

**BUSINESS COUNCIL FOR PEACE, INC.**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**SEPTEMBER 30, 2024**

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## Independent Auditor's Report

To the Board of Directors  
Business Council for Peace, Inc.

### **Opinion**

We have audited the accompanying financial statements of Business Council for Peace, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses, and cash flow for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of Business Council for Peace, Inc. as of September 30, 2024, 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 audit 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 Business Council for Peace, Inc. 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 Business Council for Peace, Inc.'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 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 Business Council for Peace, 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 Business Council for Peace, 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.



Columbia, MD  
June 11, 2025

**BUSINESS COUNCIL FOR PEACE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2024**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 459,557
Grants receivable	233,981
Prepaid expenses	15,348
Total Current Assets	<u>708,886</u>

<b>TOTAL ASSETS</b>	<b><u>\$ 708,886</u></b>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 68,019
Accrued expenses	1,350
Contract liabilities	29,700
Note payable, current portion	3,497
Total Current Liabilities	<u>102,566</u>

**LONG-TERM LIABILITIES**

Note payable, net of current portion	<u>149,866</u>
Total Long-Term Liabilities	<u>149,866</u>

<b>TOTAL LIABILITIES</b>	<b>252,432</b>
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**NET ASSETS**

Without donor restrictions	436,454
With donor restrictions	<u>20,000</u>
Total Net Assets	<u>456,454</u>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 708,886</u></b>
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The accompanying notes are an integral part of these financial statements.

**BUSINESS COUNCIL FOR PEACE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED SEPTEMBER 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Contributed services	\$ 1,428,855	-	\$ 1,428,855
Grants	761,666	40,000	801,666
Contracts revenue	131,433	-	131,433
Special events	177,443	-	177,443
Contributions	86,269	-	86,269
Skillanthropist dues	56,242	-	56,242
Corporate dues	10,000	-	10,000
Fast Runner fees	21,963	-	21,963
Investment income, net	16,240	-	16,240
Net assets released from restrictions	272,954	(272,954)	-
Total Revenue And Support	<u>2,963,065</u>	<u>(232,954)</u>	<u>2,730,111</u>
<b>EXPENSES</b>			
Program Services	2,282,735	-	2,282,735
Supporting Services:			
Fundraising	321,187	-	321,187
Management and general	221,646	-	221,646
Total Supporting Services	<u>542,833</u>	<u>-</u>	<u>542,833</u>
Total Expenses	<u>2,825,568</u>	<u>-</u>	<u>2,825,568</u>
<b>CHANGE IN NET ASSETS</b>	137,497	(232,954)	(95,457)
<b>NET ASSETS</b>			
Beginning of year	<u>298,957</u>	<u>252,954</u>	<u>551,911</u>
End of year	<u><u>\$ 436,454</u></u>	<u><u>\$ 20,000</u></u>	<u><u>\$ 456,454</u></u>

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

**BUSINESS COUNCIL FOR PEACE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2024**

	Supporting Services				
	Program Services	Fundraising	Management and General	Total Supporting Services	Total Expenses
Payroll and Related Expenses:					
Salaries	\$ 269,498	\$ 59,625	\$ 73,869	\$ 133,494	\$ 402,992
Payroll taxes	21,440	5,418	5,200	10,618	32,058
Total Payroll And Related Expenses	290,938	65,043	79,069	144,112	435,050
Accounting and audit	-	-	46,534	46,534	46,534
Bank and merchant fees	-	-	7,294	7,294	7,294
Client and program support	8,577	-	-	-	8,577
Communications	689	1,037	380	1,417	2,106
Contracted personnel	543,136	-	-	-	543,136
Contributed services	1,278,586	89,102	61,167	150,269	1,428,855
Information and technology	56,728	4,669	9,677	14,346	71,074
Insurance	162	-	2,706	2,706	2,868
Interest expense	-	-	4,125	4,125	4,125
Meetings and event facilities	10,146	-	-	-	10,146
Office supplies and expense	5,951	-	435	435	6,386
Processing fees	-	-	2,146	2,146	2,146
Professional fees	42,970	142,422	1,360	143,782	186,752
Staff training and development	2,071	-	133	133	2,204
Stipends	22,294	5,044	5,854	10,898	33,192
Travel and transportation	20,487	13,870	766	14,636	35,123
Total Expenses	<u>\$ 2,282,735</u>	<u>\$ 321,187</u>	<u>\$ 221,646</u>	<u>\$ 542,833</u>	<u>\$ 2,825,568</u>

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

**BUSINESS COUNCIL FOR PEACE, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED SEPTEMBER 30, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ (95,457)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:	
Decrease (increase) in assets:	
Grants receivable	(209,106)
Prepaid expenses	19,093
Increase (decrease) in liabilities:	
Accounts payable	25,532
Account expenses	(13,049)
Contract liabilities	(121,967)
Net Cash Used for Operating Activities	<u>(394,954)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Principal payments on note payable	<u>(3,567)</u>
Net Cash Used for Financing Activities	<u>(3,567)</u>

**NET CHANGE IN CASH AND CASH EQUIVALENTS** (398,521)

**CASH AND CASH EQUIVALENTS, beginning of year** 858,078

**CASH AND CASH EQUIVALENTS, end of year** \$ 459,557

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



**BUSINESS COUNCIL FOR PEACE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE A – NATURE OF THE ORGANIZATION AND PROGRAM SERVICES**

Business Council for Peace, Inc. (the “Organization”) was founded in 2004 under the laws of New York (“NY”) as a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization's purpose is to empower small businesses, especially women, leaders and employees in underserved and crisis affected communities. The Organization also strives to foster economic participation and leadership through strategic partnerships and targeted initiatives, driving lasting prosperity and stability.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting. Revenue and related assets are recognized when earned, and expenses and related liabilities are recognized as the obligations are incurred.

Financial Statement Presentation

Financial statement presentation follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958, *Not-for-Profit Entities*. In accordance with Topic 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets. Accordingly, the net assets of the Organization and changes therein, are classified and reported as follows:

*Net Assets without Donor Restrictions* – Net assets not subject to donor-imposed restrictions or stipulations.

*Net Assets with Donor Restrictions* – Net assets subject to donor-imposed stipulations that may or will be met by either actions of the Organization and/or the passage of time, or that must be maintained in perpetuity by the Organization. When a restriction expires, 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. The Organization treats all contributions in which the restrictions are met in the year pledged as net assets without donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers money market accounts and all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Organization maintains its cash and cash equivalent balances in certain accounts, which are insured by the Federal Deposit Insurance Corporation (“FDIC”) for up to \$250,000.

**BUSINESS COUNCIL FOR PEACE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**  
(continued)

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

Cash and Cash Equivalents (continued)

Funds held in any accounts exceeding the FDIC limit are transferred to the investment cash account. This account generates dividends and interest income, which is presented as investment income on the statement of activities.

Grants Receivable

Grants receivable are stated at the amount management expects to collect from balances outstanding at year end. Annually, management determines if an allowance for doubtful accounts is necessary based upon a review of outstanding receivables, historical collection of information, and existing economic conditions. Accounts deemed uncollectible are charged off based on individual credit evaluation and specific circumstances of the parties involved. As of September 30, 2024, management had determined that all significant grants receivable are collectible; therefore, no allowance for doubtful accounts was established. As of the beginning of the year ended September 30, 2023, grants receivable totaled \$37,900.

Contract Liabilities

When the Organization receives funding from an agreement prior to performing services in accordance with the agreement, those funds are considered contract liabilities. When the Organization has met the terms of the agreement, the balance is recognized as income in the year earned.

Revenue Recognition

*Grants and Contributions*

The Organization recognizes grants and contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions received with donor stipulations are recorded as contributions with donor restrictions based on the donor's intent. Unless otherwise stated by the donor, individual donations are recorded as contributions without donor restrictions. Contributions with donor restrictions that are met in the same reporting period as the contribution is received are reported as contributions without donor restrictions support.

**BUSINESS COUNCIL FOR PEACE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**  
(continued)

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

Revenue Recognition (continued)

*Contract Revenue*

Contract revenue is recognized at a point in time when the services are completed. Amounts received in advance are recorded as deferred revenue.

*Skillanthropists dues*

The Organization receives membership dues from business volunteers ("Skillanthropists") under an engagement model used for business professionals to contribute their time and expertise. When they join the individuals make a voluntary financial contribution.

*Corporate Dues*

The organization also receives corporate dues which are recognized over time by allocating the membership fee to the related performance obligations and recognizing the related revenue as these obligations are accomplished.

*Special Events*

Special events revenue is recognized when the event is held.

*Fast Runner Fees*

Fast Runners are small and growing businesses selected to participate in our programs. Fast Runner fees are one time financial contributions made by businesses participating in the Organization's programs. These fees formalize their commitment and vary based on the program and business' operating budget. The revenue is recognized at a point in time when the fees are received.

*Contributed Services*

The Organization recognizes in-kind contributions that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated or the services enhance or create nonfinancial assets.

**BUSINESS COUNCIL FOR PEACE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**  
(continued)

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

Method Used for Allocation of Expenses Between Functional Categories

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions. Expenses of this nature are allocated on a reasonable basis that is consistently applied. Allocated expenses include payroll and related expenses, as well as contributed services, professional fees, office expenses, and other general organizational costs, which are allocated on the basis of time and effort expended.

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 certain reported amounts of revenue and expenses during the reporting periods and reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

**NOTE C – INCOME TAXES**

The Organization is a 501(c)(3) organization exempt from federal and state income taxes under Section 501(a) of the Internal Revenue Code. The Organization is, however, subject to tax on business income unrelated to the respective exempt purposes. The Internal Revenue Service (“IRS”) has determined that the Organization is not a private foundation. Since the Organization is a not-for-profit organization, exempt for income tax purposes, no income tax provision is reflected in the financial statements. The Organization files information returns as required.

The Organization believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements or that would have an effect on its tax-exempt status. There are no unrecognized tax benefits or liabilities that need to be recorded.

The Organization’s information returns are subject to examination by the IRS for a period of three years from the date they were filed, except under certain circumstances. The Organization’s information returns for the years ended September 30, 2021 through 2023, are open for IRS examination, although no request has been made as of the date of these financial statements.

**NOTE D – AVAILABLE RESOURCES AND LIQUIDITY**

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization strives to maintain liquid financial assets sufficient to cover at least three months of general expenditures. The Organization also operates with a budget plan and anticipates collecting sufficient revenue to cover general expenditures.

**BUSINESS COUNCIL FOR PEACE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**  
(continued)

**NOTE D – AVAILABLE RESOURCES AND LIQUIDITY – continued**

The following table reflects the Organization's financial assets as of September 30, 2024, that are available to meet general expenditures within one year of the statement of the financial position date:

Cash and cash equivalents	\$ 459,557
Grants receivable	233,981
Total Financial Assets	<u>693,538</u>
Less: net assets with donor restrictions	<u>(20,000)</u>
Total Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u><u>\$ 673,538</u></u>

**NOTE E – NOTES PAYABLE**

On June 24, 2020, the Organization received proceeds from an Economic Injury Disaster Loan ("EIDL") from the Small Business Administration related to the "Cares Act" in the amount of \$150,000. The Board authorized the use of these proceeds to fund ongoing operations due to the shutdown caused by the COVID-19 pandemic. Monthly installment payments had been deferred for two years during which time interest was accrued. Interest only payments of \$641 began on December 25, 2022, at the rate of 2.75% per annum over thirty years. The loan is collateralized by the general business assets of the Organization.

The future minimum payments as of September 30;

2025	\$ 3,497
2026	3,594
2027	3,694
2028	3,797
2029	3,903
Thereafter	<u>134,878</u>
	<u><u>\$ 153,363</u></u>

**NOTE F – CONTRIBUTED SERVICES**

The Organization records donated assets at fair market value on the date the assets are unconditionally promised to the Organization. Donated services are recorded at fair market value on the date the services are provided if the services create or enhance nonfinancial assets or the services are provided by person possessing certain skills that would typically need to be purchased if not provided by donation.

**BUSINESS COUNCIL FOR PEACE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**  
(continued)

**NOTE F – CONTRIBUTED SERVICES – continued**

The Organization had 684 Skillanthropists volunteer members registered and approximately 214 donated their professional time in fiscal year 2024 to pro bono advisory, consultancy and training related to the Organization's work; including job creation programs in El Salvador, Guatemala, and the United States. Contribution revenue from services for the year ended September 30, 2024, was measured based on the estimated hourly rate of those volunteers who donated their time and any unreimbursed expenses. Total contributed services for the year ended September 30, 2024, was \$1,428,855, and was allocated between programs and support services on the statement of functional expenses. The contributed services were not donor restricted.

**NOTE G – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets were restricted for the Leaders Circle program in the amount of \$20,000 as of September 30, 2024.

**NOTE H – SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through June 11, 2025, the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further disclosure or recognition.