



PROJECT ON GOVERNMENT OVERSIGHT, INC.

FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

WITH SUMMARIZED FINANCIAL INFORMATION

For the Year Ended December 31, 2024

PROJECT ON GOVERNMENT OVERSIGHT, INC.

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Independent Auditors' Report

The Board of Directors of
Project On Government Oversight, Inc.

Opinion

We have audited the financial statements of Project On Government Oversight, Inc. ("POGO"), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of POGO as of December 31, 2025, 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 ("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 POGO 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 POGO's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of POGO'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 POGO'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.

Other Matter

Report on Summarized Comparative Information

We have previously audited Project On Government Oversight, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 24, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CBIZ CPAs P.C.

Washington, DC
April 14, 2026

PROJECT ON GOVERNMENT OVERSIGHT, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2025

With Summarized Financial Information as of December 31, 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash – bank account	\$ 463,264	\$ 393,021
Cash equivalents – money market	6,845,697	1,255,356
Grants and contributions receivable, net	1,222,426	3,447,001
Prepaid expenses and other assets	220,531	188,975
Investments	3,822,463	7,844,401
Intangible asset, net	<u>115,000</u>	<u>115,958</u>
Total Assets	<u>\$ 12,689,381</u>	<u>\$ 13,244,712</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 161,178	\$ 76,333
Accrued retirement plan contribution	<u>381,756</u>	<u>310,311</u>
Total Liabilities	<u>542,934</u>	<u>386,644</u>
Net Assets		
Without donor restrictions	9,838,888	8,228,973
With donor restrictions	<u>2,307,559</u>	<u>4,629,095</u>
Total Net Assets	<u>12,146,447</u>	<u>12,858,068</u>
Total Liabilities and Net Assets	<u>\$ 12,689,381</u>	<u>\$ 13,244,712</u>

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

PROJECT ON GOVERNMENT OVERSIGHT, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

With Summarized Financial Information for the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	2025	2024
Revenue and Support				
Foundation grants	\$ 1,035,926	\$ 1,492,036	\$ 2,527,962	\$ 5,938,670
Contributions from individuals	3,865,779	1,140,031	5,005,810	2,247,862
Net realized and unrealized gain on investments	195,607	--	195,607	945,625
Interest and dividend income, net of fees	450,539	--	450,539	257,581
Contributed services	251,692	--	251,692	44,305
Other income	110,393	--	110,393	15,994
Net assets released from donor restrictions:			--	--
Satisfaction of purpose restrictions	2,643,603	(2,643,603)	--	--
Satisfaction of time restrictions	2,310,000	(2,310,000)	--	--
Total Revenue and Support	<u>10,863,539</u>	<u>(2,321,536)</u>	<u>8,542,003</u>	<u>9,450,037</u>
Expenses				
Program Services:				
General Program and Policy	1,736,478	--	1,736,478	2,406,966
The Constitution Project	1,010,761	--	1,010,761	412,241
POGO Investigates	924,033	--	924,033	--
Program Integrity Alliance	808,480	--	808,480	255,377
Center for Defense Information	751,356	--	751,356	473,883
Pentagon Accountability	543,965	--	543,965	473,560
Congressional Oversight Initiative	417,152	--	417,152	335,406
Census Project	294,231	--	294,231	233,361
Legal	234,245	--	234,245	--
Lobbying	174,457	--	174,457	39,730
Justice, Equity, Diversity, Inclusion	136,720	--	136,720	252,480
FOIA Litigation	96,311	--	96,311	38,749
Transparency in Federal Spending	53,359	--	53,359	243,124
General Investigations and Research	--	--	--	539,779
Customs and Border Protection Oversight	--	--	--	387,040
Civic Engagement	--	--	--	84,088
Surveillance Oversight	--	--	--	72,375
Total Program Services	<u>7,181,548</u>	<u>--</u>	<u>7,181,548</u>	<u>6,248,159</u>
Supporting Services:				
General and administrative	1,149,771	--	1,149,771	774,796
Development	922,305	--	922,305	849,969
Total Supporting Services	<u>2,072,076</u>	<u>--</u>	<u>2,072,076</u>	<u>1,624,765</u>
Total Expenses	<u>9,253,624</u>	<u>--</u>	<u>9,253,624</u>	<u>7,872,924</u>
Change in Net Assets	1,609,915	(2,321,536)	(711,621)	1,577,113
Net Assets, Beginning of Year	<u>8,228,973</u>	<u>4,629,095</u>	<u>12,858,068</u>	<u>11,280,955</u>
Net Assets, End of Year	<u>\$ 9,838,888</u>	<u>\$ 2,307,559</u>	<u>\$ 12,146,447</u>	<u>\$ 12,858,068</u>

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

PROJECT ON GOVERNMENT OVERSIGHT, INC.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2025

With Summarized Financial Information for the Year Ended December 31, 2024

	2025	2024
Cash Flows From Operating Activities		
Change in Net Assets	\$ (711,621)	\$ 1,577,113
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Amortization of intangible asset	63,250	63,250
Net realized and unrealized gains on investments	(195,607)	(945,625)
Loss on disposal of intangible asset	52,708	--
Change in assets and liabilities:		
Grants and contributions receivable	2,224,575	(2,454,506)
Prepaid expenses and other assets	(31,556)	(12,595)
Accounts payable and accrued expenses	84,845	(4,669)
Accrued retirement plan contribution	71,445	(18,389)
Net Cash Provided by (Used in) Operating Activities	<u>1,558,039</u>	<u>(1,795,421)</u>
Cash Flows From Investing Activities		
Purchases of intangible asset	(115,000)	--
Purchases of investments	(972,777)	(713,949)
Proceeds of sale of investments	5,190,322	504,979
Net Cash Provided by (Used in) Investing Activities	<u>4,102,545</u>	<u>(208,970)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,660,584	(2,004,391)
Cash and Cash Equivalents - Beginning of Year	<u>1,648,377</u>	<u>3,652,768</u>
Cash and Cash Equivalents - End of Year	<u>\$ 7,308,961</u>	<u>\$ 1,648,377</u>
Reconciliation of cash and cash equivalents		
Cash – bank account	\$ 463,264	\$ 393,021
Cash equivalents – money market	<u>6,845,697</u>	<u>1,255,356</u>
Total Cash and Cash Equivalents	<u>\$ 7,308,961</u>	<u>\$ 1,648,377</u>

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

PROJECT ON GOVERNMENT OVERSIGHT, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Founded in 1981, the Project on Government Oversight (“POGO”) is a nonpartisan independent watchdog that investigates and exposes waste, corruption, abuse of power, and when the government fails to serve the public or silences those who report wrongdoing. POGO champions reforms to achieve a more effective, ethical, and accountable Federal government that safeguards constitutional principles.

BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) using the accrual basis of accounting.

CASH AND CASH EQUIVALENTS

POGO considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents when purchased. All cash equivalents as of December 31, 2025 consisted of money market funds.

GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable represent unconditional promises to give from foundation grants and contributions from individuals. Grants and contributions receivable that are expected to be collected within one year are recorded at net realizable value. Grants and contributions receivable that are expected to be collected in future years are recorded at the net present value of their estimated future cash flows. The face amount of grants and contributions receivable is also reduced by an allowance for doubtful accounts. The allowance for doubtful accounts reflects the best estimate for probable losses, determined principally on the basis of historical experience and allowances for specifically identified delinquent accounts. All accounts, or portions thereof, that are deemed uncollectible are written off to the allowance for doubtful accounts.

INVESTMENTS

Investments are recorded at their readily determinable fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability through an orderly transaction between market participants at the measurement date. Interest and dividend income and realized and unrealized gains are shown separately in the accompanying statement of activities. Investments acquired by gift are recorded at their fair value at the date of the gift. POGO’s policy is to liquidate all gifts of investments as soon as possible after the gift has been received.

FAIR VALUE MEASUREMENT

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and requires disclosures about fair value measurements for assets and liabilities measured at fair value on a recurring basis. The ASC emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and therefore a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability.

PROJECT ON GOVERNMENT OVERSIGHT, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FAIR VALUE MEASUREMENT (CONTINUED)

As a basis for considering market participant assumptions in fair value measurements, the ASC established a fair value hierarchy based upon the transparency of the inputs to the valuation of an asset or liability. These inputs may be observable, whereby market participant assumptions are developed based on market data obtained from independent sources, and unobservable, whereby assumptions about market participant assumptions are developed by the reporting entity based on the best information available in the circumstances.

The three levels of the fair value hierarchy are described as follows:

LEVEL 1

Inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

LEVEL 2

Inputs other than quoted prices, included in Level 1, that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.

LEVEL 3

Unobservable inputs for the asset or liability, including the reporting entity's own assumptions in determining the fair value measurement.

As of and for the year ended December 31, 2025, POGO's investments, as described in Note 3 to these financial statements, were measured at fair value on a recurring basis.

INTANGIBLE ASSET

Intangible assets purchased in excess of \$2,000 are capitalized and stated at cost. Intangible assets are amortized on a straight-line basis over the estimated useful lives of the related assets, generally three to seven years. The cost of intangible assets retired or disposed of is removed from the accounts along with the related accumulated amortization, and any gain or loss is reflected in income or expense in the accompanying statement of activities. As of December 31, 2025, the entire intangible asset balance of \$115,000 consisted of costs associated with the buildout of POGO's new website. There was no accumulated amortization as the website was placed into service in late December 2025. For the year ended December 31, 2025, amortization expense totaled \$63,250. The amortization related to POGO's previous website and is included in amortization expense in the accompanying statement of functional expenses. The previous website was removed from service at the end of 2025 and POGO recognized a loss of \$52,708, which is included in office and other expenses in the accompanying statement of functional expenses.

PROJECT ON GOVERNMENT OVERSIGHT, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CLASSIFICATION OF NET ASSETS

Net assets available for use in general operations and not subject to donor restrictions are recorded as “net assets without donor restrictions.” Unconditional contributions restricted by donors are reported as increases in “net assets with donor restrictions,” depending on the nature of the restrictions. When a restriction expires, 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 donor restrictions. As of December 31, 2025, POGO had no net assets with donor restrictions that are required to be maintained in perpetuity.

REVENUE RECOGNITION

The majority of POGO’s activities are supported by foundation grants (grants) and contributions from individuals (contributions). Revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Unconditional grants and contributions that have donor restrictions are recognized as grants or contributions “with donor restrictions.”

Unconditional grants and contributions that have been awarded to POGO, but not yet received, are reflected as grants and contributions receivable in the accompanying statement of financial position. A grant or contribution is considered conditional if the agreement includes a measurable performance or barrier and a right of return. Conditional promises to give are not recognized until they become unconditional, that is, when the barriers in the agreement are met. Upon satisfaction of the grant conditions, revenue is reported as without donor restriction in the accompanying statement of activities. Payments from donors received in advance of such conditions being satisfied are recognized as refundable advances. As of December 31, 2025, there were no refundable advances.

CONTRIBUTED SERVICES

Contributed services are recognized in the accompanying statement of activities as revenue and support and as expense, based on the estimated fair value of such services. POGO did not monetize any contributed nonfinancial assets and contributed nonfinancial assets did not have any donor-imposed restrictions.

Contributed services recognized during the year ended December 31, 2025 totaled \$251,692 and consist entirely of pro-bono legal services provided by law firms and others with legal expertise who drafted amicus briefs filed in federal court on behalf of POGO and provided research and drafting support for program reports. Such activities are reflected in program services expense in the accompanying statements of activities and functional expenses. Contributed services are valued and reported at estimated fair value in the financial statements based on current market rates for similar legal services. For those services that do not require special expertise, the estimated value of such contributed services has not been recorded in the accompanying financial statements.

PROJECT ON GOVERNMENT OVERSIGHT, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of POGO are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort. Costs that are allocated primarily include employee benefits and payroll taxes, rent, depreciation and amortization, technology and printing and postage.

USE OF ESTIMATES

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

SUBSEQUENT EVENTS

In preparing these financial statements, POGO has evaluated events and transactions for potential recognition or disclosure through April 14, 2026, the date the financial statements were issued. There were no subsequent events that were required to be recognized in the financial statements or disclosed.

NOTE 2 - GRANTS AND CONTRIBUTIONS RECEIVABLE

As of December 31, 2025, grants and contributions receivable totaled \$1,222,426, which is net of an allowance for doubtful accounts of \$6,250. No discount to present value was recorded as all receivables are due within one year.

As of December 31, 2025, grants and contributions receivable consisted of \$1,060,000 due from three donors, which represents 87% of the grants and contributions receivable balance.

As of December 31, 2025, POGO had \$283,548 due from one donor which was not yet recognized in the financial statements due to POGO not yet meeting donor-imposed conditions. Such conditions include measurable performance criteria which create barriers that must be overcome prior to POGO recognizing the related revenue.

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENT

Investments consisted of the following as of December 31, 2025:

Mutual funds – equities	\$ 1,277,768
Mutual funds – fixed income	<u>2,544,695</u>
Total Investments	<u>\$ 3,822,463</u>

PROJECT ON GOVERNMENT OVERSIGHT, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by POGO are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily value and to transact at that price.

As of December 31, 2025, all investments were classified as Level 1 within the fair value hierarchy.

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

Subject to expenditure for specified purpose:

Center for Defense Information	\$ 1,247,646
Investigation & Research	25,000
Program Integrity Alliance	<u>24,913</u>
Subtotal	1,297,559
Subject to passage of time	<u>1,010,000</u>
Total Net Assets With Donor Restrictions	<u><u>\$ 2,307,559</u></u>

NOTE 5 - RISKS

CONCENTRATION OF CREDIT RISK

POGO maintains its cash balance in bank deposit accounts and money market funds. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. POGO has not experienced any losses in such accounts. POGO believes it is not exposed to any significant financial risk on cash.

CONCENTRATION OF REVENUE

During the year ended December 31, 2025, POGO recorded \$3,500,000 of revenue from contributions from one donor, representing 41% of POGO's total revenue for the year.

PROJECT ON GOVERNMENT OVERSIGHT, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 6 - LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the statement of financial position date comprise the following:

Cash and cash equivalents	\$ 7,308,961
Investments	3,822,463
Grants and contributions receivable, net	<u>1,222,426</u>
Subtotal financial assets	12,353,850
Less:	
Amounts unavailable for general expenditures within one year due to donor purpose restrictions	<u>(1,297,559)</u>
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	<u><u>\$ 11,056,291</u></u>

POGO has a policy to structure its financial assets to be available and liquid as its obligations become due. As of December 31, 2025, POGO had financial assets available to cover more than one year of operating expenses.

NOTE 7 - POGO ACTION, INC.

Due to restrictions on Section 501(c)(3) organizations, POGO Action, Inc. ("POGO Action") was created as a 501(c)(4) organization. POGO Action is organized for purposes of social welfare, including but not limited to conducting research, publicizing findings and advocating for a more effective, accountable, open and ethical Federal government, including proposing good government issues to candidates and to presidential transition teams.

Certain members of management and the Board of Directors of POGO also serve as management and members of the Board of Directors of POGO Action, respectively. However, POGO does not have a controlling financial interest in POGO Action.

POGO and POGO Action entered into a Sharing Agreement in February 2016. During the year ended December 31, 2025, there were no significant shared services provided by POGO to POGO Action and no related shared service revenue was recognized in the accompanying statement of activities.

PROJECT ON GOVERNMENT OVERSIGHT, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 8 - RETIREMENT PLAN

POGO sponsors a 403(b) retirement plan that is available to employees who meet certain eligibility requirements. Employer contributions are discretionary, subject to annual approval of the Board of Directors of POGO. For the year ended December 31, 2025, POGO contributed 8% of each eligible employee's salary to the retirement plan, which totaled \$381,756 and is included as accrued retirement plan contribution in the accompanying statement of financial position. The related expense is included in employee benefits in the accompanying statement of functional expenses.

NOTE 9 – JOINT COSTS

POGO conducts fundraising campaigns that include appeals for contributions as well as program components. POGO allocates the cost of the campaigns to the supported functional categories. The cost of these campaigns totaled \$140,571 for the year ended December 31, 2025, consisting of \$123,801 of program expenses and \$16,770 of development expenses.

NOTE 10 - INCOME TAXES

POGO is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. POGO is not a private foundation.

POGO performed an evaluation of uncertainty in tax positions for the year ended December 31, 2025, and determined that there are no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. There are currently no examinations pending or in progress regarding POGO's tax returns.

NOTE 11 - PRIOR YEAR SUMMARIZED FINANCIAL INFORMATION

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Accordingly, such information should be read in conjunction with POGO's financial statements for the year ended December 31, 2024, from which the summarized information was derived.