional contract revenue, 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 substantially met. The Institute has remaining balances on existing contracts through October 2025 of approximately $3.7 million that will be recognized upon performance.

1. NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenue Recognition, Continued

Sponsorship revenue: Sponsorships are recorded as revenue at the time of the commitment unless commensurate value is included as a part of the agreement. The portion of the sponsorship revenue that relates to commensurate value of the sponsor received in return is recognized when the performance obligations are met. Monies received in advance of incurring expenses are recorded as deferred revenue until earned.

Grants and contributions: Grants and contributions, which include unconditional promises to give (pledges), are recognized as revenue in the period the Institute is notified of the commitment. 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 substantially met. Bequests are recorded as revenue at the time the Institute has an established right to the bequest and the proceeds are measurable.

Forum revenue: Revenue from the forum, a bi-annual industry conference, is recognized in the period in which the forum occurs.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and related expenses, occupancy, depreciation and amortization, professional fees, office, technology and other expenses, and other, which are allocated on the basis of employee equivalents.

Income Tax Status

New Buildings Institute, Inc. is a nonprofit corporation exempt from income tax under section 501(c)(3) of the Internal Revenue Code and applicable state law. No provision for income taxes is made in the accompanying financial statements, as the Institute has no activities subject to unrelated business income tax. The Institute is not a private foundation.

The Institute follows the provisions of FASB ASC *Topic 740 Accounting for Uncertainty in Income Taxes.* Management has evaluated the Institute's tax positions and concluded that there are no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this Topic.

1. NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles 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.

Summarized Financial Information for 2022

The financial information as of June 30, 2022 and for the year then ended is presented for comparative purposes and is not intended to be a complete financial statement presentation.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. The reclassifications had no impact on previously reported net assets.

New Accounting Standard

Effective July 1, 2022, the Institute adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Institute elected not to restate the comparative period (2022). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, the Institute recognized a right-of-use asset and lease liability of $336,159 in its statement of financial position as of July 1, 2022. The adoption did not result in a significant effect on amounts reported in the statement of activities for the year ended June 30, 2023.

Subsequent Events

The Institute has evaluated all other subsequent events through November 8, 2023, the date the financial statements were available to be issued.

2. AVAILABLE RESOURCES AND LIQUIDITY

The Institute regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Institute considers all expenditures related to its primary operations to be general expenditures. It excludes financial assets with donor or other restrictions limiting their use.

Financial assets available for general expenditure consist of the following at June 30, 2023 and 2022:

	2023	2022
Cash and cash equivalents	$ 1,747,317	$ 1,758,329
Certificates of deposit	508,955	1,118,279
Contracts and grants receivable	1,100,422	1,003,754
	3,356,694	3,880,362
Less amounts unavailable for general expenditure:		
Net assets with donor restrictions	588,971	666,034
Financial assets available for general expenditure	$ 2,767,723	$ 3,214,328

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2023 and 2022:

	2023	2022
Office equipment and furniture	$ 59,802	$ 59,093
Software and website	41,436	41,436
Total property and equipment	101,238	100,529
Accumulated depreciation and amortization	(69,801)	(58,463)
Property and equipment, net	$ 31,437	$ 42,066

4. OPERATING LEASE

The Institute evaluated current contracts to determine which met the criteria of a lease. Right-of-use (ROU) asset represent the Institute's right to use underlying asset for the lease term, and the lease liability represent the Institute's obligation to make lease payments arising from the lease. ROU asset and lease liability, all of which arise from an operating lease, were calculated based on the present value of future lease payments over the lease terms.

The Institute's operating lease consists of a lease for office space with a remaining lease term of 3.25 years. The discount rate applied to calculate lease liability as of June 30, 2023 is 2.88%.

The office lease term excludes one, five-year extension, available at the Institute's option, which it is not reasonably certain to exercise. Therefore, the payments associated with the extension are not included in the ROU assets nor the lease liabilities recognized.

The office lease agreement includes provisions for variable rent payments, which are adjusted periodically for inflation.

The statement of financial position reflects a ROU asset of $260,061 and operating lease liability of $263,996 as of June 30, 2023.

The maturities of the operating lease liability as of June 30, 2023 is as follows:

Year ending December 31, 2024	$ 82,501
2025	84,977
2026	87,526
2027	22,042
	277,046
Less discount/interest	13,050
Present value of lease liability	$ 263,996

For the year ended June 30, 2023, total operating lease cost approximated $84,000 and is included in occupancy.

4. OPERATING LEASE, Continued

Rent expense under FASB ASC Topic 840, Leases, (pre-adoption of the new standards) for operating leases totaled approximately $66,000 for the year ended June 30, 2022. The aggregate minimum lease payments under those operating leases as of June 30, 2022, were as follows:

Year ending June 30, 2023	$ 80,100
2024	82,500
2025	85,000
2026	87,500
2027	22,000
Total	$ 357,100

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2023 and 2022:

	2023	2022
Time restricted	$ -	$ 30,000
Purpose restricted:		
Codes and Policy	327,804	296,910
Building and Progam Innovation	136,167	242,585
Leadership and Market Development	125,000	96,539
Total net assets with donor restrictions	$ 588,971	$ 666,034

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

For revenue from contracts with customers, the timing of revenue recognition, billings and cash collections may result in billed accounts receivable (contract asset) and customer advances and advanced payments (contract liabilities).

- Contract service arrangements are recognized upon the performance of services or deliverable. Payments on time and materials are generally paid in arrears upon the incurrence of allowable expenditures.

- Sponsorships include performance obligations and deliverables to be satisfied over time. The Institute estimates costs incurred to be the most reasonable input for the achievement of milestones under sponsorship arrangements.

6. REVENUE FROM CONTRACTS WITH CUSTOMERS, Continued

- Forum revenue which participants pay a registration fee, is recognized when the event occurs. These deposits are liquidated when revenue is recognized. Event sponsorships are non-refundable, are often received in advance of events and result in contract liabilities (deferred revenue) until the event occurs and revenue is recognized.

Total revenue by contract type is as follows for the years ended June 30, 2023 and 2022:

Revenue by type:	2023	2022
Contract services (performance)	$ 3,958,150	$ 3,397,801
Sponsorships (performance)	718,109	938,969
Forum (occurrence)	189,515	209,156
Total contract revenue	$ 4,865,774	$ 4,545,926

The beginning and ending contract balances are as follows:

	June 30,		
Accounts receivable (contract asset)	2023	2022	2021
Contract services	$ 808,885	$ 841,254	$ 786,561
Sponsorships	25,000	12,500	111,167
Forum	91,537	-	-
Total accounts receivable	$ 925,422	$ 853,754	$ 897,728
Deferred revenue (contract liability):			
Contract services	$ -	$ 33,023	$ 103,914
Sponsorships	124,827	58,386	418,993
Forum	-	-	4,436
Total deferred revenue	$ 124,827	$ 91,409	$ 527,343

Revenue recognized for the years ended June 30, 2023 and 2022 that was included in the contract liability balance at the beginning of each year was $91,409 and $527,343, respectively.

7. RETIREMENT PLAN

The Institute provides a tax-deferred compensation plan qualified under section 401(k) of the Internal Revenue Code for all employees following completion of three months of service. Employees are fully vested in the plan at all times. The Institute makes safe harbor contributions of 3% of eligible earnings. In addition, the Institute matches employee contributions to the plan up to a maximum of 2% of the employee's pay. The Institute's contributions to the plan approximated $146,000 and $129,000 for the years ended June 30, 2023 and 2022, respectively.

8. CONCENTRATIONS OF CREDIT RISK

The Institute maintains its cash balances in several financial institutions. Balances at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The balances, at times, may exceed the federally insured limit. Balances in excess of insured limits total approximately $1,173,300 and $308,300 as of June 30, 2023 and 2022, respectively.

The Institute's revenues are concentrated with 16% of total revenues coming from one source during the year ended June 30, 2023 and 19% of total revenues coming from one source during the year ended June 30, 2022. The Institute's credit risk for contracts receivable is concentrated with 28% of the total balances due from two entities at June 30, 2023 and 30% due from two entities at June 30, 2022.

9. RELATED PARTY DISCLOSURE

Certain board members are in senior management positions with entities that provide sponsorships and engage in business activities with the Institute. These transactions occur in the normal course of business and are disclosed as part of the Institute's conflict of interest policy.

10. CONTRACT COMMITMENTS

Under contracts with other organizations, New Buildings Institute has committed to reimburse expenses up to contract award amounts. These commitments will be funded through existing agreements the Institute has with its funders.

11. CONTINGENCIES

Amounts received or receivable from various contracting agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of the Institute if so determined in the future. It is management's belief that no significant amounts received or receivable will be required to be returned in the future.