

**GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS**

**Financial Statements Together with  
Report of Independent Public Accountants**

**For the Years Ended December 31, 2024 and 2023**

# **GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS**

## **Financial Statements Together With Report of Independent Public Accountants**

**DECEMBER 31, 2024 and 2023**

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## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Board of Directors  
Grantmakers for Effective Organizations  
Washington, D.C.

### ***Opinion***

We have audited the financial statements of Grantmakers for Effective Organizations (the Organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 the Organization as of December 31, 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 (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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls 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 Organization'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 controls. 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 controls 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 Organization's internal controls. 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 Organization'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 controls-related matters that we identified during the audit.

Washington, D.C.  
September 30, 2025

*SB & Company, LLC*

# GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS

## Statements of Financial Position As of December 31, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,401,984	\$ 2,458,168
Grants and contributions receivable, net	2,152,490	823,828
Membership receivable	37,430	16,670
Other receivables	327	32,345
Investments	6,401,121	6,145,035
Prepaid expenses	36,615	34,638
Deposits	81,550	31,550
Property and equipment, net	313,927	401,697
Right-of-use asset - operating, net	525,317	803,290
<b>Total Assets</b>	<b>\$ 12,950,761</b>	<b>\$ 10,747,221</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 146,257	\$ 57,600
Accrued leave	188,149	196,752
Deferred seminar registration revenue	144,167	44,509
Lease liability - operating	846,487	1,283,977
<b>Total Liabilities</b>	<b>1,325,060</b>	<b>1,582,838</b>
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	2,309,269	2,878,318
Board designated for strategy and contingency reserve	5,730,000	4,500,000
<b>Total Without Donor Restrictions</b>	<b>8,039,269</b>	<b>7,378,318</b>
With donor restrictions	3,586,432	1,786,065
<b>Total Net Assets</b>	<b>11,625,701</b>	<b>9,164,383</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 12,950,761</b>	<b>\$ 10,747,221</b>

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

## GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS

### Statement of Activities and Changes in Net Assets

For the Year Ended December 31, 2024, with Comparative Totals for 2023

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenues and Support</b>				
Member contributions	\$ 2,061,994	\$ 149,060	\$ 2,211,054	\$ 2,207,990
Grants and contributions	211,344	4,905,533	5,116,877	1,423,735
Conference registration	1,230,075	-	1,230,075	477,475
Conference sponsorship	-	972,000	972,000	443,580
Seminars	189,533	-	189,533	112,029
Investment income, net	293,669	-	293,669	219,569
Other income	1,114	-	1,114	10,265
Satisfaction of purpose restrictions	4,226,226	(4,226,226)	-	-
<b>Total Revenues and Support</b>	<b>8,213,955</b>	<b>1,800,367</b>	<b>10,014,322</b>	<b>4,894,643</b>
<b>Expenses</b>				
Program services				
Conferences	1,797,516	-	1,797,516	1,358,154
Communications	518,140	-	518,140	493,306
Member programs	2,156,051	-	2,156,051	1,916,677
Research and learning	975,545	-	975,545	964,940
<b>Total Program Services</b>	<b>5,447,252</b>	<b>-</b>	<b>5,447,252</b>	<b>4,733,077</b>
<b>Supporting Services</b>				
Management and general	1,586,751	-	1,586,751	1,851,649
Fundraising	519,001	-	519,001	476,552
<b>Total Supporting Services</b>	<b>2,105,752</b>	<b>-</b>	<b>2,105,752</b>	<b>2,328,201</b>
<b>Total Expenses</b>	<b>7,553,004</b>	<b>-</b>	<b>7,553,004</b>	<b>7,061,278</b>
Changes in net assets	660,951	1,800,367	2,461,318	(2,166,635)
Net assets, beginning of year	7,378,318	1,786,065	9,164,383	11,331,018
<b>Net Assets, End of Year</b>	<b>\$ 8,039,269</b>	<b>\$ 3,586,432</b>	<b>\$ 11,625,701</b>	<b>\$ 9,164,383</b>

The accompanying notes are an integral part of this financial statement.

# GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS

## Statement of Activities and Changes in Net Assets For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and Support</b>			
Member contributions	\$ 2,118,360	\$ 89,630	\$ 2,207,990
Grants and contributions	641,325	782,410	1,423,735
Conference registration	477,475	-	477,475
Conference sponsorship	-	443,580	443,580
Seminars	112,029	-	112,029
Investment income, net	219,569	-	219,569
Other income	10,265	-	10,265
Satisfaction of purpose restrictions	1,985,998	(1,985,998)	-
<b>Total Revenues and Support</b>	<b>5,565,021</b>	<b>(670,378)</b>	<b>4,894,643</b>
<b>Expenses</b>			
Program services			
Conferences	1,358,154	-	1,358,154
Communications	493,306	-	493,306
Member programs	1,916,677	-	1,916,677
Research and learning	964,940	-	964,940
<b>Total Program Services</b>	<b>4,733,077</b>	<b>-</b>	<b>4,733,077</b>
<b>Supporting Services</b>			
Management and general	1,851,649	-	1,851,649
Fundraising	476,552	-	476,552
<b>Total Supporting Services</b>	<b>2,328,201</b>	<b>-</b>	<b>2,328,201</b>
<b>Total Expenses</b>	<b>7,061,278</b>	<b>-</b>	<b>7,061,278</b>
Changes in net assets	(1,496,257)	(670,378)	(2,166,635)
Net assets, beginning of year	8,874,575	2,456,443	11,331,018
<b>Net Assets, End of Year</b>	<b>\$ 7,378,318</b>	<b>\$ 1,786,065</b>	<b>\$ 9,164,383</b>

The accompanying notes are an integral part of this financial statement.

## GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS

### Statement of Functional Expenses

For the Year Ended December 31, 2024, with Comparative Totals for 2023

	2024								2023	
	Conferences	Communications	Member Programs	Research and Learning	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
<b>Expenses</b>										
Salaries	\$ 356,829	\$ 251,304	\$ 1,114,409	\$ 381,838	\$ 2,104,380	\$ 717,345	\$ 336,052	\$ 1,053,397	\$ 3,157,777	\$ 3,151,967
Employee benefits	74,814	53,072	237,804	80,382	446,072	187,559	69,985	257,544	703,616	682,945
Payroll taxes	27,013	18,953	83,945	28,748	158,659	54,684	25,536	80,220	238,879	236,242
Payroll service	-	-	-	-	-	6,336	-	6,336	6,336	8,366
Staff development	35	11,201	16,523	50,661	78,420	12,137	9,302	21,439	99,859	84,095
Recruitment	-	670	3,815	2,202	6,687	592	-	592	7,279	3,331
Accounting	-	-	-	-	-	167,355	-	167,355	167,355	143,734
Legal	-	-	-	-	-	47,896	-	47,896	47,896	43,214
Authors/editors	150	3,730	-	-	3,880	-	-	-	3,880	-
Licenses/permits/fees	35,931	19,258	15,385	28,649	99,223	18,347	3,645	21,992	121,215	103,925
Grants and contributions	12,716	-	50,700	-	63,416	21,906	-	21,906	85,322	59,863
Consultants	148,900	107,621	235,903	260,021	752,445	117,175	-	117,175	869,620	776,858
Consultants - information technology	7,946	5,609	26,440	8,500	48,495	16,629	7,402	24,031	72,526	77,477
Service charges	37,438	-	10	-	37,448	11,523	-	11,523	48,971	45,540
Operating lease expense	34,458	24,342	107,855	35,717	202,372	63,515	33,004	96,519	298,891	311,965
Insurance	12,220	52	227	80	12,579	26,185	74	26,259	38,838	26,665
Depreciation	13,800	9,727	42,987	14,766	81,280	28,079	12,893	40,972	122,252	124,425
Office and computer supplies	8,770	802	7,862	785	18,219	13,230	2,051	15,281	33,500	33,722
Furniture and equipment	301	204	931	312	1,748	609	287	896	2,644	2,833
Furniture/equipment rental	46,635	241	1,076	368	48,320	698	328	1,026	49,346	16,342
Telephone	2,214	5,273	14,353	4,072	25,912	12,922	6,196	19,118	45,030	44,416
Subscriptions/books/dues	85	883	3,099	2,810	6,877	2,305	65	2,370	9,247	15,993
Travel	75,765	2,921	91,793	49,221	219,700	31,443	7,264	38,707	258,407	201,497
Meals - non-travel	-	340	361	3,979	4,680	3,415	-	3,415	8,095	739
Meetings/meeting space	876,160	608	92,795	18,273	987,836	10,398	4,842	15,240	1,003,076	798,514
Design/artwork/photography	7,585	-	3,892	-	11,477	-	-	-	11,477	35,120
Printing	12,556	1,117	3,270	114	17,057	451	75	526	17,583	22,527
Postage and shipping	5,195	46	486	4,047	9,774	779	-	779	10,553	3,944
Advertising and promotion	-	-	-	-	-	-	-	-	-	500
Loss on disposition of assets	-	-	-	-	-	10,384	-	10,384	10,384	-
Other	-	166	130	-	296	2,854	-	2,854	3,150	4,519
<b>Total Expenses</b>	<b>\$ 1,797,516</b>	<b>\$ 518,140</b>	<b>\$ 2,156,051</b>	<b>\$ 975,545</b>	<b>\$ 5,447,252</b>	<b>\$ 1,586,751</b>	<b>\$ 519,001</b>	<b>\$ 2,105,752</b>	<b>\$ 7,553,004</b>	<b>\$ 7,061,278</b>

The accompanying notes are an integral part of this financial statement.



# GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS

## Statement of Functional Expenses For the Year Ended December 31, 2023

	Conferences	Communications	Member Programs	Research and Learning	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
<b>Expenses</b>									
Salaries	\$ 282,459	\$ 266,341	\$ 1,020,818	\$ 375,130	\$ 1,944,748	\$ 906,758	\$ 300,461	\$ 1,207,219	\$ 3,151,967
Employee benefits	61,505	60,309	207,658	77,859	407,331	212,893	62,721	275,614	682,945
Payroll taxes	20,238	21,795	76,790	28,183	147,006	66,771	22,465	89,236	236,242
Payroll service	-	-	-	-	-	8,366	-	8,366	8,366
Staff development	-	6,035	27,224	20,025	53,284	16,959	13,852	30,811	84,095
Recruitment	-	878	-	-	878	1,764	689	2,453	3,331
Accounting	-	-	-	-	-	143,734	-	143,734	143,734
Legal	-	-	-	-	-	43,214	-	43,214	43,214
Licenses/permits/fees	36,603	9,430	11,356	27,025	84,414	17,342	2,169	19,511	103,925
Grants and contributions	4,362	-	55,501	-	59,863	-	-	-	59,863
Consultants	98,450	69,085	177,672	307,631	652,838	124,020	-	124,020	776,858
Consultants - information technology	6,760	6,364	25,077	9,412	47,613	22,739	7,125	29,864	77,477
Service charges	-	-	10	-	10	45,471	59	45,530	45,540
Operating lease expense	28,222	26,038	100,262	37,520	192,042	91,422	28,501	119,923	311,965
Insurance	5,285	191	815	321	6,612	19,817	236	20,053	26,665
Depreciation	7,469	9,430	38,666	20,770	76,335	35,430	12,660	48,090	124,425
Office and computer supplies	9,153	534	7,084	894	17,665	14,348	1,709	16,057	33,722
Furniture and equipment	205	160	669	259	1,293	616	924	1,540	2,833
Furniture/equipment rental	13,301	292	1,125	373	15,091	965	286	1,251	16,342
Telephone	1,921	3,273	15,777	4,212	25,183	13,833	5,400	19,233	44,416
Subscriptions/books/dues	161	864	9,879	1,741	12,645	3,242	106	3,348	15,993
Travel	41,708	4,408	64,609	37,510	148,235	38,741	14,521	53,262	201,497
Meals - non-travel	239	31	136	83	489	250	-	250	739
Meetings/meeting space	696,947	2,627	62,234	15,894	777,702	19,176	1,636	20,812	798,514
Design/artwork/photography	19,762	5,130	10,228	-	35,120	-	-	-	35,120
Printing	20,865	33	926	59	21,883	600	44	644	22,527
Postage and shipping	1,249	8	2,131	26	3,414	42	488	530	3,944
Advertising and promotion	-	-	-	-	-	-	500	500	500
Other	1,290	50	30	13	1,383	3,136	-	3,136	4,519
<b>Total Expenses</b>	<u>\$ 1,358,154</u>	<u>\$ 493,306</u>	<u>\$ 1,916,677</u>	<u>\$ 964,940</u>	<u>\$ 4,733,077</u>	<u>\$ 1,851,649</u>	<u>\$ 476,552</u>	<u>\$ 2,328,201</u>	<u>\$ 7,061,278</u>

The accompanying notes are an integral part of this financial statement.

# GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS

## Statements of Cash Flows For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities</b>		
Changes in net assets	\$ 2,461,318	\$ (2,166,635)
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	122,252	124,425
Unrealized gains on investments	(4,519)	(69,348)
Loss on disposal of assets	10,384	-
Non-cash lease expense	(159,517)	(143,574)
Effect of changes in non-cash operating assets and liabilities:		
Grants and contributions receivable, net	(1,328,662)	536,730
Membership receivable	(20,760)	43,900
Other receivables	32,018	(15,748)
Prepaid expenses	(1,977)	11,174
Deposits	(50,000)	174,210
Accounts payable and accrued expenses	88,657	(45,365)
Accrued leave	(8,603)	7,238
Deferred seminar registration revenue	99,658	(11,870)
<b>Net Cash from Operating Activities</b>	<u>1,240,249</u>	<u>(1,554,863)</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(289,150)	(4,680,251)
Proceeds from sale of investments	37,583	64,351
Proceeds from sale of property and equipment	-	35,914
Purchases of property and equipment	(44,866)	(122,290)
<b>Net Cash from Investing Activities</b>	<u>(296,433)</u>	<u>(4,702,276)</u>
Net change in cash and cash equivalents	943,816	(6,257,139)
Cash and cash equivalents, beginning of year	<u>2,458,168</u>	<u>8,715,307</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 3,401,984</u></u>	<u><u>\$ 2,458,168</u></u>

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

# **GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS**

## **Notes to the Financial Statements December 31, 2024 and 2023**

### **1. NATURE OF OPERATIONS**

Grantmakers for Effective Organizations (the Organization) is a nonprofit organization, incorporated in 2002, that represents a coalition of grantmakers committed to building strong and effective nonprofit organizations. Understanding that grantmakers are successful only to the extent that their grantees achieve meaningful results, the Organization promotes strategies and practices that contribute to grantee success. The Organization provides philanthropy change agents with the resources, ideas, and connections they need to make the greatest contribution to the nonprofits they invest in.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Accounting**

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could vary from the estimates that were used.

#### **Cash and Cash Equivalents**

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents consisted of money market funds as of December 31, 2024 and 2023.

#### **Grants and Contributions Receivable**

Grants and contributions receivable are stated at their estimated net realizable value. Grants and contributions receivable that are past due are individually analyzed for collectability. The Organization considers grants and contributions receivable to be fully collectible as of December 31, 2024 and 2023, and, accordingly, no allowance for uncollectible grants and contributions has been recorded. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected after one year are recorded at their present value using appropriate discount rates.

# GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS

## Notes to the Financial Statements December 31, 2024 and 2023

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Membership and Other Receivables

Membership and other receivables consist of amounts due for member contributions and other amounts that were not collected as of year end. Management reviews the collectability of the accounts on a regular basis. Amounts as of December 31, 2024 and 2023, are considered to be fully collectible by management, and accordingly, no allowance for doubtful accounts is considered necessary.

#### Fair Value Measurements

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under accounting principles generally accepted in the United States of America are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

## GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS

### Notes to the Financial Statements December 31, 2024 and 2023

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Property and Equipment

Property and equipment costing over \$1,000 with a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are capitalized and amortized over the shorter of the estimated lives of the related assets or the remaining lease term and is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. Expenditures for minor and routine repairs and maintenance are expensed as incurred.

### Right-of-Use Asset and Lease Liability

The Organization records a right-of-use asset related to the office facility where the Organization conducts its operations. The Organization's 8-year lease was recorded at \$1,344,690, net of deferred rent and tenant improvement allowances, which represented its present value of the total remaining lease payments on January 1, 2023. The right-of-use asset is being amortized over the term of the lease. During the years ended December 31, 2024 and 2023, the amortization expense related to the right-of-use asset was \$277,973 and \$272,252, respectively, and are recorded in lease expense in the accompanying statement of functional expenses. As of December 31, 2024 and 2023, the net carrying value of the right-to-use asset was \$525,317 and \$803,290, respectively.

The lease liability represents the future commitments for the Organization's office lease. The term of a lease is assessed as the non-cancellable period of the lease, plus any extension options that the Organization is reasonably certain to exercise. The lease liability is discounted using the Organization's estimated borrowing rate of 1.34% at lease adoption. Costs related to maintenance and other janitorial services are expensed as incurred.

### Net Assets

Net assets, revenue, 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, management and the Board of Directors. Board-designated for strategy and contingency reserve funds are classified as net assets without donor restrictions.

# GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS

## Notes to the Financial Statements December 31, 2024 and 2023

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Net Assets (continued)

##### *Net Assets With Donor Restrictions*

Net assets with donor restrictions are 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.

Donor-restricted contributions are reported as increases in net assets with donor restrictions.

#### Revenue Recognition

Membership contribution revenue is typically bifurcated between support and exchange revenue. Management has analyzed the provisions of accounting principles generally accepted in the United States and has concluded that membership contribution revenue is associated with both exchange and contribution support revenue.

Revenue recognized on grants and contributions that have been committed to the Organization, but have not been received, are reflected as part of grants and contributions receivable in the accompanying statements of financial position. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met.

The Organization recognizes all unconditional grants and contributions in the period in which the commitment to give is made. Grants and contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities and changes in net assets as net assets released from restrictions.

Registration fees and conference sponsorships received for the annual conference are recognized as revenue in the year in which the annual conference is held. Accordingly, if revenue related to the seminars is received in advance, it is recorded as deferred revenue in the accompanying statements of financial position.

Interest, dividends, and miscellaneous income are recognized in the period earned.

# **GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS**

## **Notes to the Financial Statements December 31, 2024 and 2023**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Investment Income**

Interest and dividend income is recorded as earned and netted with investment fees. Unrealized gains or losses are determined by comparison of cost to fair value at the beginning and end of the reporting period. Realized gains or losses on sales of investments are recorded on the trade date of the transactions.

#### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets and the statements of functional expenses. Accordingly, certain expenses have been allocated proportionately among the programs and supporting services to which they relate. The expenses that are allocated include salaries, employee benefits, operating lease expense, and other expenses, which are allocated on the basis of estimates of time and effort by employees. Expenses directly identifiable to specific programs and supporting activities are allocated accordingly.

#### **Tax Status**

The Organization is exempt from income taxes on its exempt activities under the provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies under Section 509(a)(2) as an organization other than a private foundation. However, the Organization is subject to unrelated business income taxes on its unrelated business income activity.

Accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. The Organization performed an evaluation of uncertain tax positions as of December 31, 2024 and 2023, and determined that there were no matters that would require recognition in the accompanying financial statements or which may have any effect on its tax-exempt status. As of December 31, 2024, the statute of limitations for fiscal years 2022 through 2024 remains open with the U.S. federal jurisdiction and the various states and local jurisdictions in which the Organization files tax returns. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

## GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS

### Notes to the Financial Statements December 31, 2024 and 2023

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Liquidity and Availability of Resources

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, grants and contributions receivable.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The financial assets and liquidity resources available within one year of the statement of financial position date for general expenditure were as follows as of December 31:

	2024	2023
Cash and cash equivalents	\$ 3,401,984	\$ 2,458,168
Grants and contributions receivables due in less than one year	1,270,000	547,330
Membership receivable	37,430	16,670
Other receivables	327	32,345
Investments	6,401,121	6,145,035
Total financial assets available within one year	11,110,862	9,199,548
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Purpose restrictions by donors	(175,285)	(564,782)
Time restrictions	(2,141,147)	(40,786)
Board designated for strategy and contingency reserve	(5,730,000)	(4,500,000)
<b>Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year</b>	<b>\$ 3,064,430</b>	<b>\$ 4,093,980</b>

Board designated amounts for strategy and contingency reserves could be utilized with approval from the Board of Directors.

##### Subsequent Events

The Organization evaluated the subsequent events and transactions through September 30, 2025, the date these financial statements were available for issue, and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.



## GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS

### Notes to the Financial Statements December 31, 2024 and 2023

#### 3. INVESTMENTS

Investments consist of mutual funds, Federal Deposit Insurance Corporation eligible bank deposits, and U.S. Treasury securities held for investment purposes. These investments are recorded in the accompanying statements of financial position at their estimated fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following presents the Organization's investments measured at fair value on a recurring basis as of December 31:

<b>2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Vanguard Short-Term Federal Admiral	\$ 850,045	\$ -	\$ -	\$ 850,045
Vanguard Short-Term Treasury Admiral	726,364	-	-	726,364
FDIC eligible bank deposits	7,291	-	-	7,291
U.S. Treasury securities	4,817,421	-	-	4,817,421
<b>Total Investments at Fair Value</b>	<b>\$ 6,401,121</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,401,121</b>

  

<b>2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Vanguard Short-Term Federal Admiral	\$ 815,333	\$ -	\$ -	\$ 815,333
Vanguard Short-Term Treasury Admiral	699,545	-	-	699,545
FDIC eligible bank deposits	1,146,379	-	-	1,146,379
U.S. Treasury securities	3,483,778	-	-	3,483,778
<b>Total Investments at Fair Value</b>	<b>\$ 6,145,035</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,145,035</b>

The Organization's investments in mutual funds are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amount reported in the financial statements.

Investment income is summarized as follows for the years ended December 31:

	<b>2024</b>	<b>2023</b>
Interest and dividends	\$ 303,271	\$ 157,256
Unrealized gains	4,519	39,617
Realized gain	-	29,731
Investment fees	(14,121)	(7,035)
<b>Total Investment Income, Net</b>	<b>\$ 293,669</b>	<b>\$ 219,569</b>

## GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS

### Notes to the Financial Statements December 31, 2024 and 2023

#### 4. GRANTS AND CONTRIBUTIONS RECEIVABLE

As of December 31, 2024 and 2023, the Organization had grants and contributions receivable due as follows:

	<b>2024</b>	<b>2023</b>
Due in less than one year	<b>\$ 1,270,000</b>	\$ 547,330
Due in one to five years	<b>950,000</b>	300,000
Total grants and contributions receivable	<b>2,220,000</b>	847,330
Discount to net present value	<b>(67,510)</b>	(23,502)
<b>Total Grants and Contributions Receivable</b>	<b><u>\$ 2,152,490</u></b>	<b><u>\$ 823,828</u></b>

The discount rate was 7.7% and 8.5% for the years ended December 31, 2024 and 2023, respectively.

#### 5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<b>2024</b>	<b>2023</b>	<b>Useful Lives</b>
Leasehold improvements	<b>\$ 587,799</b>	\$ 587,799	8 years
Equipment	<b>173,973</b>	187,993	3-6 years
Furniture and fixtures	<b>197,467</b>	197,467	7 years
Software	<b>281,148</b>	251,969	3-5 years
Total property and equipment	<b>1,240,387</b>	1,225,228	
Accumulated depreciation	<b>(926,460)</b>	(823,531)	
<b>Property and Equipment, Net</b>	<b><u>\$ 313,927</u></b>	<b><u>\$ 401,697</u></b>	

Depreciation expense for the years ended December 31, 2024 and 2023, was \$122,252 and \$124,425, respectively.

#### 6. PENSION PLAN

The Organization has a Section 403(b) defined contribution pension plan (the Plan), which covers employees after six months of service who are over age 21. Under the Plan, the Organization may make a discretionary contribution to employees. The Organization made contributions to the Plan totaling approximately \$200,000 and \$201,000, for the years ended December 31, 2024 and 2023, respectively. Employees are 100% vested in the Organization's contributions upon entering the Plan and may also elect to make their own salary deferrals.

# GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS

## Notes to the Financial Statements December 31, 2024 and 2023

### 7. NET ASSETS

#### Board Designated Net Assets

Board designated net assets were designated for the following as of December 31:

	<u>2024</u>	<u>2023</u>
Strategic reserve	\$ 1,500,000	\$ 1,500,000
Contingency reserve	4,230,000	3,000,000
<b>Total Board Designated Net Assets</b>	<b><u>\$ 5,730,000</u></b>	<b><u>\$ 4,500,000</u></b>

#### Net Assets With Donor Restrictions

As of December 31, 2024 and 2023, net assets with donor restrictions were available for the following donors or purposes:

	<u>2024</u>	<u>2023</u>
Time restricted	\$ 3,411,147	\$ 1,221,283
National conference	-	155,450
Angell Foundation	-	192,166
William and Flora Hewlett	25,000	-
The California Endowment	112,500	217,166
Priddy Foundation	10,000	-
Learning Conference 2025	27,785	-
<b>Total Net Assets With Donor Restrictions</b>	<b><u>\$ 3,586,432</u></b>	<b><u>\$ 1,786,065</u></b>

For the years ended December 31, 2024 and 2023, net assets were released from restrictions by incurring expenses satisfying the purpose or time restrictions as follows:

	<u>2024</u>	<u>2023</u>
Time restricted	\$ 2,796,560	\$ 1,303,392
National conference	936,950	320,130
Angell Foundation	200,000	-
The California Endowment	112,500	-
Learning conference	162,716	-
Stupski Foundation	15,000	-
Annual Board Meeting Sponsorship	2,500	-
W.K. Kellogg Strong Sector	-	252,855
Raikes Foundation	-	50,000
University of Arkansas	-	59,621
<b>Total Net Assets Released from Restrictions</b>	<b><u>\$ 4,226,226</u></b>	<b><u>\$ 1,985,998</u></b>

## GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS

### Notes to the Financial Statements December 31, 2024 and 2023

#### 8. COMMITMENTS

##### Operating Lease Liability

The Organization is obligated under a lease for office space through October 31, 2026. Under the terms of the lease, the base lease payment increases annually based on scheduled increases provided for in the lease. In addition, the lessor provided lease incentives totaling approximately \$718,000, which includes deferred rent of approximately \$322,000 and tenant improvement allowance of approximately \$396,000. The operating lease expense is recognized on a straight-line basis over the remaining lease term. Minimum lease payments as of December 31, 2024 are as follows:

<u>Years Ending December 31</u>	
2025	\$ 463,338
2026	<u>394,147</u>
Total minimum lease payments	<u>857,485</u>
Less amounts representing interest	<u>10,998</u>
<b>Total Operating Lease Liability</b>	<b><u>\$ 846,487</u></b>

##### Hotel Commitments

The Organization has entered into an agreement with a hotel to provide conference facilities for its annual conferences in 2025, 2026, 2027 and 2028. In the event the Organization cancels the agreement, the Organization may be liable for cancellation costs of up to \$189,878, \$601,338, \$187,847, and \$563,024, respectively. The Organization does not expect to cancel the hotel commitment for 2025, therefore the costs are not reflected in expenses or liabilities as of December 31, 2024. However, during the year ended December 31, 2023, the hotel commitment was cancelled for 2024. Cancellation costs of \$367,754 for the 2024 conference are recorded in expenses for the year ended December 31, 2023.