

BIGHEART PHILANTHROPY
CHICAGO, ILLINOIS
FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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KOLNICKI



PETERSON



WIRTH

To the Board of Directors
of BigHeart Philanthropy
Chicago, Illinois

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of BigHeart Philanthropy (a nonprofit 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 (deficit), functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BigHeart Philanthropy 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. 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 BigHeart Philanthropy and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 BigHeart Philanthropy's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

KOLNICKI PETERSON & WIRTH, LLC
CERTIFIED PUBLIC ACCOUNTANTS

1400 Opus Place Suite 100
Downers Grove, IL 60515
(630) 390-1140 • Fax (630) 390-1150

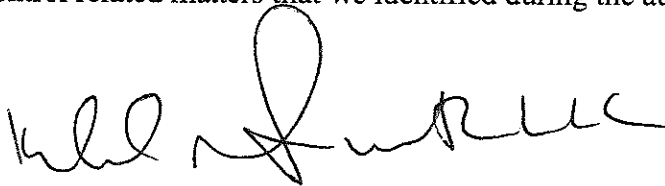
Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



KOLNICKI, PETERSON, WIRTH LLC
Certified Public Accountants

Downers Grove, Illinois
October 7, 2025

BIGHEART PHILANTHROPY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

Statement 1

	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash	\$ 3,958	\$ 129,128
Due from BigHeart Ventures	190,200	100
License fees receivable	<u>19,463</u>	<u>12,901</u>
Total current assets	<u>213,621</u>	<u>142,129</u>
PROPERTY AND EQUIPMENT		
Computer equipment	20,986	20,986
Furniture and office equipment	<u>9,456</u>	<u>9,456</u>
Total, at cost	30,442	30,442
Less accumulated depreciation	<u>(28,953)</u>	<u>(28,666)</u>
Net property and equipment	<u>1,489</u>	<u>1,776</u>
Total assets	<u>\$ 215,110</u>	<u>\$ 143,905</u>
CURRENT LIABILITIES		
Accounts payable	\$ 7,500	\$ 41,299
Other liabilities	<u>251</u>	<u>6,253</u>
Total current liabilities	<u>7,751</u>	<u>47,552</u>
NET ASSETS		
Without donor restrictions	<u>207,359</u>	<u>96,353</u>
Total net assets	<u>207,359</u>	<u>96,353</u>
Total liabilities and net assets	<u>\$ 215,110</u>	<u>\$ 143,905</u>

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

BIGHEART PHILANTHROPY
STATEMENTS OF ACTIVITIES AND
CHANGES IN NET ASSETS (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
REVENUES		
Contributions	\$ 253,536	\$ 247,356
In-kind donations	190,688	9,499,970
License fees	86,456	92,596
Paycheck Protection Program loan forgiveness	-	67,527
Investment income	938	773
	531,618	9,908,222
EXPENSES		
Program services	394,105	9,743,896
Management and general	26,389	52,556
Fundraising	118	913
	420,612	9,797,365
Increase in net assets	111,006	110,857
Net assets (deficit) at beginning of year	96,353	(14,504)
Net assets at end of year	\$ 207,359	\$ 96,353

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

**BIGHEART PHILANTHROPY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Program Services	Management and General	Fund-raising	Total
OPERATING EXPENSES				
Bank and credit card fees	\$ 162	\$ -	-	\$ 162
Depreciation	172	86	29	287
Insurance	-	4,350	-	4,350
Interest	-	8	-	8
License fees	224,786	-	-	224,786
Occupancy	20,270	1,526	-	21,796
Professional fees	15,881	15,882	-	31,763
Payroll and payroll taxes	114,360	4,359	-	118,719
Subcontractor	13,816	-	-	13,816
Technology	1,516	178	89	1,783
Travel and meetings	3,142	-	-	3,142
Total operating expenses	\$ 394,105	\$ 26,389	\$ 118	\$ 420,612

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

**BIGHEART PHILANTHROPY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Services	Management and General	Fund-raising	Total
OPERATING EXPENSES				
Bank and credit card fees	\$ 314	\$ -	-	\$ 314
Depreciation	366	183	61	610
Insurance	-	3,926	-	3,926
Interest	-	67	-	67
License fees	9,497,086	-	-	9,497,086
Office expense	275	32	16	323
Occupancy	19,530	1,470	-	21,000
Professional fees	38,766	38,767	-	77,533
Payroll and payroll taxes	154,528	6,439	-	160,967
Subcontractor	17,044	-	-	17,044
Technology	14,217	1,672	836	16,725
Travel and meetings	1,770	-	-	1,770
Total operating expenses	\$ 9,743,896	\$ 52,556	\$ 913	\$ 9,797,365

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

BIGHEART PHILANTHROPY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 111,006	\$ 110,857
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	287	610
Forgiveness of Paycheck Protection Program loan	-	(67,527)
Changes in operating assets and liabilities:		
Increase in due from related party	(190,100)	(100)
Decrease (increase) in fees receivable	(6,562)	4,603
Increase (decrease) in accounts payable	(33,799)	32,489
Increase (decrease) in other liabilities	(6,002)	6,253
	<u>(125,170)</u>	<u>87,185</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(125,170)	87,185
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>129,128</u>	<u>41,943</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,958</u>	<u>\$ 129,128</u>

These financial statements should be read only in
connection with the accompanying summary of significant
accounting policies and notes to financial statements.

**BIGHEART PHILANTHROPY
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 2024 AND 2023**

NATURE OF OPERATIONS

BigHeart Philanthropy (the Organization) is a not-for-profit organization incorporated under the laws of Illinois in 2008 and established exclusively for charitable purposes. The Organization offers the non-faith based not-for-profit sector a collaborative software solution and related consulting and change management services needed to enhance the delivery of services to the people they serve. BigHeart Philanthropy amplifies the efforts of those trying to change the world by connecting people anywhere as though they were in the same room.

ACCOUNTING METHOD

The accounts and financial statements are maintained on the accrual basis of accounting and accordingly reflect all significant accounts receivable, payable and other liabilities. Contribution revenue is recognized when the Organization is notified of the existence of a pledge or receives a contribution. The contributions are recognized as income in the period to which they relate. Expenses are recognized in the period in which the related liability is incurred.

CASH AND CASH EQUIVALENTS

The Organization considers all liquid investments with an original maturity of three months or less, when purchased, to be cash equivalents.

PLEDGES RECEIVABLE

Pledges receivable are presented at the fair value of the promises and are estimated by management to be fully collectable.

IN-KIND DONATIONS

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by people with those skills, and would otherwise be purchased by the Organization. During the years ended December 31, 2024 and 2023, the Organization received in-kind donations of professional services totaling \$18,000 and \$18,000, respectively.

Donations of license fees are recorded as contributions at their estimated fair value at the date of the donation. Such donations are reported as increases to unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire license fees are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed into service as instructed by the donor. In-kind donations of license fees from a related party totaled \$185,786 and \$9,460,970 for the years ended December 31, 2024 and 2023, respectively. In-kind donations of rent and utilities from a related party totaled \$21,000 for each of the years ended December 31, 2024 and 2023.

**BIGHEART PHILANTHROPY
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 2024 AND 2023**

EXPENSE ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets (Deficit), and the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

INCOME TAXES

The Internal Revenue Service has ruled that the Organization is exempt from the payment of federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code as an educational and charitable organization.

The Financial Accounting Standards Board (FASB) issued ASC 740-10-05 "Accounting for Uncertainty in Income Taxes" that clarified the accounting and recognition for income tax positions taken or expected to be taken in the Organization's income tax returns. The Organization adopted the standard in 2016.

The Organization's income tax filings are subject to audit by various taxing authorities. The Organization's open audit periods are 2021 through 2023. In evaluating the Organization's tax provisions and accruals, future taxable income and the reversal of temporary differences, interpretations of tax planning strategies are considered. The Organization believes their estimates are based on current facts and circumstances.

USE OF ESTIMATES

The preparation of financial statements in conformity 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 at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. The Organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost or at estimated fair value at date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Furniture and office equipment	5 years
Computer equipment	5 years

INVESTMENTS

The Organization is required to provide additional information in the financial statement, based on the implementation of the FASB Accounting Standards Codification FASB (ASC) No. 820-10-35-1, Fair Value Measurements and Disclosures. This Standard defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurement.

**BIGHEART PHILANTHROPY
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 2024 AND 2023**

LICENSE FEES RECEIVABLE

License fees receivable at December 31, 2024 represent amounts that have been billed under contracts but not collected as of the date of the financial statements. License fees receivable are stated at the amount management expects to be collected from the outstanding balance. As of December 31, 2024, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

DATE OF MANAGEMENT'S REVIEW

Subsequent events were evaluated through the date of this report and the date the financial statements were available to be issued was October 7, 2025.

NEW ACCOUNTING PRONOUNCEMENTS

In August 2016, the Financial Standards Accounting Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements for Not-for-Profit Entities. Among other provisions, ASU 2016-14 reduces the number of classes of net assets from three to two, requires the presentation of expenses in both natural and functional classifications, and eliminates the requirements to prepare a reconciliation in the statement of cash flows when applying for direct method. ASU 2016-14 is effective for fiscal years beginning after December 31, 2017, with early application permitted.

The accounting and disclosures in these financial statements and notes follow the applicable portions of ASU 2016-14.

This information is an integral part
of the accompanying financial statements.

**BIGHEART PHILANTHROPY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 - CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in one financial institution at December 31, 2024 and 2023. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2024 and 2023, the Organization had no uninsured balances.

NOTE 2 – RELATED PARTY TRANSACTIONS

The Organization received an in-kind donation of license fees from a related company. The company is owned by an officer of the Organization. At December 31, 2024 and 2023 the donations totaled \$224,786 and \$9,460,970, respectively. At December 31, 2024 and 2023, the Organization was owed \$190,200 and \$100, respectively, from BigHeart Ventures.

NOTE 3 - LEASE AGREEMENTS

During 2024 and 2023, the Organization received an in-kind donation of office space and utilities valued at \$1,750 per month. Rent expense totaled \$21,000 for the years ended December 31, 2024 and 2023.

NOTE 4 – CASH FLOW INFORMATION

The Organization paid no cash for income taxes during 2024 and 2023. In 2024 and 2023, the Organization paid \$8 and \$67 for interest, respectively.

NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization’s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	2024	2023
Financial assets at year end		
Cash and cash equivalents	\$ 3,958	\$ 129,128
License fees receivable	19,463	12,901
Total financial assets available to meet general expenditures within one year	\$ 23,421	\$ 142,029

**BIGHEART PHILANTHROPY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 6 – LICENSE FEES RECEIVABLE

At December 31, 2024 and 2023, license fees receivable were as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning	\$ 12,901	\$ 17,504
Billed in current year	86,456	92,596
Collected	<u>(79,894)</u>	<u>(97,199)</u>
Total	<u>\$ 19,463</u>	<u>\$ 12,901</u>

NOTE 7 – PAYCHECK PROTECTION PROGRAM LOANS

In April 2022, the Organization received a second Paycheck Protection Program loan of \$67,527. The loan was forgiven in 2023 and recorded as income.

This information is an integral part
of the accompanying financial statements.