POINTS OF LIGHT FOUNDATION

FINANCIAL STATEMENTS

As of and for the Years Ended September 30, 2021 and 2020

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

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Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Board of Directors
Points of Light Foundation
Atlanta, Georgia

Report on the Financial Statements

We have audited the financial statements of Points of Light Foundation (the “Foundation”) (a Delaware nonprofit organization), which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation’s preparation and fair presentation of the financial statements 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 Foundation’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of September 30, 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.

Cherry Bekaert LLP

Atlanta, Georgia
May 31, 2022

POINTS OF LIGHT FOUNDATION
STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2021 AND 2020

ASSETS	2021	2020
Current Assets:		
Cash and cash equivalents	$ 6,612,586	$ 3,595,772
Contributions receivable, net	60,191	199,347
Accounts receivable, net	255,221	106,393
Employee Retention Credit receivable	770,700	-
Prepaid expenses and other assets	1,073,425	1,066,677
Total Current Assets	8,772,123	4,968,189
Noncurrent Assets:		
Investments	10,448,489	8,786,864
Property and equipment, net	3,053,926	3,187,454
Total Assets	$ 22,274,538	$ 16,942,507
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 408,587	$ 338,995
Accrued expenses	1,283,757	799,812
Loan payable, current	95,913	91,863
Notes payable, current	68,128	64,179
Funds held for others	1,977,886	-
Deferred revenue	5,131,041	5,710,821
Total Current Liabilities	8,965,312	7,005,670
Noncurrent Liabilities:		
Paycheck Protection Program loan	-	1,228,773
Loan payable, net of current portion	852,073	948,416
Notes payable, net of current portion	1,565,427	1,633,555
Total Liabilities	11,382,812	10,816,414
Net Assets:		
Without Donor Restrictions:		
Net investment in property and equipment	2,105,940	2,147,175
Undesignated	(157,395)	(3,593,076)
Total Without Donor Restrictions	1,948,545	(1,445,901)
With Donor Restrictions:		
Subject to purpose or time restrictions	701,496	649,609
Endowments	8,241,685	6,922,385
Total With Donor Restrictions	8,943,181	7,571,994
Total Net Assets	10,891,726	6,126,093
Total Liabilities and Net Assets	$ 22,274,538	$ 16,942,507

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

POINTS OF LIGHT FOUNDATION
STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains:			
Corporate partnership revenue	$ 7,194,339	$ -	$ 7,194,339
Program service revenue	851,711	-	851,711
Annual conference revenue	879,845	-	879,845
Membership dues	927,521	-	927,521
Contributions	1,638,779	1,955,000	3,593,779
Donated goods and services	364,616	-	364,616
Investment return, net	342,326	1,319,300	1,661,626
Special event revenue	1,038,216	-	1,038,216
Employee Retention tax credit	1,208,284	-	1,208,284
Rental income	180,285	-	180,285
Other revenue	9,804	-	9,804
Net assets released from restrictions	1,903,113	(1,903,113)	-
Total Revenue, Support, and Gains	16,538,839	1,371,187	17,910,026
Expenses:			
Program Expenses:			
Corporate solutions	3,165,616	-	3,165,616
Capacity building	2,796,309	-	2,796,309
Recognition, youth and family	3,471,878	-	3,471,878
Other program expenses	735,947	-	735,947
Total Program Expenses	10,169,750	-	10,169,750
Supporting Expenses:			
Management and general	4,290,222	-	4,290,222
Fundraising expenses	1,141,966	-	1,141,966
Total Supporting Expenses	5,432,188	-	5,432,188
Total Expenses	15,601,938	-	15,601,938
Other Non-Operating:			
Gain on forgiveness of Paycheck Protection Program loan	2,457,545	-	2,457,545
Change in net assets	3,394,446	1,371,187	4,765,633
Net assets (deficit), beginning of year	(1,445,901)	7,571,994	6,126,093
Net assets, end of year	$ 1,948,545	$ 8,943,181	$ 10,891,726

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

POINTS OF LIGHT FOUNDATION
STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains:			
Corporate partnership revenue	$ 6,751,415	$ -	$ 6,751,415
Program service revenue	945,642	-	945,642
Annual conference revenue	951,189	-	951,189
Membership dues	904,193	-	904,193
Contributions	740,674	2,539,167	3,279,841
Donated goods and services	235,090	-	235,090
Investment return, net	136,871	522,364	659,235
Special event revenue	1,553,758	-	1,553,758
Rental income	247,428	-	247,428
Other revenue	46,138	-	46,138
Net assets released from restrictions	2,274,638	(2,274,638)	-
Total Revenue, Support, and Gains	14,787,036	786,893	15,573,929
Expenses:			
Program Expenses:			
Corporate solutions	2,478,362	-	2,478,362
Capacity building	2,489,459	-	2,489,459
Recognition, youth and family	3,721,747	-	3,721,747
Other program expenses	495,966	-	495,966
Total Program Expenses	9,185,534	-	9,185,534
Supporting Expenses:			
Management and general	4,305,408	-	4,305,408
Fundraising expenses	1,177,553	-	1,177,553
Total Supporting Expenses	5,482,961	-	5,482,961
Total Expenses	14,668,495	-	14,668,495
Change in net assets	118,541	786,893	905,434
Net assets (deficit), beginning of year	(1,564,442)	6,785,101	5,220,659
Net assets (deficit), end of year	$ (1,445,901)	$ 7,571,994	$ 6,126,093

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

POINTS OF LIGHT FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2021

	Program Services					Supporting Expenses			
	Corporate Solutions	Capacity Building	Recognition, Youth and Family	Other Program Expenses	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries and benefits	$ 1,073,128	$ 962,505	$ 1,798,023	$ 356,558	$ 4,190,214	$ 2,874,290	$ 1,042,247	$ 3,916,537	$ 8,106,751
Program and affiliate mission support	1,726,045	917,000	56,696	41,750	2,741,491	1,512	-	1,512	2,743,003
Professional services	284,933	774,877	631,092	88,849	1,779,751	736,264	41,285	777,549	2,557,300
Travel and convening	885	3,471	197,247	30,295	231,898	15,524	975	16,499	248,397
Office expenses	17,418	9,549	43,058	134,000	204,025	144,683	15,352	160,035	364,060
Media, advertising and printing	14,137	21,034	504,139	5,426	544,736	19,896	375	20,271	565,007
Dues and subscription services	36,557	82,717	3,909	4,289	127,472	298,925	32,380	331,305	458,777
Interest, fees, penalties	1,584	5,960	5,524	-	13,068	39,901	1,559	41,460	54,528
Postage and shipping	93	445	147,504	23	148,065	5,441	258	5,699	153,764
Depreciation	10,767	16,193	27,525	74,677	129,162	16,477	6,771	23,248	152,410
Other expenses	69	2,558	57,161	80	59,868	137,309	764	138,073	197,941
Total Expenses	$ 3,165,616	$ 2,796,309	$ 3,471,878	$ 735,947	$ 10,169,750	$ 4,290,222	$ 1,141,966	$ 5,432,188	$ 15,601,938

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

POINTS OF LIGHT FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2020

	Program Services					Supporting Expenses			
	Corporate Solutions	Capacity Building	Recognition, Youth and Family	Other Program Expenses	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries and benefits	$ 1,109,529	$ 1,369,014	$ 1,960,672	$ 244,237	$ 4,683,452	$ 3,036,755	$ 1,031,448	$ 4,068,203	$ 8,751,655
Program and affiliate mission support	720,121	543,811	296,669	-	1,560,601	4,939	-	4,939	1,565,540
Professional services	459,156	323,576	740,386	30,718	1,553,836	364,383	62,437	426,820	1,980,656
Travel and convening	43,771	105,198	69,185	8,111	226,265	80,860	21,440	102,300	328,565
Office expenses	91,782	36,873	78,664	210,424	417,743	172,869	41,151	214,020	631,763
Media, advertising and printing	5,255	5,449	379,939	53	390,696	84,089	167	84,256	474,952
Dues and subscription services	31,561	79,031	16,019	891	127,502	229,204	17,840	247,044	374,546
Interest, fees, penalties	4,499	13,361	35,939	-	53,799	98,415	2,076	100,491	154,290
Postage and shipping	138	607	123,314	563	124,622	6,702	422	7,124	131,746
Depreciation	2,827	11,517	19,813	-	34,157	98,350	-	98,350	132,507
Other expenses	9,723	1,022	1,147	969	12,861	128,842	572	129,414	142,275
Total Expenses	$ 2,478,362	$ 2,489,459	$ 3,721,747	$ 495,966	$ 9,185,534	$ 4,305,408	$ 1,177,553	$ 5,482,961	$ 14,668,495

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

POINTS OF LIGHT FOUNDATION
STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	$ 4,765,633	$ 905,434
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	152,410	132,507
Provision for doubtful accounts receivable	40,475	25,921
Net realized and unrealized gains on investments	(1,559,476)	(535,239)
Gain on forgiveness of Paycheck Protection Program loan	(2,457,545)	-
Noncash rental income in lieu of payment on note payable	(64,179)	(60,458)
Change in operating assets and liabilities:		
Contributions receivable, net	139,156	87,627
Accounts receivable	(189,303)	730,920
Employee Retention Credit receivable	(770,700)	-
Prepaid expenses and other assets	(6,748)	(817,773)
Accounts payable	69,592	(184,324)
Accrued expenses	483,945	(247,169)
Fund held for others	1,977,886	-
Deferred revenue	(579,780)	1,162,055
Net cash flows from operating activities	2,001,366	1,199,501
Cash flows from investing activities:		
Purchase of investments	(102,149)	(8,512,260)
Proceeds from sales of investments	-	8,691,207
Purchase of property and equipment	(18,882)	(257,283)
Net cash flows from investing activities	(121,031)	(78,336)
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loan	1,228,772	1,228,773
Payments on line of credit	-	(504,376)
Principal payments on loan payable	(92,293)	(72,344)
Net cash flows from financing activities	1,136,479	652,053
Net change in cash and cash equivalents	3,016,814	1,773,218
Cash and cash equivalents, beginning of year	3,595,772	1,822,554
Cash and cash equivalents, end of year	$ 6,612,586	$ 3,595,772
Supplemental disclosure of cash flows information:		
Cash paid during the year for interest	$ 34,434	$ 54,248
Loan payable refinanced with new loan payable	$ -	$ 1,070,046

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

Note 1—Description of organization

Points of Light Foundation (the “Foundation”) organized on May 21, 1990, is a not-for-profit organization incorporated under the laws of the state of Delaware. The Foundation works to increase the number of volunteers throughout the world and the impact of the work they do. Funds for the Foundation’s operations are raised primarily through contributions from corporate activations, private and corporate donors, grants from the U.S. government, sponsorships, conference registration, software sales, sale of recognition items, and membership dues.

The Foundation mobilizes millions of people through direct outreach, its 177 affiliates in 37 countries around the world, and partnerships with corporate, faith, and nonprofit organizations. The Foundation brings the power of volunteers to bear on a wide range of issues from hunger to veteran support and education to emergency preparedness.

The Foundation works with companies to find innovative ways to engage their employees and customers in volunteer service; encourages companies to deploy their greatest resource – their employees’ time and talents – to help solve pressing social problems. The Foundation also works to support youth by partnering with teachers, parents, schools, community organizations, and businesses. The Foundation’s youth service enterprise, GenerationOn, gives kids the tools and resources they need in service and volunteering and to make their mark on the world.

The Foundation manages signature events, programs, and projects for national days of service. The Foundation’s annual Conference on Volunteering and Service is the world’s largest gathering of volunteer service leaders, bringing together nonprofit, corporate, and government leaders each year to learn, exchange ideas, and develop volunteer-driven solutions to 21st-century challenges.

The Foundation recognizes the contributions of volunteers. The Daily Point of Light Award, established by President George H.W. Bush during his presidency, honors individuals and groups improving their communities. Another award, the President’s Volunteer Service Award, encourages and recognizes citizens for their commitment to ongoing volunteer service and civic engagement.

Note 2—Summary of significant accounting policies

Basis of Accounting – The financial statements of the Foundation are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Basis of Presentation – The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

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 Foundation. These net assets may be used at the discretion of the Foundation’s management and the board of directors. The Foundation has chosen to provide further classification information about net assets without donor restrictions on the statements of financial position. The sub-classifications are as follows:

Net Investment in Property and Equipment – Represents net assets invested in property and equipment, net of accumulated depreciation and related debt.

Undesignated – Represents cumulative net assets without donor restrictions excluding those net assets invested in property and equipment.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by the donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Note 2—Summary of significant accounting policies (continued)

When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Expenses are reported as decreases in net assets without donor restrictions. State law (substantially in conformity with the *Uniform Prudent Management of Institutional Funds Act of 2007*) authorizes expenditures of appreciation (both realized and unrealized) in the value of endowment funds subject to a standard of business care and prudence. Investment returns on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donors or state law.

Cash and Cash Equivalents – The Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Foundation has deposits at financial institutions that exceed the amount of available federal insurance coverage. The Foundation mitigates this risk by depositing and investing cash with major financial institutions. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Contributions and Contributions Receivable, net – Contributions are recognized when cash, other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return or right of release, are not recognized until the conditions on which they depend have been substantially met. Contributions revenue is reported as increases in net assets without donor restriction unless its use is restricted by explicit donor stipulations or time.

Contributions of assets other than cash are recorded at their estimated fair value at the date the donation is received, stock contributions are immediately liquidated upon receipt and the cash value is recorded.

Contributions, including unconditional promises to give, that are expected to be collected within one year are recognized as revenue in the period received and reported, at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, utilizing discount rates commensurate with the associated risk. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions in the statements of activities. An allowance for uncollectible contributions receivable is provided based upon management’s judgment, including such factors as the age of the receivable, creditworthiness of parties, historical collection experience, type of contribution, and nature of fund-raising activity.

Contributions receivable are comprised primarily of unconditional contributions for general support of the Foundation and promises to give from the annual gala.

Accounts Receivable, net – Accounts receivable are stated at cost less an allowance for doubtful accounts. Management’s determination of the allowance for doubtful accounts is based on an evaluation of the accounts receivable, past experience, current economic conditions, and other risks inherent in the accounts receivable portfolio.

Investments – Investments are reported at fair value. Fair value is determined by reference to exchange or dealer-quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar investment securities. Changes in fair value of securities are reflected as investment returns, net in the statements of activities. Investment returns on investments are reported as increases or decreases in net assets without restrictions unless their use is restricted by explicit donor stipulations or time.

Note 2—Summary of significant accounting policies (continued)

Property and Equipment, net – Property and equipment are recorded at cost or, in the case of donated property and equipment, at fair value at the time of the contribution. Leasehold improvements represent the cost of the build out on leased property and are being amortized over the life of the lease. Expenditures for property and equipment in excess of $5,000 are capitalized. Property and equipment are depreciated on a straight-line basis over the estimated useful life of each asset.

Buildings and building improvements	25 years
Furniture and fixtures	5 years
Leasehold improvements	Lesser of 10 years or lease term
Equipment	3 years

Long-Lived Asset Impairment – The Foundation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds fair value. No asset impairment was recognized during the years ended September 30, 2021 and 2020.

Funds Held for Others – During the year ended September 30, 2021, the Foundation entered into an arrangement with a donor whereby the donor retains the unilateral power to direct the transferred assets to specified beneficiaries. As the Foundation, therefore, does not have variance power in those contributions these transactions are recorded as agency transactions. Total funds received and paid out to beneficiaries totaled $7,245,168 for the year ended September 30, 2021. Amounts received but not distributed at September 30, 2021 totaling $1,977,886 are recorded as funds held for others on the statement of financial position. Fees received during the year ended September 30, 2021, for the Foundation managing this program for the donor totaled $535,611 which is recorded in corporate partnership revenue on the statement of activities.

Deferred Revenue – Deferred revenue represents income which has been received, but for which the prescribed services have not yet been performed as estimated by management. This revenue will be recognized as income when the related services are provided.

Fair Value of Financial Instruments – Assets and liabilities recorded at fair value in the statements of financial position are categorized based on the level of judgment associated with the inputs to measure their fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. There is a three-tier fair value hierarchy that distinguishes between assumptions based on market data (observable inputs) and the Foundation's assumptions (unobservable inputs). Fair value measurements are classified under the following hierarchy:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Pricing inputs other than Level 1 which are either directly or indirectly observable.

Level 3 – Unobservable pricing inputs developed using the Foundation's estimates and assumptions, which reflect those that market participants would use in pricing an asset or liability.

The carrying amounts of cash and cash equivalents, accounts receivable, contribution receivables, and accounts payable and accrued expenses approximate fair value because of the relative terms and short maturity of these financial instruments. The carrying value of loans and notes payable approximates fair value since the interest rates for that debt is equal to what the Foundation would incur based on prevailing interest rates of observable inputs for similar debt and terms of the various debt agreements.

Note 2—Summary of significant accounting policies (continued)

Revenue Recognition – Effective October 1, 2020, the Foundation adopted ASC Topic 606, *Revenue from Contracts with Customers (“ASC 606”)*. This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers. The Foundation adopted the standard using the modified retrospective approach to those contracts not completed as of October 1, 2020. The Foundation determined no adjustments were necessary as a result of adopting ASC 606.

The Foundation contracts with its customers to provide the following goods and services:

- **Corporate Activation –** The Foundation provides corporate activation services to help assist customers in developing service opportunities for the customers employees to participate in. Obligations under these contracts typically include providing full-service project management for volunteer projects, establishing volunteer service opportunities including creating sessions for employee to learn about the service opportunities and reflect and recognize the service performed and assist with finding appropriate organizations in need of grants and aid for the customer to assist. Under these contracts, the project management and the volunteer sessions are considered separate performance obligations. The project management obligation is recognized over the life of the contract period. The volunteer session obligation is recognized over time based on the output method.

- **Consulting –** The Foundation provides consulting services to corporate partners to help customers determine areas in which they can serve their community through service projects or grants. Obligations under these contracts typically include consulting with a customer to determine service opportunities or aiding customers in finding appropriate recipients for grants. The consulting services are recognized over time for services performed in relation to assisting customers with finding service opportunities in their area. Services related to helping the customer find appropriate recipients or grants is recognized at a point in time when the customer approves the recipients. The Foundation also provides training materials to customers for them to use with their employees to train them on the impacts of service opportunities and how they impact the community. The Foundation creates the training materials for each customer and customizes them for the customers corporation. The revenue from the training services is recognized at a point in time when the training materials are delivered to the customer.

- **Capacity Building –** Obligations under these contracts typically include providing sites with Capacity Building Grants, running the plans to distribute the funds, and providing Points of Light executive support. The services related to the capacity building grants is recognized over time based on the amount of grant service provided. The executive support services are recognized over the life of the contract as this obligation creates a “stand-by” obligation for the Foundation to assist the customer over the life of the contract.

- **License Agreement –** Obligations under these contracts typically includes the technical support to ensure a successful integration of the Application Programming Interface (“API”) and supporting the maintenance of the API. The support services for integrating and maintaining the API are recognized over the life of the contract.

- **Membership –** Obligations under these contracts typically include providing access to customers of the many programs offered by the Foundation along with basic technical assistance for the programs. The membership service revenue is recognized over the life of the contract.

- **Annual Conference –** The Foundation hosts the annual Conference on Volunteering and Service which brings in registration fees and corporate sponsorships. Annual conference revenue is recognized at a point in time when the conference has been completed.

Note 2—Summary of significant accounting policies (continued)

- **Special Events –** The Foundation hosts various special events during the year as part of its fundraising activities. The revenue from these special events consists of the cost of direct benefit to the donors plus a contribution component. The Foundation recognizes the exchange portion upon completion of the event and the contribution component in accordance with ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*.

Exchange revenue by service type for the years ended September 30, 2021 and 2020 are as follows:

	2021	2020
Corporate Partnership Revenue:		
Corporate activation	$ 2,762,078	$ 3,312,872
Consulting	2,745,301	1,150,621
Capacity building	1,561,960	2,201,422
Training	125,000	86,500
Subtotal corporate partnership revenue	7,194,339	6,751,415
Program Service Revenue:		
President's Volunteer Service Award	685,605	740,587
License fees and other program service revenue	166,106	205,055
Subtotal program service revenue	851,711	945,642
Membership	927,521	904,193
Annual conference	879,845	951,189
Other revenue	9,804	46,138
Total exchange revenue by service type	$ 9,863,220	$ 9,598,577

Donated Goods and Services – Volunteers have made contributions of their time to the Foundation's program and supporting services. The value of this contributed time is not reflected in the financial statements since it does not require a specialized skill.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated goods or services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received as revenue and expense. Donated goods and services received totaled $364,616 and $235,090 for the years ended September 30, 2021 and 2020, respectively.

Functional Expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program and supporting services. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Employee benefits	Proportion of salaries charged directly to each program
Depreciation	Number of FTEs and square footage
Facilities costs	Number of FTEs and square footage

Note 2—Summary of significant accounting policies (continued)

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in these financial statements and disclosures. Although these estimates are based on management's best knowledge of current events and actions that the Foundation may undertake in the future, actual results may be different from the estimates. Significant items subject to such estimates and assumptions include but are not limited to, carrying amount of property and equipment and allowances and discounts for contributions receivables. Actual results could differ from those estimates.

Income Tax Status – The Foundation has received a determination letter from the Internal Revenue Service ("IRS") stating that it qualifies for exemption from federal income taxes as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code ("IRC"). The Foundation evaluates its uncertain tax positions using the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*. The Foundation follows the criterion that an individual tax position has to meet some or all of the benefits of that position to be recognized in the Foundation's financial statements. The Foundation has a policy to record interest and penalties, if any, related to income tax matters in income tax expense. The Foundation has applied the more likely than not criterion to all the tax positions for which the statute of limitations remain open and has determined that the tax positions satisfy such criterion and that no provision for income taxes is required for the years ended September 30, 2021 and 2020.

Future Pronouncements – In February 2016, FASB issued ASU 2016-02, *Leases*. This guidance introduces a lessee model that brings substantially all leases on the statement of financial position. The main difference between the guidance in ASU 2016-02 and current U.S. GAAP is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under current U.S. GAAP. This guidance is effective for Foundation for the year ending September 30, 2023. Management is currently evaluating the impact of this standard on the Foundation's financial statements.

In September 2020, FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU will require not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. In addition, for each category of contributed nonfinancial assets recognized, the following will have to be disclosed: (1) qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, an not-for-profit will disclose a description of the programs or other activities in which those assets were used; (2) the not-for-profit's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets; (3) a description of any donor-imposed restrictions associated with the contributed nonfinancial assets; and (4) a description of the valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in Topic 820*, Fair Value Measurement*, at initial recognition. This standard is effective for the fiscal year ending September 30, 2022. Management is currently evaluating the impact of this standard on the Foundation's financial statements.

Note 3—Liquidity and availability of resources

The table below represents financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year at September 30:

	2021	2020
Financial assets at year-end:		
Cash and cash equivalents	$ 6,612,586	$ 3,595,772
Contributions receivable, net	60,191	199,347
Accounts receivable, net	255,221	106,393
Employee retention credit receivable	770,700	-
Investments	10,448,489	8,786,864
Total financial assets	18,147,187	12,688,376
Less amounts not available to be used for general expenditures within one year:		
Fund held for others	1,977,886	-
Subject to donor purpose or time restrictions	701,496	649,609
Endowment	8,241,685	6,922,385
Financial assets not available to be used within one year	10,921,067	7,571,994
Financial assets available to meet general expenditures	$ 7,226,120	$ 5,116,382

The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Foundation has a committed line of credit of $3,000,000, which it can draw upon (See Note 7). At September 30, 2021, the Foundation had a balance of $3,000,000 available to draw on the line of credit.

Note 4—Contributions and accounts receivable, net

Contributions receivable consist of the following at September 30:

	2021	2020
Amounts due in:		
Less than one year	$ 79,191	$ 214,347
Less allowance for doubtful contributions receivable	(19,000)	(15,000)
Total contributions receivable, net	$ 60,191	$ 199,347

Accounts receivable consist of the following at September 30:

	2021	2020
Program receivables	$ 292,921	$ 121,643
Less allowance for doubtful accounts	(37,700)	(15,250)
Total accounts receivable, net	$ 255,221	$ 106,393

Note 5—Investments

Investments are recorded at fair value and are composed of the following:

September 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Exchange traded funds:				
Equities	$ 6,810,711	$ -	$ -	$ 6,810,711
Fixed income	2,972,448	-	-	2,972,448
Money market funds	665,330	-	-	665,330
Total investments	$ 10,448,489	$ -	$ -	$ 10,448,489
September 30, 2020				
Exchange traded funds:				
Equities	$ 5,544,520	$ -	$ -	$ 5,544,520
Fixed income	2,723,332	-	-	2,723,332
Money market funds	519,012	-	-	519,012
Total investments	$ 8,786,864	$ -	$ -	$ 8,786,864

Investment returns consist of the following for the years ended September 30:

	2021	2020
Interest and dividends	$ 141,717	$ 158,986
Unrealized gains (losses), net	1,105,466	(819,665)
Realized gains, net	454,010	1,354,904
Investment fees	(39,567)	(34,990)
	$ 1,661,626	$ 659,235

Note 6—Property and equipment, net

Property and equipment, net consist of the following at September 30:

	2021	2020
Land	$ 973,107	$ 973,107
Building and building improvements	3,067,259	3,067,259
Furniture and fixtures	189,254	174,173
Leasehold improvements	86,911	83,109
Equipment	5,750	5,750
Subtotal	4,322,281	4,303,398
Less accumulated depreciation	(1,268,355)	(1,115,944)
Property and equipment, net	$ 3,053,926	$ 3,187,454

Depreciation expense for the years ended September 30, 2021 and 2020 was $152,410 and $132,507, respectively.

Note 7—Line of credit

On January 9, 2017, the Foundation entered into a short-term, secured line of credit with maximum borrowings of $3,850,000 with a commercial bank to meet short-term cash requirements, bearing a variable interest rate of 30-day LIBOR plus 1.75%. This agreement was secured by investments deposited with the lender and other assets of the Foundation. The bank could demand partial or full payment of the credit line obligations at any time. Advances under the line of credit arrangement were automatically renewed annually and had no specific term or duration. The balance on this line of credit was paid in full in December 2019 and the agreement was terminated.

On December 18, 2019, the Foundation entered into a secured line of credit arrangement with maximum borrowings of $3,000,000 with a commercial bank to meet short-term cash requirements, bearing a variable interest rate of prime plus 1.50%. At September 30, 2021 and 2020, the interest rate on the line of credit was 2.50%. Repayment terms are interest only payments and all outstanding principal and interest is due at maturity on December 18, 2021.This agreement was secured by endowment investments deposited with the lender. The bank may demand partial or full payment of the credit line obligations at any time. At September 30, 2021, there were no outstanding borrowings on this line of credit arrangement. The line of credit was extended on January 28, 2022 with similar terms and matures on January 28, 2024.

Note 8—Long-term debt

Long-term debt consists of the following at September 30:

	2021	2020
Loan payable	$ 947,986	$ 1,040,279
Note payable - Hands on Atlanta	1,633,555	1,697,734
	2,581,541	2,738,013
Less current portion	(164,041)	(156,042)
Total long-term debt	$ 2,417,500	$ 2,581,971

On October 5, 2011, the Foundation and Hands On Atlanta ("HOA") entered into an agreement for the Foundation to purchase the building and land from HOA for a total purchase price of $3,925,000. The purchase price was funded with proceeds from a $1,800,000 commercial loan with a bank and issuance of a $2,125,000 note payable to HOA. The Foundation and HOA simultaneously signed a 25-year lease agreement which allows HOA to lease space in the building from the Foundation. The Foundation and HOA agreed, in lieu of making payments on the note payable or rental payments the amounts owed between the parties would be offset on an annual basis. The note payable represents the present value of the rent due over the course of the lease, discounted at 6%. If the Foundation sells the building, the outstanding note payable balance at the sale date, which would be equivalent to the present value of the remainder of the prepaid rent, would be due to HOA. In addition, in accordance with the purchase agreement of the building and land, HOA also transferred its interest in a $750,000 endowment to the Foundation. The earnings on this endowment are restricted to be used for major maintenance on the building (See Note 14).

The $1,800,000 bank loan is collateralized by the acquired land and building and bears interest at a fixed rate of 5.99%. On December 20, 2013, the Foundation executed an amendment to loan agreement, which changed the interest rate of the loan from 5.99% to 4.99%. Monthly principal and interest payments on the loan are based on a 20-year amortization schedule and a balloon payment for the balance at the end of 10 years (2021). The Foundation was required to adhere to various covenants under the bank loan. On May 5, 2020, the Foundation entered into a 10-year loan agreement with a commercial bank to refinance $1,070,046 of the remaining loan balance from the original loan of $1,800,000. The bank loan is collateralized by the acquired land and building and bears interest at a fixed rate of 3.50%. Monthly principal and interest payments of $10,607 began June 15, 2020 through the maturity date of May 15, 2030. The balance of the loan as of September 30, 2021 is $947,986.

Maturities of long-term debt in periods subsequent to September 30, 2021 are as follows:

	Loan Payable	HOA Note Payable	Total
2022	$ 95,913	$ 68,128	$ 164,041
2023	99,172	72,340	171,512
2024	102,475	76,801	179,276
2025	106,023	81,539	187,562
2026	109,626	86,567	196,193
Thereafter	434,777	1,248,180	1,682,957
	$ 947,986	$ 1,633,555	$ 2,581,541

Note 9—Paycheck Protection Program loan

On April 13, 2020, the Foundation received a loan under the Paycheck Protection Program ("PPP") for an amount of $1,228,773, which was established under the Coronavirus Aid, Relief and Economic Security ("CARES") Act and administered by the Small Business Administration ("SBA"). On February 9, 2021, the Foundation received a second loan und the Paycheck Protection Program for an amount of $1,228,772. The Foundation accounted and reported PPP loans under ASC 470, *Debt*. The application for the PPP loan requires the Foundation to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operation of the Foundation. This certification further requires the Foundation to consider its current business activity and its ability to access other sources of liquidity sufficient to support the ongoing operations in a manner that is not significantly detrimental to its operations.

The receipt of the funds from the PPP loans and the forgiveness of the PPP loans is dependent on the Foundation having initially qualified for the PPP loans and qualifying for the forgiveness of such PPP loans based on funds being used for certain expenditures such as payroll costs and rent, as required by the terms of the PPP loans.

The Foundation received forgiveness from the SBA in full for the first PPP loan April 13, 2020, and the second PPP loan on February 21, 2021. As a result, the Foundation recognized a gain on forgiveness of its PPP loans of $2,457,545 during the year ended September 30, 2021 in the statement of activities.

Note 10—Related party transactions

During the years ended September 30, 2021 and 2020, the Foundation received $87,841 and $102,276, respectively, in contributions from members of its Board of Directors. There were contributions receivable of $6,000 from members of the Board of Directors as of September 30, 2021. There were no contributions receivable from members of the Board of Directors as of September 30, 2020.

Note 11—Retirement plans

The Foundation provides a 403(b) retirement plan (the "Plan") for all employees. Under the Plan, the Foundation matches 50% of employee contributions to the Plan up to a maximum of 3.5% of each employee's annual compensation, as defined by the Plan agreement and can make additional discretionary contribution. During the years ended September 30, 2021 and 2020, the Foundation paid $174,438 and $179,004, respectively, in matching contributions to the Plan and made no discretionary contribution.

On December 1, 2017, the Foundation also began sponsoring a 457(b) Deferred Compensation Plan (the "Deferred Compensation Plan") primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees who are eligible for participation and elect to make salary deferrals under the Deferred Compensation Plan. These assets are fully vested and available to the participating employees at the point of termination of employment from the Foundation. As of September 30, 2021 and 2020, the Foundation held assets of $88,497 and $57,656 and under the Deferred Compensation Plan. These assets are reported in other assets on the statements of financial position and are designated by the Foundation to pay future payments. The associated Deferred Compensation Plan liabilities mirroring the amounts noted above reported in accrued expenses on the statements of financial position at September 30, 2021 and 2020, respectively.

Note 12—Commitments and contingencies

Operating Leases – The Foundation has entered into various lease agreements. The Foundation is a party to a lease agreement for the parking lot adjacent to the Atlanta office space. This lease agreement can be terminated by the lessor at any time. The Foundation also leases office space in New York and Washington, DC and leases office equipment for its various facilities.

Rent expense for these leases was $61,528 and $265,117 for the years ended September 30, 2021 and 2020, respectively.

Future minimum lease payments required under these leases are as follows:

2022	$11,048

Note 13—Net assets with donor restrictions

Net assets with donor restrictions at September 30, 2021 and 2020, have been restricted by the donors for the following purpose restrictions:

	2021	2020
Subject to purpose restriction:		
Capacity building	$ 376,535	$ 526,688
Program - other	72,949	-
Corporate solutions	203,454	52,841
Service Enterprise Program	48,558	70,080
Total subject to purpose restriction	701,496	649,609
Subject to NFP spending policy and appropriation:		
Endowment corpus invested in perpetuity	6,027,720	6,027,720
Accumulated earnings on endowments restricted for use as follows:		
General operations	2,050,484	920,537
Building maintenance	163,481	(25,872)
	2,213,965	894,665
Total subject to NFP spending policy and appropriation	8,241,685	6,922,385
Total net assets with donor restrictions	$ 8,943,181	$ 7,571,994

Note 13—Net assets with donor restrictions (continued)

Net assets with donor restrictions for the years ended September 30, 2021 and 2020, were released from donor restrictions by incurring expense satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	2021	2020
Purpose restrictions accomplished:		
Capacity building	$ 423,075	$ 1,090,812
Recognition, youth and family program services	385,000	485,000
Other program expenses	627,050	170,000
Corporate solutions	266,546	88,826
Management and general	-	125,000
Service enterprise program	201,442	-
Appropriation from endowment assets for expenditure	-	315,000
Total net assets released from restrictions	$ 1,903,113	$ 2,274,638

Note 14—Endowments

The Foundation's donor-restricted endowments consist of endowments that support general operations and building maintenance. The Foundation's endowments are subject to the general provisions of the *Uniform Prudent Management of Institutional Funds Act* ("UPMIFA"). Under the provisions of this state law, the Board of Directors may appropriate for expenditure underwater endowment funds as is deemed prudent for the uses and purposes for which the endowment funds were established. The Foundation has applied U.S. GAAP when allocating investment gains to the net asset classes.

The Foundation has interpreted UPMIFA as requiring the preservation of the historic value (corpus) of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (1) the original value of gifts donated to permanent endowments, (2) the original value of subsequent gifts to permanent endowments, and (3) accumulations to permanent endowments made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the funds. If endowment assets earn investment returns beyond the amount necessary to maintain the endowment assets' historic value, such excess is available for appropriation and, therefore, classified as net assets with donor restrictions until appropriated by the Foundation for expenditure. The Foundation considers available endowment earnings as being appropriated for expenditure when the actual qualified expenditure occurs.

In accordance with the UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund;
(2) The purposes of the donor-restricted endowment fund;
(3) General economic conditions;
(4) The possible effect of inflation or deflation;
(5) The expected total return from income and the appreciation of investments;
(6) Other resources of the Foundation; and
(7) The investment policies of the Foundation.

Note 14—Endowments (continued)

At September 30, 2021 and 2020, the Foundation had the following endowment net assets composition:

September 30, 2021	Without Donor Restrictions	With Donor Restrictions	Total
Original donor restricted gift amounts required to be maintained into perpetuity by the donor	$ -	$ 6,027,720	$ 6,027,720
Accumulated investment earnings	-	2,213,965	2,213,965
Endowment net assets	$ -	$ 8,241,685	$ 8,241,685
September 30, 2020			
Original donor restricted gift amounts required to be maintained into perpetuity by the donor	$ -	$ 6,027,720	$ 6,027,720
Accumulated investment earnings	-	894,665	894,665
Endowment net assets	$ -	$ 6,922,385	$ 6,922,385

Changes in endowment net assets for the years ended September 30, 2021 and 2020 are as follows:

	September 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, October 1, 2020	$ -	$ 6,922,385	$ 6,922,385
Investment return, net	-	1,319,300	1,319,300
Appropriation of endowment assets for expenditure	-	-	-
Endowment net assets, September 30, 2021	$ -	$ 8,241,685	$ 8,241,685

	September 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, October 1, 2019	$ -	$ 6,715,021	$ 6,715,021
Investment return, net	-	522,364	522,364
Appropriation of endowment assets for expenditure	-	(315,000)	(315,000)
Endowment net assets, September 30, 2020	$ -	$ 6,922,385	$ 6,922,385

Note 14—Endowments (continued)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the Foundation is required to retain as a fund of perpetual duration pursuant to donor stipulation or UPMIFA. The Foundation has interpreted UMPIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At September 30, 2021, there no such deficiencies. At September 30, 2020, funds with an original gift value of $750,000, fair values of $724,128 and deficiencies of $25,872 were reported in net assets with donor restrictions. These deficiencies resulted from approved appropriation of endowment fund earnings that was deemed prudent by the Board of Directors of the Foundation and approved by the donor.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Under this policy, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of relevant market indices while assuming a moderate level of investment risk.

In order to satisfy its long-term rate of return objectives, the Foundation's investment strategy is to approximate the returns of a balanced portfolio that is 60% stock and 40% bonds. The performance guideline for a balanced portfolio would be the S&P 500 for the stock portion, the Barclays Aggregate Bond index for the bonds, and the US Treasury Bill (3 Month) for the cash. The Foundation guideline allows the portfolio allocation to be adjusted to move anywhere between 50% to 70% stock and 30% to 50% bonds, allowing to maintain up to a 10% cash balance. The Foundation portfolio is a diversified balanced portfolio. The overall diversified balanced approach is a moderate risk approach.

The Foundation has a policy (the spending policy) of appropriating for expenditure annually 5% of its endowment fund's average fair value as measured over a three-year market period. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow annually. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return. During the year ended September 30, 2021, the Foundation did not appropriate any earnings for distribution as allowed under the spending limit policy, to strengthen the future earnings potential of its endowments.

Note 15—Employee Retention Credit

The Foundation is eligible for the Employee Retention Credit ("ERC") under the CARES Act. ERCs are accounted and reported as conditional contributions under ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. The Foundation received $437,584 of ERC prior to September 30, 2021, which represents Form 941 Employer Quarterly Federal Tax Return refund payments for the quarter ended June 2021. Grants receivable for the ERC at September 30, 2021 are $770,700 which represents refunds due on the 2021 Form 941 Employer Quarterly Federal Tax Return for the quarter ended March 2021 and 2020 Form 941-X Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund for the quarters ended March 2020, June 2020, September 2020, and December 2020.

Note 16—Risks and uncertainties

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") a global pandemic, which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in the financial markets. As a result of the spread of COVID-19, economic uncertainties have arisen, which may likely negatively impact operating results of the Foundation. Other financial impacts could occur though such potential impact is unknown at this time.

Note 17—Subsequent events

Management has evaluated all events or transactions through May 31, 2022, the date the financial statements are available for issuance, for potential recognition or disclosure in the financial statements.

On December 21, 2021, the Foundation entered into an agreement with a buyer to sell the building that the Foundation currently occupies for a purchase price of $8,650,000.