222 FOUNDATION

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
222 Foundation
Wheaton, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of

222 Foundation
(a nonprofit organization)

which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of 222 Foundation as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 222 Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 222 Foundation's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 222 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 222 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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Eccezion

Eccezion
Strategic Business Solutions

McHenry, Illinois
May 08, 2025

FINANCIAL STATEMENTS

222 FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 202,791	
Pledge Receivable, Net of Long Term Portion	10,000	
Total Current Assets		$ 212,791
Investments		170,158
Security Deposit		350
Operating Right-to-Use Asset, Net		12,494
Long Term Assets		
Pledges Receivable- Net of discount of $1,920		18,080
TOTAL ASSETS		$ 413,873
LIABILITIES		
Current Liabilities		
Accounts Payable	$ 9,138	
Right-of-Use Operating Lease Liability	6,248	
Total Current Liabilities		$ 15,386
Long Term Liabilities		
Right-of-Use Operating Lease Liability-		
Net of Current Portion	$ 6,242	
Total Long-Term Debt		6,242
TOTAL LIABILITIES		$ 21,628
NET ASSETS		
Without Donor Restrictions	$ 359,445	
With Donor Restriction	32,800	
Total Net Assets		392,245
TOTAL LIABILITIES AND NET ASSETS		$ 413,873

The Notes to Financial Statements are an integral part of this statement.

222 FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES, GAINS, AND OTHER SUPPORT			
Support			
Contributions	$ 659,275	$ 30,000	$ 689,275
Special Events	8,522	-	8,522
Total Operating Revenues, Gains, and Other Support	$ 667,797	$ 30,000	$ 697,797
OPERATING EXPENSES			
Program Services	$ 477,476	$ -	$ 477,476
Supporting Services			
Management and General	49,868	-	49,868
Fundraising	153,769	-	153,769
Total Operating Expenses	$ 681,113	$ -	$ 681,113
CHANGE IN NET ASSETS FROM OPERATIONS	$ (13,316)	$ 30,000	$ 16,684
NONOPERATING ACTIVITIES			
Investment Return, Net	$ 25,136	$ -	$ 25,136
Total Nonoperating Activities	$ 25,136	$ -	$ 25,136
CHANGE IN NET ASSETS	$ 11,820	$ 30,000	$ 41,820
N Long Term Liabilities	347,625	2,800	350,425
NET ASSETS AT END OF YEAR	$ 359,445	$ 32,800	$ 392,245

The Notes to Financial Statements are an integral part of this statement.

222 FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total Supporting Services	Total Expenses
Advertising and Marketing	$ 7,827	$ 1,957	$ 9,784	$ 11,741	$ 19,568
Contract Employees	31,531	-	31,530	31,530	63,061
Direct Assistance to Individuals	234,316	-	-	-	234,316
Dues and Subscriptions	496	177	35	212	708
Food and Beverage, Venue, Entertainment	3,904	862	2,454	3,316	7,220
Information Technology	1,133	405	81	486	1,619
Insurance	3,631	1,297	259	1,556	5,187
Research and Development	29	-	-	-	29
Occupancy	7,571	2,704	541	3,245	10,816
Office Expense	1,453	521	104	625	2,078
Other Payroll Benefits	4,398	971	2,765	3,736	8,134
Payroll Expenses	210	46	132	178	388
Payroll Taxes	7,630	1,684	4,797	6,481	14,111
Professional Fees	12,821	4,579	916	5,495	18,316
Bank and Payroll Fees	4,119	1,471	294	1,765	5,884
Website	2,172	479	1,365	1,844	4,016
Salaries	146,591	32,351	92,160	124,511	271,102
Transportation and Travel	7,644	364	6,552	6,916	14,560
	$ 477,476	$ 49,868	$ 153,769	$ 203,637	$ 681,113

The Notes to Financial Statements are an integral part of this statement.

222 FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 41,820	
Adjustments to Reconcile Change in Net Assets		
to Net Cash Provided/(Used) by Operating Activities		
Unrealized (Gain)/Loss on Investments	(2,881)	
Decrease/(Increase) in Assets		
Pledge Receivable	(28,080)	
Security Deposit	(350)	
Right-of-Use Lease Asset	(12,494)	
Increase/(Decrease) in Liabilities		
Accounts Payable	7,085	
Right-of-Use Lease Liability	12,490	
Net Cash Flows Provided/(Used) by Operating Activities		$ 17,590
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the Sale of Investments	$ 248,937	
Purchases of Investments	(169,118)	
Net Cash Flows Provided/(Used) by Investing Activities		79,819
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		$ 97,409
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		105,382
CASH AND CASH EQUIVALENTS AT END OF YEAR		$ 202,791

The Notes to Financial Statements are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

222 Foundation (the Organization) is an Illinois nonprofit organization that was founded to invest in the future Christian ministry leaders of the world. In addition to financial assistance, the goal is to invest in each of the student partners in three areas: personal growth, spiritual growth, and ministry development.

The Organization accomplishes its mission by mentoring student partners as they grow in their roles within their family and ministry and provides them with financial support to alleviate the burden of financial debt coming out of the theological education. The Organization also provides periodic encouragement through the calendar year by assigning primary mentors and prayer partners to students to encourage their growth in personal spiritual development, evangelism, equipping others, and growth in the Fruit of the Spirit. The Organization helps with ministry development through each student's primary mentor where the desire is to give each student partner skills and wisdom to help them succeed in specific areas of their vocational calling.

The Organization is supported through the generosity of the community. The Organization receives cash contributions from individuals, businesses, and other organizations in the community.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

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

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's Board of Directors and its management ("Management").

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

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments in marketable equity securities with readily determinable fair values are stated at fair value. Equity securities without readily determinable fair values are stated at cost.

Property and Equipment

The Organization capitalizes all expenditures for Property and Equipment with a cost of over $1,000 and an estimated useful life of one or more years. Purchased Property and Equipment is carried at cost. Donated Property and Equipment is carried at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Years
Building	39
Leasehold Improvements	15
Furniture and Equipment	5
Vehicles	5

As of December 31, 2024, the Organization does not have any Property and Equipment.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend on have been met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities. Contributions Receivable are due in less than one year and Management represents that such amounts are 100% collectible; therefore, no allowance is provided in the financial statements.

The Organization recognized revenue from ticket sales at the time of admission. The Organization records special events revenue equal to the fair value of direct benefit to donors and contributions income for the excess received when the event takes place.

Accounts Receivable and Allowance for Credit Loss

Accounts receivable is recorded net of an applicable allowance for credit losses. The Organization makes estimates of the un-collectability of its accounts receivable based on historical performance and projected trends. The Organization analyzes accounts receivable and historical bad debt levels, customer/grantor credit worthiness, and current economic trends when evaluating the adequacy of the allowance for credit losses.

Leases

Under the guidance of Topic 842, the Organization determines if an arrangement contains a lease at inception based on whether or not the Organization has the right to control the asset during the contract period and other facts and circumstances.

The Organization is the lessee in a lease contract when it obtains the right to control the asset. The right-of use (ROU) assets represent the Organization’s right to use underlying assets for the lease term, and the lease liabilities represent The Organization’s obligation to make lease payments arising from these leases. The ROU assets resulting from operating leases and the related liabilities are separately stated on the face of the Statement of Net Position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term at the commencement date. ROU assets also can include adjustments related to lease payments made and/or lease incentives received at or before the commencement date. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Operating lease expense is recognized on a straight-line basis over the lease term.

Finance leases are those in which ownership is transferred, or an arrangement which results in either the present value of lease payments being greater than 90% of the fair market value of the asset or lease term being greater than 75% of the estimated useful life of the asset. Finance lease ROU assets and the related liabilities are separately stated on the face of the Statement of Net Position. The ROU asset is amortized over either the useful life of the asset or lease term, depending on the facts and circumstances of the lease. The Organization does not currently have any material financing type leases that fall under this policy.

The Organization made elections to not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less); to use the risk-free rate, in lieu of its incremental borrowing rate; to discount future lease payments; and to not separate lease and non-lease components of lease agreements.

In-kind Contributions

In-kind contributions of property and equipment are recorded as contributions at the estimated fair value of the property contributed at the date of donation.

In-kind contributions of services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by individuals possessing those skills, and would otherwise need to be purchased if not provided by donation. Many individuals volunteer their time and perform a variety of tasks that assist the Organization in carrying out their mission, however, these services do not meet the criteria for recognition as contributed services.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and Statement of Functional Expenses. All direct expenses have been allocated to the respective function. Salaries and related payroll expenses are allocated based on the time spent on each activity. Most of the Organization’s expenses follow the Operations Director’s time allocation, with the exception of advertising and marketing expenses which are based on the nature of the marketing push and contract employee expenses which are allocated equally between the functions.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets, and liabilities and the reported revenue and expenses. Management evaluates, on an ongoing basis, the estimates and assumptions based on new information. Management represents that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and reported no unrelated business income for the year ended December 31, 2024. Management represents there are no uncertain tax positions or other provision for income taxes that should be recognized in these financial statements. In addition, the Organization qualifies to receive deductible charitable contributions pursuant to Section 170(b)(1)(A)(vi).

NOTE 2 - CASH AND CASH EQUIVALENTS

The Organization maintains two bank accounts at one financial institution. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Deposits with the financial institution are covered by federal depositing insurance or collateral held by the financial institution.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Organization reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

- *Level 1.* Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.

- *Level 2.* Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets in markets that are not active;
  - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
  - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

- *Level 3.* Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value if observable inputs are not available.

When available, the Organization measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value.

Investments are carried at fair value as described below:

		Fair Value Measurements Using:	
	Fair Value	Quoted Prices in Active Markets for Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Equity Securities	$ 61,923	$ 61,923	$ -
Fixed Income	79,423	79,423	-
Hedge Funds	28,812	28,812	-
Total	$ 170,158	$ 170,158	$ -

Fair values approximate carrying value for all assets and current liabilities, measured on a recurring basis, at December 31, 2024. All are considered Level 1 observable inputs; the carrying amount approximates fair value because of the short maturities thereof.

NOTE 4 - INVESTMENTS

Investment return for the year ended December 31, 2024 consists of the following:

Dividend Income	$ 9,036
Interest Income	2
Realized Gain/(Loss)	14,164
Unrealized Gain/(Loss)	2,881
Investment Fees and Other Expenses	(947)
Return on Investments	$ 25,136

NOTE 5 - PLEDGE RECEIVABLE

Unconditional promises to give consist of pledges from donors to fund various projects. Pledges Receivable are due as follows:

Year Ending December 31		
2025	$	10,000
2026		10,000
2027		10,000
	$	30,000
Less: Discount		(1,920)
Net Pledges Receivable	$	28,080

NOTE 6 - AVAILABILITY AND LIQUIDITY

The following table shows the total financial assets held by the Organization and the amounts of those financial assets that could be readily made available within one year of the Statement of Financial Position date to meet general expenditures.

The Organization’s financial assets at December 31, 2024 are as follows:

Financial assets at year end:		
Cash and Cash Equivalents	$	202,791
Investments		170,158
Pledges Receivable		28,080
Total Financial Assets	$	401,029
Less amounts not available to be used within one year:		
Net Assets with Donor Restrictions	$	2,800
Pledge Receivable that are not restricted by donors, but which are unavailable for expenditure until due		30,000
	$	32,800
Financial assets available to meet general expenditures over the next twelve months	$	368,229

The Organization manages its liquidity and reserves by operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs. The Organization accomplishes this by looking at the cash flow analysis monthly and determining what will be needed for the next month. The Organization’s goal is to keep $5,000 to $10,000 in the checking account and based on the cash flow statement analysis, will transfer money to/from the investment account.

NOTE 7 - LEASES

Lessee: The Organization has an operating lease for the use of office space.

Components of Lease Cost:		
Operating Lease Cost	$	546

	Operating	
ROU Assets	$	12,998
Accumulated Amortization		(504)
	$	12,494
Total Lease Liabilities	$	12,490
Weighted Average Remaining Lease Term:		1.9 years
Weighted Average Discount Rate:		4.17%
Future Lease Maturities:		
2025	$	6,248
2026		6,242
	$	12,490

NOTE 8 - NET ASSETS WITH DONOR RESTRICTION

Net assets were donor-restricted at December 31, 2024 for the following purposes:

	Amount	
Purpose for Restriction:		
Israeli Trip	$	2,800
Time Restriction:		
Pledge Receivable		30,000
	$	32,800

Net assets released from donor restrictions due to occurrence of expenditures in the amount of $0 are reported on the Statement of Activities for the year ended December 31, 2024.

Purpose for Restrictions – These funds are received from Donors for purpose specified above. As expenditures related to these purposes arise, the funds are released from restriction.

NOTE 9 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 08, 2025, the date on which the financial statements were available to be issued.