

JOURNEY FOR GOOD FOUNDATION, INC.

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

Years Ended December 31, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Journey For Good Foundation, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Journey For Good Foundation, Inc. (a nonprofit organization), which comprise the statements 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 financial statements referred to above present fairly, in all material respects, the financial position of Journey For Good Foundation, Inc., 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.

Other Matter

The financial statements of Journey For Good Foundation, Inc. as of December 31, 2023, were audited by other auditors whose report dated June 27, 2024, expressed an unmodified opinion on those statements.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Journey For Good Foundation, Inc., 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 Journey For Good Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

Rubins & Company

Bethesda, Maryland
April 28, 2025

JOURNEY FOR GOOD FOUNDATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 730,333	\$ 509,568
Promises to give	7,907	65,898
Related party promise to give	-	56,228
Program donation receivables	351,514	-
Loan receivable	1,408	3,975
Total assets	<u>\$ 1,091,162</u>	<u>\$ 635,669</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 43,216	\$ 49,172
Deferred revenue	-	5,000
Total liabilities	<u>\$ 43,216</u>	<u>\$ 54,172</u>
Net assets		
Without donor restrictions	875,980	368,343
With donor restrictions	171,966	213,154
Total net assets	<u>1,047,946</u>	<u>581,497</u>
Total liabilities and net assets	<u>\$ 1,091,162</u>	<u>\$ 635,669</u>

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

JOURNEY FOR GOOD FOUNDATION
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2024 and 2023

	<u>Year Ended December 31, 2024</u>			<u>Year Ended December 31, 2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support						
Cash and cash equivalents	\$ 926,719	\$ -	\$ 926,719	\$ 674,578	\$ -	\$ 674,578
Contributions	1,703,340	76,208	1,779,548	307,591	93,111	400,702
Licensing	3,586	-	3,586	-	-	-
Net assets released from restrictions	117,396	(117,396)	-	83,067	(83,067)	-
Total revenue and support	<u>2,751,041</u>	<u>(41,188)</u>	<u>2,709,853</u>	<u>1,065,236</u>	<u>10,044</u>	<u>1,075,280</u>
Expenses						
Program expenses	1,662,179	-	1,662,179	668,923	-	668,923
Fundraising	497,358	-	497,358	384,029	-	384,029
Management and general	69,460	-	69,460	66,605	-	66,605
Total expenses	<u>2,228,997</u>	<u>-</u>	<u>2,228,997</u>	<u>1,119,557</u>	<u>-</u>	<u>1,119,557</u>
Change in net assets from operations	522,044	(41,188)	480,856	(54,321)	10,044	(44,277)
Non-operating activity						
Loss on foreign currency translation	(14,407)	-	(14,407)	-	-	-
Total non-operating activity	<u>(14,407)</u>	<u>-</u>	<u>(14,407)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	507,637	(41,188)	466,449	(54,321)	10,044	(44,277)
Net assets, beginning of year	<u>368,343</u>	<u>213,154</u>	<u>581,497</u>	<u>422,664</u>	<u>203,110</u>	<u>625,774</u>
Net assets, end of year	<u>\$ 875,980</u>	<u>\$ 171,966</u>	<u>\$ 1,047,946</u>	<u>\$ 368,343</u>	<u>\$ 213,154</u>	<u>\$ 581,497</u>

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

JOURNEY FOR GOOD
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	Program Services	Fundraising	Management and General	Total Expenses
Tournament expense	\$ -	\$ 454,729	\$ -	\$ 454,729
Cash and cash equivalents	1,535,646	-	-	1,535,646
Salaries	114,574	30,553	7,638	152,765
Accounting and legal	-	-	53,326	53,326
Bank charges	-	8,887	7,699	16,586
Miscellaneous	11,959	3,189	797	15,945
Total expenses	\$ 1,662,179	\$ 497,358	\$ 69,460	\$ 2,228,997

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

JOURNEY FOR GOOD
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	Program Services	Fundraising	Management and General	Total Expenses
Tournament expense	\$ -	\$ 347,844	\$ -	\$ 347,844
Cash and cash equivalents	535,140	-	-	535,140
Salaries	123,639	32,970	8,242	164,851
Accounting and legal	-	-	47,172	47,172
Bank charges	-	-	10,590	10,590
Miscellaneous	10,144	2,705	601	13,450
Canisters	-	510	-	510
Total expenses	\$ 668,923	\$ 384,029	\$ 66,605	\$ 1,119,557

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

JOURNEY FOR GOOD FOUNDATION
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Change in net assets	\$ 466,449	\$ (44,277)
Changes in operating assets and liabilities:		
Cash and cash equivalents	57,991	75,375
Related party promise to give	56,228	(56,228)
Program donation receivables	(351,514)	-
Accounts payable and accrued expenses	(5,956)	(31,127)
Deferred revenue	(5,000)	-
Net cash used by operating activities	218,198	(56,257)
Cash flows from investing activities		
Payments received from loan receivable	2,567	4,870
Net cash provided (used) by investing activities	2,567	4,870
Net change in cash and cash equivalents	220,765	(51,387)
Cash, beginning of year	509,568	560,955
Cash, end of year	\$ 730,333	\$ 509,568

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

JOURNEY FOR GOOD FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

1. Organization

Journey For Good Foundation, Inc. (the “Foundation”), is a nonprofit organization and was incorporated in the State of Maryland in July 2015 as HMSHost Foundation. In February 2024, the Foundation applied to change its name to Journey for Good Foundation, Inc. within the State of Maryland and the name change was approved. The Foundation is an affiliate of HMSHost Corporation (“the Sponsor”). The board members of the Foundation hold executive positions at the Sponsor. The Foundation’s mission is to fight poverty with food, shelter, education, and workforce development opportunities.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Basis of Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. The net assets are reported as follows:

Net assets without donor restrictions: Net assets without donor restrictions are net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of management and the board of directors.

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 Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds by maintained in perpetuity. The Foundation’s Avolta Cares program provides relief to Avolta employees in North America affected by disasters and other personal hardships.

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.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

JOURNEY FOR GOOD FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Contributions

The Foundation reports contributions as support the earlier of when received or when pledged by the donor. The Foundation reports donor restricted contributions as increases in net assets with donor restrictions if their use is restricted to a specific program or for a specific time period. When a donor restriction expires (that is, when the purpose is accomplished or time restriction has expired), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

For those restricted contributions where the contribution is received and the restriction is met during the same year, the Foundation recognizes the contributions as revenues without donor restrictions.

Promises to Give

Promises to give are unconditional promises to give and primarily consist of sponsorships and contributions from donors. Management periodically reviews the status of outstanding promises to give for collectability. Each balance is assessed based on management's knowledge of and relationship with the donor and the age of the promise. As a result of these reviews, balances deemed uncollectible are charged directly to bad debt expense. Management believes that the use of the direct write-off method approximates the results that would be presented if an allowance for credit losses was recorded.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to Journey For Good Foundation, Inc.'s ongoing services. Non-operating activities are limited to resources that generate return activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with a maturity of three months or less as of the date of acquisition to be cash equivalents.

JOURNEY FOR GOOD FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

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

Travel is allocated entirely to program and office expenses are allocated entirely to administrative expenses. Salary and related benefits and utilities are allocated based on time and effort.

Income Tax Status

Journey For Good Foundation, Inc. qualifies as tax-exempt under Section 501(c)(3) of the Internal Revenue Code and is classified as a non-profit corporation for Internal Revenue Service purposes. Such organizations are taxed only on unrelated business income. The Foundation has no unrelated business income and therefore, no tax provision has been established.

Income Tax Position

For financial reporting purposes, the Foundation recognizes tax positions claimed or expected to be claimed based upon whether it is more likely than not that the tax position will be sustained upon examination. Interest, if any, related to income tax liabilities is included in interest expense. Penalties, if any, related to income tax liabilities are included in operating expense. As of December 31, 2024, the Foundation had no uncertain tax positions that qualified for either recognition or disclosure in the financial statements. Income tax returns for the years ended December 31, 2023, 2022 and 2021 remain open to examination by the taxing jurisdictions.

JOURNEY FOR GOOD FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Fair Value Measurements

The Foundation measures fair value using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The fair value hierarchy is as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities that the Foundation 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;
 - 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.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported as of the end of the reporting period. For the years ended December 31, 2024 and 2023, the Foundation did not hold any investments.

JOURNEY FOR GOOD FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Subsequent Events

Management has evaluated subsequent events through April 28, 2025, the date the financial statements were available to be issued.

3. Availability and Liquidity

The following reflects Journey For Good Foundation, Inc.'s financial assets at December 31, 2024 and 2023, reduced by amounts not available for general use within one year of the statement of financial position date because of donor imposed restrictions.

The Foundation's goal is to generate cash income to donate to charities that support the mission, while maintaining adequate cash to pay operating expenses throughout the year.

	<u>2024</u>	<u>2023</u>
Financial assets		
Cash and cash equivalents	\$ 730,333	\$ 509,568
Promises to give	7,907	65,898
Related party promise to give	-	56,228
Program donation receivables	351,514	-
Loan receivable	<u>1,408</u>	<u>3,975</u>
Total financial assets	<u>1,091,162</u>	<u>635,669</u>
Less: amounts not available to be used within one year		
Net assets with donor restrictions	171,966	213,154
Loan receivable	<u>1,408</u>	<u>3,975</u>
Total financial assets not available to be used within one year	<u>173,374</u>	<u>217,129</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 917,788</u>	<u>\$ 418,540</u>

JOURNEY FOR GOOD FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

4. Receivables

Receivables consist mostly of amounts due from program donations from the retail donation program. Management does not anticipate any risk of loss and expects to collect the receivables in full. Receivables consists of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Amounts due in less than one year	\$ 359,421	\$ 122,126
Amounts due in one to five years	<u>1,408</u>	<u>3,975</u>
Total	<u>\$ 360,829</u>	<u>\$ 126,101</u>

5. Disaggregation of Revenue

Disaggregated event revenue and contributions by type are as follows at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Golf tournament	\$ 930,305	\$ 674,578
Contributions and promises to give	84,122	189,208
Round Up 4 Charity	1,588,949	120,042
Canisters	<u>106,477</u>	<u>91,452</u>
Total revenue & other support	<u>\$ 2,709,853</u>	<u>\$ 1,075,280</u>

6. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following purposes at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Time restricted	\$ -	\$ 50,000
Purpose restricted - Avolta Cares	<u>171,966</u>	<u>163,154</u>
Total net assets with restrictions	<u>\$ 171,966</u>	<u>\$ 213,154</u>

JOURNEY FOR GOOD FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

6. Net Assets With Donor Restrictions (continued)

The following net assets with donor restrictions were released from donor restrictions by incurring expenses, which satisfied the restricted purposes specified by the donors or the passage of time during the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Time restricted	\$ 50,000	\$ 45,853
Purpose restricted - Avolta Cares	<u>67,396</u>	<u>37,214</u>
Total net assets with restrictions released	<u>\$ 117,396</u>	<u>\$ 83,067</u>

7. Related Party

For the years ended December 31, 2024 and 2023, the Sponsor incurred \$152,766 and \$164,851 in personnel costs and \$15,926 and \$12,212 of other expenses in connection with the operations of the Foundation. The Foundation reimbursed the Sponsor for these costs throughout the year. As of December 31, 2024 and 2023, the Foundation owed the Sponsor \$41,316 and \$48,144 respectively.

The Foundation received \$116,228 in contributions pledged from the Sponsor in 2023, of which \$0 and \$56,228 remains outstanding as of December 31, 2024 and 2023, respectively.

8. Concentration of Credit Risks

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of temporary cash investments and promises to give.

The Foundation places their cash investments with financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures up to \$250,000 per organization. As of December 31, 2024 and 2023, the Foundation's uninsured balance totaled \$0 and \$243,921, respectively. In 2024, The Foundation opened a Canadian bank account insured under the Canada Deposit Insurance Corporation (CDIC) which insures up to \$100,000 CAD per organization. As of December 31, 2024, the uninsured balance for this account was \$239,248.

As of December 31, 2023, promises to give from two donors totaled 87% of total promises to give. All promises to give outstanding at December 31, 2023 were received during the year ended December 31, 2024.