POINTS OF LIGHT FOUNDATION

FINANCIAL STATEMENTS

As of and for the Years Ended September 30, 2024 and 2023

And Report of Independent Auditor

Cherry Bekaert LLP
Your Guide Forward

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Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

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

Opinion

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, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with 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 the Foundation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Cherry Bekaert LLP

Atlanta, Georgia
March 14, 2025

POINTS OF LIGHT FOUNDATION
STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2024 AND 2023

ASSETS	2024	2023
Current Assets:		
Cash and cash equivalents	$ 3,506,823	$ 4,924,505
Contributions receivable	831,500	244,600
Accounts receivable, net	987,597	1,279,756
Employee Retention Credit receivable	-	310,833
Prepaid expenses and other assets	1,687,541	1,151,950
Total Current Assets	7,013,461	7,911,644
Noncurrent Assets:		
Investments	12,931,251	14,369,882
Property and equipment, net	92,209	-
Right-of-use asset, operating leases	48,167	134,052
Total Assets	$ 20,085,088	$ 22,415,578
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 177,140	$ 715,721
Accrued expenses	1,254,158	979,522
Grants payable	2,788,200	3,652,300
Line of credit	-	1,000,000
Deferred revenue	3,297,008	4,107,302
Lease liability, current portion	48,167	99,673
Total Current Liabilities	7,564,673	10,554,518
Noncurrent Liabilities:		
Lease liability, net of current portion	-	34,379
Total Liabilities	7,564,673	10,588,897
Net Assets:		
Without Donor Restrictions:		
Undesignated	5,112,734	3,812,145
Total Without Donor Restrictions	5,112,734	3,812,145
With Donor Restrictions:		
Subject to purpose or time restrictions	202,025	389,420
Endowments	7,205,656	7,625,116
Total With Donor Restrictions	7,407,681	8,014,536
Total Net Assets	12,520,415	11,826,681
Total Liabilities and Net Assets	$ 20,085,088	$ 22,415,578

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, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains:			
Corporate partnership revenue	$ 8,323,558	$ -	$ 8,323,558
Program service revenue	1,711,245	-	1,711,245
Annual conference revenue	1,823,089	-	1,823,089
Membership dues	1,073,875	-	1,073,875
Contributions	1,018,280	10,858,741	11,877,021
Donated goods and services	484,088	-	484,088
Investment return, net	799,184	1,495,180	2,294,364
Special events revenue	3,196,150	-	3,196,150
Other revenue	26,377	-	26,377
Net assets released from restrictions	12,960,776	(12,960,776)	-
Total Revenue, Support, and Gains	31,416,622	(606,855)	30,809,767
Expenses:			
Program Expenses:			
Corporate programs	15,126,022	-	15,126,022
Program evaluation, network and non-governmental organizations	2,378,781	-	2,378,781
Convenings	3,253,290	-	3,253,290
Other program expenses	529,449	-	529,449
Total Program Expenses	21,287,542	-	21,287,542
Supporting Expenses:			
Management and general	6,635,217	-	6,635,217
Fundraising expenses	2,193,274	-	2,193,274
Total Supporting Expenses	8,828,491	-	8,828,491
Total Expenses	30,116,033	-	30,116,033
Change in net assets	1,300,589	(606,855)	693,734
Net assets, beginning of year	3,812,145	8,014,536	11,826,681
Net assets, end of year	$ 5,112,734	$ 7,407,681	$ 12,520,415

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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains:			
Corporate partnership revenue	$ 10,070,748	$ -	$ 10,070,748
Program service revenue	1,243,435	-	1,243,435
Annual conference revenue	1,466,219	-	1,466,219
Membership dues	907,875	-	907,875
Contributions	1,059,808	10,918,705	11,978,513
Donated goods and services	286,875	-	286,875
Investment return, net	587,359	868,330	1,455,689
Special events revenue	1,291,455	-	1,291,455
Other revenue	18,044	-	18,044
Net assets released from restrictions	10,908,517	(10,908,517)	-
Total Revenue, Support, and Gains	27,840,335	878,518	28,718,853
Expenses:			
Program Expenses:			
Corporate programs	15,789,704	-	15,789,704
Program evaluation, network and non-governmental organizations	2,808,038	-	2,808,038
Convenings	2,959,041	-	2,959,041
Other program expenses	378,557	-	378,557
Total Program Expenses	21,935,340	-	21,935,340
Supporting Expenses:			
Management and general	5,753,230	-	5,753,230
Fundraising expenses	1,097,625	-	1,097,625
Total Supporting Expenses	6,850,855	-	6,850,855
Total Expenses	28,786,195	-	28,786,195
Change in net assets	(945,860)	878,518	(67,342)
Net assets, beginning of year	4,758,005	7,136,018	11,894,023
Net assets, end of year	$ 3,812,145	$ 8,014,536	$ 11,826,681

POINTS OF LIGHT FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2024

	Program Services					Supporting Expenses			
	Corporate Programs	Program Evaluation, Network, and Non-governmental Organizations	Convenings	Other Program Expenses	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries and benefits	$ 1,853,793	$ 730,500	$ 941,226	$ 239,572	$ 3,765,091	$ 4,063,444	$ 1,741,190	$ 5,804,634	$ 9,569,725
Program and affiliate mission support	13,031,180	421,570	70,847	-	13,523,597	-	-	-	13,523,597
Professional services	128,722	194,811	1,461,963	88,454	1,873,950	1,081,950	325,019	1,406,969	3,280,919
Travel and convening	68,284	206,393	592,834	1,154	868,665	269,811	56,863	326,674	1,195,339
Office expenses	435	1,105	1,372	-	2,912	319,374	337	319,711	322,623
Media, advertising, and printing	11,101	757,651	72,258	139,072	980,082	129,775	1,946	131,721	1,111,803
Dues and subscription services	25,749	2,288	20,681	61,031	109,749	568,206	48,376	616,582	726,331
Interest, fees, penalties	178	56,407	18,709	146	75,440	64,817	1,388	66,205	141,645
Postage and shipping	585	6,001	19,178	20	25,784	6,215	497	6,712	32,496
Depreciation	-	-	-	-	-	21,575	-	21,575	21,575
Other expenses	5,995	2,055	54,222	-	62,272	110,050	17,658	127,708	189,980
Total Expenses	$ 15,126,022	$ 2,378,781	$ 3,253,290	$ 529,449	$ 21,287,542	$ 6,635,217	$ 2,193,274	$ 8,828,491	$ 30,116,033

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, 2023

	Program Services					Supporting Expenses			
	Corporate Programs	Program Evaluation, Network, and Non-governmental Organizations	Convenings	Other Program Expenses	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries and benefits	$ 1,568,258	$ 1,037,378	$ 721,777	$ 358,199	$ 3,685,612	$ 3,558,210	$ 1,028,809	$ 4,587,019	$ 8,272,631
Program and affiliate mission support	13,845,623	151,564	277,209	-	14,274,396	-	-	-	14,274,396
Professional services	245,343	1,047,004	763,981	-	2,056,328	1,096,442	22,500	1,118,942	3,175,270
Travel and convening	57,965	445,577	192,247	18,731	714,520	151,945	14,020	165,965	880,485
Office expenses	1,419	1,210	1,899	266	4,794	262,611	106	262,717	267,511
Media, advertising, and printing	19,097	38,135	904,257	770	962,259	138,311	758	139,069	1,101,328
Dues and subscription services	47,877	64,955	6,527	549	119,908	482,584	30,104	512,688	632,596
Interest, fees, penalties	59	17,111	49,339	42	66,551	25,140	679	25,819	92,370
Postage and shipping	343	4,220	10,571	-	15,134	5,345	114	5,459	20,593
Other expenses	3,720	884	31,234	-	35,838	32,642	535	33,177	69,015
Total Expenses	$ 15,789,704	$ 2,808,038	$ 2,959,041	$ 378,557	$ 21,935,340	$ 5,753,230	$ 1,097,625	$ 6,850,855	$ 28,786,195

POINTS OF LIGHT FOUNDATION
STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ 693,734	$ (67,342)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	21,575	-
Amortization of right-to-use assets	109,800	17,300
Provision for credit losses	28,850	(23,076)
Net realized and unrealized gains on investments	(1,505,740)	(901,217)
Change in operating assets and liabilities:		
Contributions receivable	(586,900)	(35,099)
Accounts receivable, net	263,309	(929,043)
Employee Retention Credit receivable	310,833	427,592
Prepaid expenses and other assets	(535,591)	41,861
Accounts payable	(538,581)	405,290
Accrued expenses	274,636	(188,229)
Grants payable	(864,100)	159,300
Funds held for others	-	(720,625)
Deferred revenue	(810,294)	525,879
Lease liability	(109,800)	(17,300)
Net cash flows from operating activities	(3,248,269)	(1,304,709)
Cash flows from investing activities:		
Purchase of investments	-	(864,114)
Proceeds from sales of investments	2,944,371	-
Purchase of property and equipment	(113,784)	-
Net cash flows from investing activities	2,830,587	(864,114)
Cash flows from financing activities:		
Proceeds from line of credit	1,000,000	1,000,000
Payments on line of credit	(2,000,000)	-
Net cash flows from financing activities	(1,000,000)	1,000,000
Net change in cash and cash equivalents	(1,417,682)	(1,168,823)
Cash and cash equivalents, beginning of year	4,924,505	6,093,328
Cash and cash equivalents, end of year	$ 3,506,823	$ 4,924,505
Supplemental disclosure of cash flows information:		
Cash paid during the year for interest	$ 48,661	$ 3,500
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 19,299	$ 151,352

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 corporate partnership revenue, private and corporate donor contributions, sponsorships, conference registration, licensing fees, sale of volunteer recognition items, and membership dues.

The Foundation's mission is focused on inspiring, equipping and mobilizing people to take action that changes the world. To realize this mission, the Foundation partners with nonprofits, companies, and social impact leaders to galvanize volunteers to meet critical needs. As the world's largest organization dedicated to increasing volunteer service, the Foundation engages more than 3.8 million volunteers across 32 countries to create healthy, equitable communities where all can thrive.

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 provides best practices and resources to its Global Network of affiliates and other nonprofits focused on meeting community needs. The Foundation's annual conference brings together nonprofit, corporate, social impact 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. Finally, the Foundation introduced The George H. W. Bush Points of Light Award in 2019 as an annual event to honor exemplary leaders devoted to a lifetime of service.

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:

Undesignated – Represents cumulative net assets without donor restrictions.

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.

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 the Foundation may undertake in the future, actual results may be different from the estimates. Actual results could differ from those estimates.

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 of $250,000. 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 – 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 restrictions unless the 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 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.

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

Conditional promises to give and intentions to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. The Foundation has conditional promises to give of $20,000,000 and $-0- that have not been recognized at September 30, 2024 and 2023, respectively, because qualifying expenditures have not yet been incurred.

Note 2—Summary of significant accounting policies (continued)

Accounts Receivable, Net – Accounts receivable are stated at cost less an allowance for credit losses. In accordance with Accounting Standards Codification ("ASC") Topic 326 *Financial Instruments – Credit Losses*, the Foundation makes ongoing estimates relating to the collectability of accounts receivable and records an allowance for estimated losses expected from the inability of its customers to make required payments. The Foundation determines expected credit losses based on historical experience, an assessment of economic conditions, and a review of subsequent collections. These inputs are used to determine a range of expected credit losses and an allowance is recorded within the range. Accounts receivable are written off when deemed uncollectable.

Investments – Investments are recorded at cost when purchased and at fair value on the date of donation, if donated. Thereafter, 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.

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.

Long-Lived Asset Impairment – Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset 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. There were no triggering events to evaluate long-lived assets for impairment and, therefore, no impairment loss was recognized during the years ended September 30, 2024 and 2023.

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, contribution receivables, accounts receivable, 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 the line of credit 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 – 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 employees 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 customer's corporation. The revenue from the training services is recognized at a point in time when the training materials are delivered to the customer.

President's Volunteer Service Award - The President's Volunteer Service Award ("PVSA") is sponsored by AmeriCorps, the federal agency that leads AmeriCorps and Senior Corps and supports volunteering efforts in the United States. PVSA has been administered by Points of Light since its inception in 2003. The program allows certifying organizations to recognize their volunteers through a variety of branded products including pins, coins, medallions and certificates. Revenue is recognized at a point-in-time as products are shipped.

License Fees and Other Program Service – 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 which brings in registration fees and corporate sponsorships. Annual conference revenue is recognized at a point in time when the conference has been completed.

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*.

Note 2—Summary of significant accounting policies (continued)

Exchange revenue by service type for the years ended September 30 are as follows:

	2024	2023
Corporate partnership revenue:		
Corporate activation	$ 5,661,861	$ 6,878,494
Consulting	2,661,697	3,192,254
Subtotal corporate partnership revenue	8,323,558	10,070,748
Program service revenue:		
President's Volunteer Service Award	1,558,213	1,184,935
License fees and other program service revenue	153,032	58,500
Subtotal program service revenue	1,711,245	1,243,435
Membership dues	1,073,875	907,875
Annual conference revenue	1,823,089	1,466,219
Special events revenue	306,410	57,460
Other revenue	26,377	18,044
Total exchange revenue by service type	$ 13,264,554	$ 13,763,781

Deferred revenue represents funds which have been received, but for which the prescribed services have not yet been performed. Revenue will be recognized when the related services are provided. Ending balances of contract liabilities recorded in deferred revenue consist of the following at September 30:

	2024	2023	2022
Corporate activation	$ 2,315,362	$ 2,478,241	$ 2,072,015
Consulting	455,259	449,477	690,242
Program service revenue	23,333	9,000	18,081
Membership dues	442,502	379,584	388,585
Special events	53,350	791,000	412,500
Other	7,202	-	-
	$ 3,297,008	$ 4,107,302	$ 3,581,423

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)

Income Tax Status – The Foundation has received a determination letter from the Internal Revenue Service stating it qualifies for exemption from federal income taxes as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Foundation evaluates its uncertain tax positions using the provisions of Financial Accounting Standards Board 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 the tax positions satisfy such criterion and that no provision for income taxes is required for the years ended September 30, 2024 and 2023.

Adopted Pronouncement – On October 1, 2023, the Foundation adopted Accounting Standards Update ("ASU") 2016-13, *Financial Instruments - Credit Losses (Topic 326)* and subsequently related amendments (ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-10, ASU 2019-11, and ASU 2022-02). This guidance replaces the existing incurred loss impairment guidance and establishes a single allowance framework for financial assets carried at amortized cost based on expected credit losses. The estimate of expected credit losses requires the incorporation of historical information, current conditions, and reasonable and supportable forecasts. Adoption of this new standard did not materially impact 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:

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	$ 3,506,823	$ 4,924,505
Contributions receivable, net	831,500	244,600
Accounts receivable, net	987,597	1,279,756
Employee Retention Credit receivable	-	310,833
Investments	12,931,251	14,369,882
Total financial assets	18,257,171	21,129,576
Less amounts not available to be used for general expenditures within one year:		
Subject to donor purpose or time restrictions	202,025	389,420
Investments held in endowments	7,205,656	7,625,116
Financial assets not available to be used within one year	7,407,681	8,014,536
Financial assets available to meet general expenditures	$ 10,849,490	$ 13,115,040

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, 2024, the Foundation had a balance of $3,000,000 available to draw on the line of credit.

Note 4—Contributions and accounts receivable

Contributions receivable consist of the following at September 30:

	2024	2023
Amounts due in:		
Less than one year	$ 831,500	$ 244,600
Total contributions receivable	$ 831,500	$ 244,600

During the years ended September 30, 2024 and 2023, the Foundation received $307,141 and $227,600, respectively, in contributions from members of its Board of Directors. There were contributions receivable of $21,500 and $34,100 from members of the Board of Directors as of September 30, 2024 and 2023, respectively.

Accounts receivable, net, representing contract assets, consist of the following at September 30:

	2024	2023	2022
Program receivables	$ 1,004,784	$ 1,296,943	$ 380,261
Less allowance for credit losses	(17,187)	(17,187)	(33,624)
Total accounts receivable, net	$ 987,597	$ 1,279,756	$ 346,637

Note 5—Investments and fair value

Investments are recorded at fair value and are composed of the following at September 30:

September 30, 2024	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	$ 5,021,344	$ -	$ -	$ 5,021,344
Fixed income	1,980,575	-	-	1,980,575
Money market funds	5,929,332	-	-	5,929,332
Total investments	$ 12,931,251	$ -	$ -	$ 12,931,251
September 30, 2023				
Exchange traded funds:				
Equities	$ 6,238,306	$ -	$ -	$ 6,238,306
Fixed income	2,730,639	-	-	2,730,639
Money market funds	5,400,937	-	-	5,400,937
Total investments	$ 14,369,882	$ -	$ -	$ 14,369,882

Note 5—Investments and fair value (continued)

Following are descriptions of the valuation methodologies used for investments measured at fair value:

Exchange Traded Equities and Fixed Income Funds – Value is based on quoted market prices, when available.

Money Market Funds – These investments are generally short-term money market funds valued using $1 for the unit value. The custodian establishes the market and quotes the price, daily, that is available to market participants. This valuation method is a market approach.

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

	2024	2023
Interest and dividends	$ 841,147	$ 610,186
Unrealized gains, net	290,831	833,430
Realized gains, net	1,214,909	67,787
Investment fees	(52,523)	(55,714)
	$ 2,294,364	$ 1,455,689

Note 6—Property and equipment, net

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

	2024	2023
Computer equipment	$ 113,784	$ -
Less accumulated depreciation	(21,575)	-
Property and equipment, net	$ 92,209	$ -

Depreciation expense was $21,575 and $-0- for the years ended September 30, 2024 and 2023, respectively.

Note 7—Line of credit

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 minus 1.50%. At September 30, 2024 and 2023, the interest rate on the line of credit was 6.5% and 7.00%, respectively. Repayment terms are interest-only payments and all outstanding principal and interest is due on the maturity date. 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, 2024, there was no amount outstanding on the line of credit. At September 30, 2023, there was $1,000,000 outstanding on the line of credit. The line of credit was extended on April 28, 2024 with similar terms and matures on April 28, 2026.

Note 8—Leases

The Foundation leases office space. The determination of whether an arrangement is a lease is made at the lease's inception. For contracts entered into on or after the effective date or at the inception of a contract, the Foundation assessed whether the contract is, or contains, a lease. The assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether the Foundation obtains the right to substantially all the economic benefit from the use of the asset throughout the period, and (3) whether the Foundation has the right to direct the use of the asset.

The right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Renewal and termination clauses are factored into the determination of the lease term if it is reasonably certain these options would be exercised by the Foundation. Lease assets are amortized over the lease term unless there is a transfer of title or purchase option reasonably certain of exercise, in which case the asset life is used. To determine the present value of lease payments, the Foundation uses the implicit rate when it is readily determinable. As most of the leases do not provide an implicit rate, the Foundation has elected to utilize the risk-free discount rate to calculate lease assets and liabilities.

The Foundation's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Foundation does not have leases where it is involved with the construction or design of an underlying asset. The Foundation has no material obligation for leases signed but not yet commenced as of September 30, 2024. The Foundation does not have any sublease activities.

Future minimum lease payments as of September 30, 2024 is as follows:

Year Ending September 30,	Operating
2025	$ 48,600
Less interest	(433)
Present value of lease liabilities	$ 48,167

Required supplemental information relating to our leases for the years ended September 30 are as follows:

	2024	2023
Operating lease cost:		
Operating leases, included in operating expenses	$ 109,800	$ 17,300
Short-term leases, included in operating expenses	-	84,035
Variable lease payments, included in operating expenses	-	-
Net operating lease cost	$ 109,800	$ 101,335
Cash flow information:		
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	$ 109,800	$ 17,300
Lease assets obtained in exchange for operating lease liabilities	19,299	151,352
Lease term and discount rate:		
Weighted average remaining lease term - operating leases	0.43 years	1.33 years
Weighted average discount rate - operating leases	5.15%	5.15%

Note 9—Net assets with donor restrictions

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

	2024	2023
Subject to purpose restriction:		
Capacity building	$ 202,025	$ 359,420
Service enterprise program	-	30,000
Total subject to purpose restriction	202,025	389,420
Subject to NFP spending policy and appropriation:		
Endowment corpus invested in perpetuity	5,277,720	6,027,720
Accumulated earnings on endowments restricted for use as follows:		
General operations	1,927,936	1,522,408
Building maintenance	-	74,988
	1,927,936	1,597,396
Total subject to NFP spending policy and appropriation	7,205,656	7,625,116
Total net assets with donor restrictions	$ 7,407,681	$ 8,014,536

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

	2024	2023
Purpose restrictions accomplished:		
Capacity building	$ 1,007,936	$ 887,717
Other program expenses	30,000	29,000
Corporate solutions	10,008,200	9,991,800
Appropriation from endowment assets for expenditure	989,914	-
Redesignation of building maintenance endowment fund by donor	924,726	-
Total net assets released from restrictions	$ 12,960,776	$ 10,908,517

Note 10—Endowments

The Foundation's donor-restricted endowments consist of endowments that support general operations and building maintenance. In November 2023, the Foundation received approval from the donor of the building maintenance endowment fund to release the corpus and accumulated earnings on the endowment fund to a contribution without donor restriction, resulting in the release of endowment funds from donor restrictions of $924,726. 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.

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

September 30, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Original donor restricted gift amounts required to be maintained into perpetuity by the donor	$ -	$ 5,277,720	$ 5,277,720
Accumulated investment earnings	-	1,927,936	1,927,936
Endowment net assets	$ -	$ 7,205,656	$ 7,205,656
September 30, 2023			
Original donor restricted gift amounts required to be maintained into perpetuity by the donor	$ -	$ 6,027,720	$ 6,027,720
Accumulated investment earnings	-	1,597,396	1,597,396
Endowment net assets	$ -	$ 7,625,116	$ 7,625,116

Note 10—Endowments (continued)

Changes in endowment net assets for the years ended September 30 are as follows:

	September 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, October 1, 2023	$ -	$ 7,625,116	$ 7,625,116
Investment return, net	-	1,495,180	1,495,180
Appropriation of endowment assets for expenditure	-	(989,914)	(989,914)
Redesignation of building maintenance endowment fund by donor	-	(924,726)	(924,726)
Endowment net assets, September 30, 2024	$ -	$ 7,205,656	$ 7,205,656

	September 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, October 1, 2022	$ -	$ 6,756,786	$ 6,756,786
Investment return, net	-	868,330	868,330
Endowment net assets, September 30, 2023	$ -	$ 7,625,116	$ 7,625,116

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, 2024 and 2023, there no such deficiencies.

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 Standard & Poor's 500 for the stock portion, the Barclays Aggregate Bond index for the bonds, and the U.S. 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 years ended September 30, 2023, 2022, and 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. However, during the year ended September 30, 2024, the Foundation did appropriate accumulated investment earnings for distribution from the endowment; a portion of which represents a catch up appropriation.

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, 2024 and 2023, the Foundation paid $199,462 and $182,434, 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, 2024 and 2023, under the Deferred Compensation Plan the Foundation held assets of $139,383 and $110,818, respectively. 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, 2024 and 2023, respectively.

Note 12—Gifts-in-kind

Gifts-in-kind revenue for the years ended September 30 consisted of the following:

	2024	2023
Professional services	$ 57,420	$ 106,483
Marketing and media advertisements	106,194	111,359
Airfare and hotel accommodations	67,187	66,623
Event support	253,287	-
Other	-	2,410
Total gifts-in-kind revenue	$ 484,088	$ 286,875

The Foundation generally receives contributed nonfinancial assets and utilizes them in support of its mission and vision to inspire, equip and mobilize people to take action that changes the world. The Foundation recognizes these in-kind contributed nonfinancial assets at their estimated fair value on the date of receipt.

The Foundation receives donated marketing and media advertisements and professional services that are reported using current rates for similar services. Contributed nonfinancial assets are generally not sold but are utilized to support the Foundation's programmatic work in support of its mission. The Foundation also recognizes contributed services as gifts-in-kind revenues at their estimated fair value on the date of receipt if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. No contributed nonfinancial assets with donor restrictions were received during the years ended September 30, 2024 and 2023.

Note 13—Employee Retention Credit

The Foundation was eligible for the Employee Retention Credit ("ERC") under the Coronavirus Aid, Relief, and Economic Security 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, 2023 was $310,833, which represents refunds due on the 2022 Form 941 Employer Quarterly Federal Tax Return for the quarter ended March 2022 and 2021 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. During the year ended September 30, 2024, the Foundation received payment in full on the grants receivable for the ERC plus interest.

Note 14—Subsequent events

Management has evaluated all events or transactions through March 14, 2025, the date the financial statements are available for issuance, for potential recognition or disclosure in the financial statements.