

Report of Independent Auditors and
Financial Statements

Next Gen Personal Finance

December 31, 2024 and 2023

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Report of Independent Auditors

The Board of Directors
Next Gen Personal Finance

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Next Gen Personal Finance, 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 Next Gen Personal Finance 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 Next Gen Personal Finance and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Baker Tilly US, LLP

Sacramento, California
July 8, 2025

Financial Statements

Next Gen Personal Finance
Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 355,570	\$ 617,059
Investments	39,190,825	26,010,420
Prepaid expenses and other assets	-	6,163
Total current assets	39,546,395	26,633,642
NONCURRENT ASSETS		
Security deposits	8,650	8,650
Property and equipment, net	12,173	13,666
Operating right-of-use assets	284,890	169,591
Total noncurrent assets	305,713	191,907
Total assets	\$ 39,852,108	\$ 26,825,549
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 41,546	\$ 51,550
Accrued expenses	97,141	85,663
Excise tax payable	91,536	33,652
Grants payable	676,357	690,479
Operating lease liabilities	93,834	84,750
Total current liabilities	1,000,414	946,094
NONCURRENT LIABILITIES		
Operating lease liabilities, net of current portion	196,842	88,985
Deferred excise liability	-	63,226
Total noncurrent liabilities	196,842	152,211
Total liabilities	1,197,256	1,098,305
NET ASSETS		
Without donor restrictions	35,401,621	25,727,244
With donor restrictions	3,253,231	-
Total net assets	38,654,852	25,727,244
Total liabilities and net assets	\$ 39,852,108	\$ 26,825,549

See accompanying notes.

Next Gen Personal Finance
Statements of Activities and Changes in Net Assets
Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
CONTRIBUTIONS						
Contributions and grants	\$ 10,601,405	\$ 3,979,796	\$ 14,581,201	\$ 979,115	\$ -	\$ 979,115
INVESTMENT INCOME						
Realized gains on investments, net	600,682	-	600,682	1,716,233	-	1,716,233
Unrealized gains on investments, net	3,262,173	-	3,262,173	2,762,628	-	2,762,628
OTHER INCOME	18,433	-	18,433	-	-	-
Total revenue	14,482,693	3,979,796	18,462,489	5,457,976	-	5,457,976
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	726,565	(726,565)	-	-	-	-
Total support and revenue	15,209,258	3,253,231	18,462,489	5,457,976	-	5,457,976
EXPENSES						
Program expenses	4,840,036	-	4,840,036	6,031,259	-	6,031,259
Management and general	694,845	-	694,845	1,211,318	-	1,211,318
Total expenses	5,534,881	-	5,534,881	7,242,577	-	7,242,577
Changes in net assets	9,674,377	3,253,231	12,927,608	(1,784,601)	-	(1,784,601)
NET ASSETS, beginning of year	25,727,244	-	25,727,244	27,511,845	-	27,511,845
NET ASSETS, end of year	<u>\$ 35,401,621</u>	<u>\$ 3,253,231</u>	<u>\$ 38,654,852</u>	<u>\$ 25,727,244</u>	<u>\$ -</u>	<u>\$ 25,727,244</u>

See accompanying notes.

Next Gen Personal Finance
Statements of Functional Expenses
Years Ended December 31, 2024 and 2023

	2024			2023		
	Program	Management and General	Total	Program	Management and General	Total
PERSONNEL						
Salaries and wages	\$ 1,986,698	\$ 417,413	\$ 2,404,111	\$ 1,860,255	\$ 690,872	\$ 2,551,127
Employee benefit plan	89,448	19,903	109,351	89,784	32,838	122,622
Taxes and other benefits	186,241	33,238	219,479	173,796	62,717	236,513
PROGRAM EVENTS						
Travel and lodging	58,757	-	58,757	58,674	-	58,674
External events and sponsorships	65,206	-	65,206	37,072	-	37,072
Contests and giveaways	138,170	-	138,170	199,502	-	199,502
Events	101,343	-	101,343	196,686	-	196,686
OPERATING EXPENSES						
Grants to other organizations	1,121,514	-	1,121,514	2,089,571	-	2,089,571
Game development	10,000	-	10,000	40,000	-	40,000
Lease expense	77,044	16,025	93,069	-	15,511	15,511
Media production	81,226	-	81,226	143,328	-	143,328
External contractors	243,917	-	243,917	442,785	-	442,785
Marketing	141,370	-	141,370	74,820	-	74,820
Web development	379,080	-	379,080	353,950	-	353,950
Insurance	-	11,401	11,401	-	9,352	9,352
Office expenses and supplies	100,781	20,958	121,739	87,371	36,314	123,685
Legal and professional fees	-	51,823	51,823	-	65,092	65,092
Taxes	-	47,766	47,766	-	103,618	103,618
Software subscriptions	28,591	5,948	34,539	86,467	31,982	118,449
Research	30,650	-	30,650	97,198	-	97,198
Travel and lodging	-	41,587	41,587	-	66,339	66,339
Loss on disposal of property and equipment	-	-	-	-	10,841	10,841
Credit loss expense	-	-	-	-	85,000	85,000
Facilities and equipment	-	28,783	28,783	-	842	842
Total expenses	<u>\$ 4,840,036</u>	<u>\$ 694,845</u>	<u>\$ 5,534,881</u>	<u>\$ 6,031,259</u>	<u>\$ 1,211,318</u>	<u>\$ 7,242,577</u>

See accompanying notes.

Next Gen Personal Finance
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 12,927,608	\$ (1,784,601)
Adjustments to reconcile change in net assets to cash used in operating activities		
Depreciation	1,493	689
Credit loss expense	-	85,000
Net loss on disposal of property and equipment	-	10,841
Operating noncash lease	1,642	4,144
Net realized and unrealized gain on investments	(3,862,855)	(2,762,628)
Non-cash contributions of assets from related parties	(9,550,091)	(801,027)
Changes in operating assets and liabilities		
Prepaid expenses	6,163	25,664
Security deposits	-	(8,650)
Accounts payable	(10,004)	22,185
Accrued expenses	11,478	16,780
Excise tax payable	57,884	33,652
Deferred excise liability	(63,226)	63,226
Grants payable	(14,122)	690,479
Net cash provided by (used in) operating activities	<u>(494,030)</u>	<u>(4,404,246)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(3,823,267)	(4,914,834)
Proceeds from sales of investments	4,055,808	8,836,313
Purchases of property and equipment	-	(13,780)
Net cash provided by (used in) investing activities	<u>232,541</u>	<u>3,907,699</u>
Net changes in cash	(261,489)	(496,547)
CASH, beginning of year	<u>617,059</u>	<u>1,113,606</u>
CASH, end of year	<u>\$ 355,570</u>	<u>\$ 617,059</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Net additions to right-of-use asset	<u>\$ (201,691)</u>	<u>\$ (183,616)</u>
Net additions to operating lease activities	<u>\$ 201,691</u>	<u>\$ 183,616</u>
Income taxes paid	<u>\$ 53,108</u>	<u>\$ 6,500</u>
Stocks contributed by related parties	<u>\$ (9,550,091)</u>	<u>\$ (801,027)</u>

See accompanying notes.

Next Gen Personal Finance Notes to Financial Statements

Note 1 – Organization and Nature of Activities

Next Gen Personal Finance (the Organization) is a California nonprofit public benefit corporation formed in 2017 and provides educators with resources such as direct and indirect grants, course materials, interactive games, and toolkits for the purpose of educating students in personal finance.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting – The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP). Accordingly, net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Description of net assets – Net assets are classified based on the existence or absence of donor-imposed restrictions as follows:

Without donor restrictions – Includes net assets that are not subject to donor restrictions, as well as voluntary reserves associated with the operating activities of the Organization. As of December 31, 2024 and 2023, there are no Board-designated net assets.

With donor restrictions – Includes net assets subject to donor restrictions. Amounts are transferred to without donor restrictions as expenses that fulfill the donor restrictions are incurred and contributions with any time related restrictions expire. As of December 31, 2024 and 2023, net assets with donor restrictions total \$3,253,231 and \$0, respectively.

Cash – Cash consists of currency on hand and demand deposits.

Notes receivable – Notes receivable that the Organization has the intent and ability to hold for the foreseeable future are stated at the amount of unpaid principal from commercial companies, less an allowance for credit losses. Through the provisions of note agreements, the Organization has the right to convert the notes for equity shares in the commercial companies upon the occurrence of certain events.

The allowance for credit losses is established through the provision for losses. Note write-downs are charged against the allowance for credit losses when management believes that the collection of the full principal amount is unlikely. The allowance is an amount management believes will be adequate to absorb probable losses on existing notes that may become uncollectible based on evaluations of the collectability of notes and prior loss experience. The evaluations take into consideration such factors as changes in the nature and volume of the portfolio, overall portfolio quality, and current economic conditions and trends that may affect the borrower's ability to repay. Management has deemed all notes receivable uncollectible and a credit loss expense of \$0 and \$85,000 was recognized during the years ended December 31, 2024 and 2023, respectively.

Investments – Investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants at the measurement date. The Organization determines fair value based on the fair value hierarchy established under applicable accounting guidance.

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Notes to Financial Statements

Investments are exposed to various risks, such as changes in interest rates or credit and market fluctuations. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities and other investments, it is at least reasonably possible that changes in value in the near term could materially affect the Organization's investments and total net assets balance.

Fair value measurements – Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the use of observable market-based inputs over the use of unobservable inputs when measuring fair value.

The hierarchy below lists three levels of fair value based on the extent to which inputs used in measuring fair value are observable in the market. The Organization categorizes each of the fair value measurements in one of these three levels based on the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

Level 1 – Unadjusted quoted prices available in active markets for identical investments as of the reporting date.

Level 2 – Observable inputs to the valuation methodology are other than Level 1 inputs, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability, and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The availability of valuation techniques and observable inputs can vary and is affected by a wide variety of factors including, the type of asset and liability. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the asset or liability existed. Accordingly, the degree of judgment exercised by the Organization in determining fair value is greatest for assets categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement. Unobservable inputs used in the fair value measurements are evaluated and adjusted annually, as needed, based on current market conditions and other third-party information. In determining the reasonableness of the methodology, the Organization evaluates a variety of factors including a review of existing agreements, economic conditions, and industry and market developments. Certain unobservable inputs are assessed through review of contract terms (for example, terms restrictions) while others are substantiated utilizing available market data (discount rates).

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Notes to Financial Statements

The fair values associated with the alternative investments were estimated using the net asset value per share (NAV) of the underlying investment funds using information provided by the individual fund managers and communications with the fund managers. The Organization's holdings in alternative investments require significant judgment by the Organization due to the absence of quoted market values and the long-term nature of such investments. Investments measured using the NAV (or its equivalent) practical expedient are not classified in the fair value hierarchy.

Property and equipment – The Organization capitalizes all property and equipment with a cost of \$5,000 or more if purchased and a fair value of \$5,000 or more at date of donation if received by contribution. Depreciation is computed using the straight-line method over the useful lives of the assets.

Leases – The Organization recognizes the assets and liabilities arising from leases with terms longer than 12 months on the statements of financial position. Leases are classified as either operating or finance, with classification affecting the pattern of expense recognition in the statements of activities and changes in net assets.

The Organization elected the package of practical expedients permitted under the transition guidance. In addition, the Organization made an accounting policy election to keep leases with an initial term of 12 months or less off of the statements of financial position. The Organization will continue to recognize those lease payments for short-term leases in the statements of activities and changes in net assets on a straight-line basis over the lease term.

Transactions give rise to leases when the Organization receives substantially all of the economic benefits from, and has ability to direct the use of, specified property and equipment. The Organization has lease activity that is classified as operating leases and no activities that are classified as finance leases. Operating leases are included in operating right-of-use (ROU) assets and operating lease liabilities in the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent obligations to make lease payments arising from the lease.

Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. When discount rates implicit in leases cannot be readily determined, the Organization uses the risk-free rate at lease commencement to perform lease classification tests and to measure lease liabilities and ROU assets. Lease expense for operating leases is recognized on a straight-line basis over the lease term.

Grants payable – Grants are recognized when all conditions are met by grantees, all due diligence has been completed, and are approved by management. Conditional grants are expensed and considered payable only in the period the conditions are satisfied. All grants payable are expected to be paid during the year ending December 31, 2025.

Functional expense allocation – Expenses are charged to the following functional expense categories: program services, management and general, and fundraising. Such charges are based on direct expenditures incurred. Any expenditure not directly chargeable to a functional expense category is allocated based on appropriate allocation methods, such as the percentage of time spent.

As of December 31, 2024 and 2023, no expenditures were incurred related to fundraising.

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Notes to Financial Statements

Income tax status – The Internal Revenue Service (IRS) determined the Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and, therefore, the Organization is not subject to tax under current tax law. Once qualified, the Organization is required to operate in conformity with the IRC to maintain its tax qualification. Management believes that the Organization is currently being operated in compliance with the applicable requirements of the IRC and is not aware of any transactions that would affect its tax-exempt status.

The Organization is liable for an excise on net investment income, as defined under federal law, which includes interest, dividends, and net realized gains on the sale of investments. For tax years beginning after December 20, 2019, the excise tax is 1.39% of net investment income. The Organization made provisions for deferred excise taxes resulting from net unrealized gains on investments, which were recorded at the 1.39% excise tax rate for the years ended December 31, 2024 and 2023.

The provision for tax expense of \$110,992 and \$40,152 for the years ended December 31, 2024 and 2023, respectively, are all current and recorded as management and general expenses in the statements of activities and changes in net assets. The Organization made provisions of (\$63,226) and \$63,226 for deferred excise taxes resulting from net unrealized gains (losses) on investments, which were recorded at the excise tax rate of the years ended December 31, 2024 and 2023, respectively. The deferred excise taxes are also recorded as management and general expenses in the statements of activities and changes in net assets.

The Organization is subject to distribution requirements of the IRC. In determining qualifying distributions, grant payments are considered on a cash basis and certain expenses are considered as qualifying distributions. The investments includable for the 5% distribution requirement are based on average monthly balances.

U.S. GAAP requires Organization management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by tax authorities. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Tax periods subject to examination by the federal and California state jurisdictions generally remain open for three and four years, respectively.

Use of estimates – The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Concentration of credit risk – Financial instruments that are potentially subject to risk consist primarily of cash and investments. Cash and investments consist primarily of balances at financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) insurance thresholds, cash held in money market accounts in excess of the amounts insured by the U.S. Treasury insurance for money market funds, and various debt and equity instruments in excess of Securities Investor Protection Corporation (SIPC) insurance limits. If any of the financial institutions with which the Organization does business were to be placed into receivership with the FDIC, the Organization may be unable to access the cash it has on deposit with such institutions. If the Organization was unable to access its cash and cash equivalents as needed, the Organization's financial position and ability to operate its business could be adversely affected. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and investments.

Next Gen Personal Finance Notes to Financial Statements

Risks and uncertainties – Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements.

Liquidity and availability – Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statements of financial position comprise the following:

	2024	2023
Financial assets		
Cash	\$ 355,570	\$ 617,059
Investments	39,190,825	26,010,420
Financial assets	39,546,395	26,627,479
Less those unavailable for general expenditure within one year, due to		
Donor-restricted net assets	(3,253,231)	-
Investments not convertible to cash within next 12 months	(1,587,344)	(1,501,206)
Financial assets available to meet cash needs for general expenditures within one year	\$ 34,705,820	\$ 25,126,273

The Organization's policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization invests cash in excess of daily requirements in money market funds.

Subsequent events – Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are available to be issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements.

The Organization has evaluated subsequent events through July 8, 2025, which is the date that the financial statements were available to be issued, and has concluded that, besides the items mentioned below, there were no significant subsequent events to disclose.

In December 2024, the Organization submitted Form 8940 to the IRS to convert its status from a private operating foundation to a public charity. As of the date of these financial statements, the Organization is awaiting a response from the IRS regarding this conversion.

Next Gen Personal Finance Notes to Financial Statements

Note 3 – Investments and Fair Value Measurement

The following tables present information about the Organization's assets measured at fair value on a recurring basis at December 31, 2024 and 2023, and the valuation techniques used by the Organization to determine those fair values.

Assets measured at fair value on a recurring basis include the following at December 31:

Description	2024				Total
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Investments measured at NAV	
Money market funds	\$ 15,602,461	\$ -	\$ -	\$ -	\$ 15,602,461
Mutual funds	22,001,020	-	-	-	22,001,020
Corporate stocks	-	-	553,820	-	553,820
Partnership interest	-	-	-	1,033,524	1,033,524
Total	\$ 37,603,481	\$ -	\$ 553,820	\$ 1,033,524	\$ 39,190,825

Description	2023				Total
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Investments measured at NAV	
Money market funds	\$ 6,050,628	\$ -	\$ -	\$ -	\$ 6,050,628
Mutual funds	18,458,586	-	-	-	18,458,586
Corporate stocks	-	-	559,032	-	559,032
Partnership interest	-	-	-	942,174	942,174
Total	\$ 24,509,214	\$ -	\$ 559,032	\$ 942,174	\$ 26,010,420

Fair values for Level 1 assets are based on quoted prices in active markets. Fair values for Level 2 assets are calculated using quoted prices for similar assets in markets that are not active. The Organization did not have any assets or liabilities measured at fair value on a nonrecurring basis at December 31, 2024 and 2023. There were no significant transfers between Levels 1 and 2 for the years ended December 31, 2024 and 2023.

Money market funds – Shares of money market funds are for investment purposes and categorized as Level 1. They are valued at quoted market prices from third-party exchanges where the shares are actively traded.

Mutual funds – Shares held in mutual funds traded on national securities exchanges are based on quoted market prices from third-party exchanges where the shares are actively traded.

Corporate stocks – Shares held in corporate stocks that do not have an active market and the fair value are determined using significant unobservable inputs, such as discounted cash flow models, comparable company multiples, or other valuation techniques. These corporate stocks are classified within Level 3 of the fair value hierarchy, as the valuation relies on inputs that are not observable in the market.

Next Gen Personal Finance Notes to Financial Statements

Partnership interest – These investments are in a fund of funds focused on private markets, particularly venture capital and direct lending, that also opportunistically invests in direct investments in both private and public companies. The fair value of these investments have been estimated using the equivalent NAV of the Organization’s ownership interest in partners’ capital, as determined based on the partnerships’ audited financial statements. There were no unobservable inputs internally developed by the Organization. The Organization has unfunded commitments relating to its investments in private equity funds of \$414,309 and \$579,309 as of December 31, 2024 and 2023, respectively. These investments do not have a lock-up period. Distributions are made when portfolio companies are acquired or go public, typically occurring over a five-to-seven-year period as the portfolio matures, though liquidity events may sometimes take longer.

The following table summarizes the change in the values of investments during the years ended December 31:

Description	Beginning Balance December 31, 2023	Contributions/ Purchases/	Sales/ Conversions	Unrealized Gains (Losses)	Ending Balance December 31, 2024
Money market funds	\$ 6,050,628	\$ 13,452,845	\$ (3,901,012)	\$ -	\$ 15,602,461
Mutual funds	18,458,586	344,724	-	3,197,710	22,001,020
Corporate stocks	559,032	-	-	(5,212)	553,820
Partnership interest	942,174	176,471	(154,796)	69,675	1,033,524
Total	<u>\$ 26,010,420</u>	<u>\$ 13,974,040</u>	<u>\$ (4,055,808)</u>	<u>\$ 3,262,173</u>	<u>\$ 39,190,825</u>

Description	Beginning Balance December 31, 2022	Contributions/ Purchases/	Sales/ Conversions	Unrealized Gains (Losses)	Ending Balance December 31, 2023
Money market funds	\$ 5,999,678	\$ 5,663,239	\$ (5,612,289)	\$ -	\$ 6,050,628
Mutual funds	18,560,530	389,078	(4,073,043)	3,582,021	18,458,586
Corporate stocks	1,080,667	801,026	(545,713)	(776,948)	559,032
Partnership interest	727,369	287,191	(29,941)	(42,445)	942,174
Total	<u>\$ 26,368,244</u>	<u>\$ 7,140,534</u>	<u>\$ (10,260,986)</u>	<u>\$ 2,762,628</u>	<u>\$ 26,010,420</u>

Note 4 – Property and Equipment

Property and equipment consist of the following at December 31:

	2024	2023
Computers and equipment	\$ 2,299	2,299
Furniture	13,781	13,781
Total	16,080	16,080
Accumulated depreciation and amortization	(3,907)	(2,414)
Property and equipment, net	<u>\$ 12,173</u>	<u>\$ 13,666</u>

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Notes to Financial Statements

Depreciation expense for the years ended December 31, 2024 and 2023, was \$1,493 and \$689, respectively.

Note 5 – Operating Leases

The Organization leased office space under an operating lease agreement expiring November 2027. The Organization has taken the reasonable certainty of exercising the renewal options into consideration, and if applicable, has recognized the renewal options as part of the ROU assets and lease liabilities.

The operating asset and operating lease liabilities were as follows for the years ended December 31:

<u>Assets</u>	<u>Classification</u>	<u>2024</u>	<u>2023</u>
	Operating lease right-of-use assets	<u>\$ 284,890</u>	<u>\$ 169,591</u>
<u>Liabilities</u>	<u>Classification</u>		
Current:	Operating lease liabilities	\$ 93,834	\$ 84,750
Noncurrent:	Operating lease liabilities	<u>196,842</u>	<u>88,985</u>
	Total	<u>\$ 290,676</u>	<u>\$ 173,735</u>

For the years ended December 31, 2024 and 2023, lease expense was \$93,069 and \$15,511, respectively.

Supplemental cash flow information related to leases was as follows for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows used in operating leases	\$ 91,427	\$ 11,367
Additions of ROU assets obtained in the period from operating leases	\$ 201,691	\$ 183,616
Weighted-average		
Discount rate of operating leases	4.08%	4.90%
Remaining lease term (years) of operating leases	2.92	1.92

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As of December 31, 2024, the undiscounted future payments over the lease term for operating leases, under noncancelable leases, along with a reconciliation of the undiscounted cash flows were as follows:

<u>Maturities of Lease Liabilities</u>	<u>Operating Lease</u>
2025	\$ 103,955
2026	106,035
2027	<u>98,978</u>
Total lease payments	308,968
Less: amount representing interest	<u>(18,292)</u>
Present value of lease liabilities	<u><u>\$ 290,676</u></u>

Note 6 – Employee Benefit Plan

The Organization sponsors a defined contribution, salary reduction plan that covers all employees.

Employees may enter the plan upon employment and are eligible for matching contributions after 320 hours of consecutive service. Employees may contribute up to 100% of their salary, limited to statutory limits established by the IRS in the calendar year of contribution. The Organization matches 50% of such contributions, up to 10% of each employee's salary.

Matching contributions were \$104,832 and \$118,197, and the Organization paid administrative expenses of the plan totaling \$4,519 and \$4,425 for the years ended December 31, 2024 and 2023, respectively. These amounts are included in the caption employee benefit plan on the accompanying statements of functional expenses.

Note 7 – Related-Party Transactions

Mission 2030, a related party, is a 501(c)(4) organization that advocates for legislation that requires high school students will receive a one semester course in personal finance. There were no related-party transactions with Mission 2030 for the years ended December 31, 2024 and 2023.

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There were grants and contributions made to the Organization from the Organization's President and Board Member and from entities related to him. There are no restrictions on such grants and contributions. The grants and contributions were comprised of the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Cash	\$ -	\$ 465,388
Non-cash		
Investments	<u>9,550,091</u>	<u>335,639</u>
Total non-cash	<u>9,550,091</u>	<u>335,639</u>
Total	<u>\$ 9,550,091</u>	<u>\$ 801,027</u>

Note 8 – Commitments and Contingencies

In the years ended December 31, 2024 and 2023, the Organization pledged \$5,701,662 and \$5,621,225 in conditional grants to various educational institutions, of which \$1,035,499 and \$1,200,187 was paid and included in the caption grants to other organizations on the accompanying statements of functional expenses at December 31, 2024 and 2023, respectively. The future funding of these commitments, representing \$2,154,564 and \$3,095,504 at December 31, 2024 and 2023, respectively, is contingent on the educational institutions meeting certain goals and objectives as defined in the respective grant agreements. Grants payable was \$676,357 and \$690,479 at December 31, 2024 and 2023, respectively.

Certain contributions and grants require the fulfillment of certain conditions as set forth in contributions and grant agreements. Conditions typically include one or more barriers that must be overcome and are outlined in the related grant agreements. Failure to fulfill the conditions could result in the return of the funds to the grantors.