

EISENHOWER FELLOWSHIPS
Financial Statements
December 31, 2024 and 2023
With Independent Auditor's Report

Eisenhower Fellowships
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December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Eisenhower Fellowships:

Opinion

We have audited the financial statements of Eisenhower Fellowships (a nonprofit organization), which comprise the statement 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 accompanying financial statements present fairly, in all material respects, the financial position of Eisenhower Fellowships 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.

Basis for Opinion

We conducted our audit 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 Eisenhower Fellowships 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.

Other Matter

The financial statements of Eisenhower Fellowships as of and for the year ended December 31, 2023 were audited by BBD, LLP who joined with WithumSmith+Brown, PC on April 1, 2024 and expressed an unmodified opinion on those financial statements dated May 7, 2024.

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 Eisenhower Fellowships' 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 Eisenhower Fellowships' 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 Eisenhower Fellowships' 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.

Withum Smith & Brown, PC

May 9, 2025

Eisenhower Fellowships
Statements of Financial Position
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and cash equivalents	\$ 1,128,716	\$ 1,383,212
Contributions receivable, net	4,604,496	5,093,095
Prepaid expenses and other	130,867	127,719
Investments	47,076,494	44,214,845
Property and equipment, net	1,929,645	2,005,730
Beneficial interest in federal trust fund	<u>7,987,442</u>	<u>8,278,168</u>
 Total assets	 <u>\$ 62,857,660</u>	 <u>\$ 61,102,769</u>
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 202,323</u>	<u>\$ 142,964</u>
Net assets		
Without donor restrictions		
Operating	700,000	700,000
Board designated	<u>44,677,222</u>	<u>42,485,648</u>
	45,377,222	43,185,648
With donor restrictions	<u>17,278,115</u>	<u>17,774,157</u>
Total net assets	<u>62,655,337</u>	<u>60,959,805</u>
 Total liabilities and net assets	 <u>\$ 62,857,660</u>	 <u>\$ 61,102,769</u>

The Notes to Financial Statements are an integral part of these statements.

Eisenhower Fellowships
Statement of Activities
Year Ended December 31, 2024 with Summarized Comparative Totals for 2023

	Without Donor Restrictions			With Donor Restrictions	Totals	
	Operating	Board Designated	Total		2024	2023
Revenue and support						
Contributions	\$ 3,423,785	\$ -	\$ 3,423,785	\$ 125,000	\$ 3,548,785	\$ 4,041,612
Net assets released from restrictions	50,000	367,000	417,000	(417,000)	-	-
Spendable draw from endowment earnings	2,415,401	(2,369,557)	45,844	(45,844)	-	-
Total revenue and support	5,889,186	(2,002,557)	3,886,629	(337,844)	3,548,785	4,041,612
Expenses						
Program services						
Global programs	3,591,997	-	3,591,997	-	3,591,997	3,051,097
Global Fellows Network	1,447,891	-	1,447,891	-	1,447,891	2,155,934
Supporting services						
Management and general	593,334	-	593,334	-	593,334	644,664
Development	586,337	-	586,337	-	586,337	499,630
Total expenses	6,219,559	-	6,219,559	-	6,219,559	6,351,325
Change in net assets before other changes	(330,373)	(2,002,557)	(2,332,930)	(337,844)	(2,670,774)	(2,309,713)
Other changes						
Change in value of investments (Note 5)	-	4,624,504	4,624,504	(158,198)	4,466,306	5,942,051
Loss on uncollectible contribution	(100,000)	-	(100,000)	-	(100,000)	-
Transfer of funds by Board from operating reserve	430,373	(430,373)	-	-	-	-
Total other changes	330,373	4,194,131	4,524,504	(158,198)	4,366,306	5,942,051
Change in net assets	-	2,191,574	2,191,574	(496,042)	1,695,532	3,632,338
Net assets						
Beginning of year	700,000	42,485,648	43,185,648	17,774,157	60,959,805	57,327,467
End of year	\$ 700,000	\$ 44,677,222	\$ 45,377,222	\$ 17,278,115	\$ 62,655,337	\$ 60,959,805

The Notes to Financial Statements are an integral part of these statements.

**Eisenhower Fellowships
Statement of Activities
Year Ended December 31, 2023**

	Without Donor Restrictions			With Donor Restrictions	Total
	Operating	Board Designated	Total		
Revenue and support					
Contributions	\$ 3,441,612	\$ -	\$ 3,441,612	\$ 600,000	\$ 4,041,612
Net assets released from restrictions	-	513,000	513,000	(513,000)	-
Spendable draw from endowment earnings	<u>2,231,509</u>	<u>(2,210,709)</u>	<u>20,800</u>	<u>(20,800)</u>	<u>-</u>
Total revenue and support	<u>5,673,121</u>	<u>(1,697,709)</u>	<u>3,975,412</u>	<u>66,200</u>	<u>4,041,612</u>
Expenses					
Program services					
Global programs	3,051,097	-	3,051,097	-	3,051,097
Global Fellows Network	2,155,934	-	2,155,934	-	2,155,934
Supporting services					
Management and general	644,664	-	644,664	-	644,664
Development	<u>499,630</u>	<u>-</u>	<u>499,630</u>	<u>-</u>	<u>499,630</u>
Total expenses	<u>6,351,325</u>	<u>-</u>	<u>6,351,325</u>	<u>-</u>	<u>6,351,325</u>
Change in net assets before other changes	<u>(678,204)</u>	<u>(1,697,709)</u>	<u>(2,375,913)</u>	<u>66,200</u>	<u>(2,309,713)</u>
Other changes					
Change in value of investments (Note 5)	-	5,568,388	5,568,388	373,663	5,942,051
Transfer of funds by Board from operating reserve	<u>678,204</u>	<u>(678,204)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other changes	<u>678,204</u>	<u>4,890,184</u>	<u>5,568,388</u>	<u>373,663</u>	<u>5,942,051</u>
Change in net assets	-	3,192,475	3,192,475	439,863	3,632,338
Net assets					
Beginning of year	<u>700,000</u>	<u>39,293,173</u>	<u>39,993,173</u>	<u>17,334,294</u>	<u>57,327,467</u>
End of year	<u>\$ 700,000</u>	<u>\$ 42,485,648</u>	<u>\$ 43,185,648</u>	<u>\$ 17,774,157</u>	<u>\$ 60,959,805</u>

The Notes to Financial Statements are an integral part of these statements.

**Eisenhower Fellowships
Statement of Functional Expenses
Year Ended December 31, 2024 with Summarized Comparative Totals for 2023**

	Program Services						Total Program Services	Management and General	Development	Total Supporting Services	Totals	
	Global Program	Women's Leadership Program	U.S.A. Program	Zhi-Xing China Program	Global Scholars Program	Global Fellows Network					2024	2023
	Salaries and benefits	\$ 539,128	\$ 543,235	\$ 273,022	\$ 100,776	\$ -					\$ 1,021,259	\$ 2,477,420
Conferences and meetings	75,555	93,442	4,731	164	-	240,314	414,206	10,939	104,951	115,890	530,096	1,344,813
Depreciation	9,667	9,741	4,895	1,807	-	18,312	44,422	31,663	-	31,663	76,085	86,746
Fellowship costs												
Per diem	388,220	404,331	130,327	18,817	-	-	941,695	-	-	-	941,695	771,683
Travel	116,951	99,516	72,025	43,842	-	3,126	335,460	-	-	-	335,460	283,637
Grants	-	-	-	-	359,665	-	359,665	-	-	-	359,665	273,718
Information technology	12,343	12,399	6,250	2,307	-	33,450	66,749	30,959	-	30,959	97,708	120,647
Insurance	7,191	7,246	3,643	1,344	-	13,622	33,046	23,555	-	23,555	56,601	41,204
Occupancy	7,312	7,367	3,704	1,367	-	13,851	33,601	23,951	-	23,951	57,552	48,906
Office expenses	12,451	12,991	6,030	2,226	-	33,258	66,956	92,397	24,120	116,517	183,473	190,905
Professional fees	31,173	39,224	84,581	5,042	-	53,771	213,791	61,093	3,381	64,474	278,265	288,631
Travel	12,687	14,887	8,375	-	-	16,928	52,877	11,927	54,461	66,388	119,265	61,611
Total expenses	\$ 1,212,678	\$ 1,244,379	\$ 597,583	\$ 177,692	\$ 359,665	\$ 1,447,891	\$ 5,039,888	\$ 593,334	\$ 586,337	\$ 1,179,671	\$ 6,219,559	\$ 6,351,325
Percentage of total expenses	19.50%	20.01%	9.61%	2.86%	5.78%	23.28%	81.04%	9.54%	9.42%	18.96%	100.00%	
Program statistics												
Number of fellows by program	21	22	11	10	4							
Average cost per fellow	\$ 57,747	\$ 56,563	\$ 54,326	\$ 17,769	\$ 89,916							

The Notes to Financial Statements are an integral part of these statements.

**Eisenhower Fellowships
Statement of Functional Expenses
Year Ended December 31, 2023**

	Program Services					Supporting Services				Total
	Global Program	Eastern Europe Program	U.S.A. Program	Global Scholars Program	Global Fellows Network	Total Program Services	Management and General	Development	Total Supporting Services	
Salaries and benefits	\$ 454,724	\$ 468,337	\$ 206,840	\$ -	\$ 1,065,712	\$ 2,195,613	\$ 355,674	\$ 287,537	\$ 643,211	\$ 2,838,824
Conferences and meetings	126,898	150,219	28,525	-	866,917	1,172,559	17,991	154,263	172,254	1,344,813
Depreciation	10,558	10,874	4,771	-	24,443	50,646	36,100	-	36,100	86,746
Fellowship costs										
Per diem	392,479	286,385	92,819	-	-	771,683	-	-	-	771,683
Travel	139,189	81,876	59,000	-	3,572	283,637	-	-	-	283,637
Grants	-	-	-	273,718	-	273,718	-	-	-	273,718
Information technology	14,508	14,981	6,554	-	46,918	82,961	37,686	-	37,686	120,647
Insurance	5,015	\$ 5,165	2,266	-	11,611	24,057	17,147	-	17,147	41,204
Occupancy	5,953	6,131	2,688	-	13,781	28,553	20,353	-	20,353	48,906
Office expenses	12,979	13,380	4,699	-	33,745	64,803	94,534	31,568	126,102	190,905
Professional fees	34,481	36,449	81,131	-	76,672	228,733	57,694	2,204	59,898	288,631
Travel	5,454	4,241	7,810	-	12,563	30,068	7,485	24,058	31,543	61,611
Total expenses	<u>\$ 1,202,238</u>	<u>\$ 1,078,038</u>	<u>\$ 497,103</u>	<u>\$ 273,718</u>	<u>\$ 2,155,934</u>	<u>\$ 5,207,031</u>	<u>\$ 644,664</u>	<u>\$ 499,630</u>	<u>\$ 1,144,294</u>	<u>\$ 6,351,325</u>
Percentage of total expenses	18.93%	16.97%	7.83%	4.31%	33.94%	81.98%	10.15%	7.87%	18.02%	100.00%
Program statistics										
Number of fellows by program	25	20	9	4						
Average cost per fellow	\$ 48,090	\$ 53,902	\$ 55,234	\$ 68,430						

The Notes to Financial Statements are an integral part of these statements.

Eisenhower Fellowships
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating activities		
Change in net assets	\$ 1,695,532	\$ 3,632,338
Adjustments to reconcile change in net assets to net cash used in operating activities		
Loss on uncollectible contribution	100,000	-
Depreciation expense	76,085	86,746
Net realized and unrealized gain on investments	(3,554,368)	(4,891,465)
Change in value of beneficial interest in federal trust fund	290,726	(334,113)
Change in operating assets and liabilities		
Contributions receivable, net	388,599	332,424
Prepaid expenses and other	(3,148)	206,771
Accounts payable and accrued expenses	<u>59,359</u>	<u>(654)</u>
Net cash used in operating activities	<u>(947,215)</u>	<u>(967,953)</u>
Investing activities		
Purchases of investments	(2,121,135)	(4,523,296)
Proceeds from sale of investments	<u>2,813,854</u>	<u>5,890,640</u>
Net cash provided by investing activities	<u>692,719</u>	<u>1,367,344</u>
Net change in cash and cash equivalents	(254,496)	399,391
Cash and cash equivalents		
Beginning of year	<u>1,383,212</u>	<u>983,821</u>
End of year	<u>\$ 1,128,716</u>	<u>\$ 1,383,212</u>

The Notes to Financial Statements are an integral part of these statements.

Eisenhower Fellowships

Notes to Financial Statements

December 31, 2024 and 2023

1. NATURE OF OPERATIONS

Eisenhower Fellowships (the "Organization"), formally known as Eisenhower Exchange Fellowships, Incorporated, is a nonprofit organization located in Philadelphia, Pennsylvania that grants fellowships for a period of travel, both in the United States and abroad, to individuals from foreign countries and Americans, who have demonstrated leadership achievement in their respective country and profession. The fellowships enable these individuals to interact with their professional counterparts to gain new perspectives and to develop a project that they will implement upon their return home. The Organization's Global Fellows Network provides an opportunity for the continued sharing of information, ideas and perspectives among Fellows, trustees and staff, and to advance the ongoing mission of the organization.

A core feature of the fellowship is that it is life-long. There has always been activity among Fellows post fellowship, including dozens of regional and global conferences that helped Fellows to maintain Eisenhower Fellowships ties. In recent years, Fellows have formed in-country associations, and use October 14, the Eisenhower Day of Impact, formerly known as the Eisenhower Day of Fellowship, as an occasion to organize activities that make a difference in their communities. In 2016, as a way to add greater impact to the life-long Eisenhower Fellowship experience, the board amended the organization mission statement to include the collaboration among Eisenhower Fellows, as well as with others in their personal networks, to achieve specific, scalable, measurable outcomes that can advance peace, justice and prosperity.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). As a result, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to the following classes of net assets:

Without donor restrictions: Net assets that are not subject to donor-imposed restrictions.

With donor restrictions: Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the Organization and/or the passage of time. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Also included in this category are net assets subject to donor-imposed restrictions that require the net assets to be maintained indefinitely while permitting the Organization to expend the income generated in accordance with the provisions of the contribution.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. The Organization includes in its measure of operations all revenues and support and expenses that are integral to its program services and supporting services. The measure of operations excludes non-operating activities, which are limited primarily to returns from investments and other activities considered to be of a non-operating nature.

Eisenhower Fellowships

Notes to Financial Statements

December 31, 2024 and 2023

Accounting Estimates

In preparing financial statements in conformity with GAAP, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could vary from those estimates. Significant estimates include the net realizable value of contributions receivable, the fair value of investments, depreciable lives of property and equipment, and the allocation of functional expenses.

Fair Value Measurements of Assets and Liabilities

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

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

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, Inputs other than quoted prices that are observable for the asset or liability and Inputs that are derived principally from 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. The Organization had no assets or liabilities valued using Level 2 inputs as of December 31, 2024 and 2023.

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and 2023.

Mutual Funds, and Exchange Traded Funds: Valued at quoted prices for identical assets or liabilities in active markets that the Organization have the ability to access. These are classified as Level 1.

Alternative Investments: Valued at net asset value which is based on its ownership interest in the funds (Note 4). These are excluded from the fair value hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent, the use of different methodologies and assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Cash and Cash Equivalents

Cash equivalents include short-term, highly liquid investments with a maturity date of three months or less on the date of acquisition.

Eisenhower Fellowships

Notes to Financial Statements

December 31, 2024 and 2023

Contributions Receivable

The Organization records unconditional contributions receivable that are expected to be collected within one year at net realizable value. Contributions receivable with expected collection past one year are recorded at net present value using risk-free rates applicable to the years in which the promises are received. The Organization monitors the collectability of these receivables and an allowance for uncollectable promises to give is recorded based on historical experience, an assessment of economic conditions, and a review of subsequent collections (see Note 3).

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included in the statements of activities. Investment income is recorded as earned. Donor-restricted investment income whose restrictions are satisfied in the same period is classified as net assets without donor restrictions.

The Organization invests in professionally managed portfolios that contain various types of securities (see Note 4). Such investments are exposed to market and credit risk. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in the near term would materially affect investment balances and the amounts reported in the financial statements.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment with an estimated useful life in excess of one year. Property and equipment is carried at cost if purchased and at fair value at the date of donation if contributed. Depreciation is computed using the straight-line method over the estimated lives of the assets ranging from 3 to 40 years.

Property and equipment are tested for impairment whenever events or changes circumstances indicate that their carrying amounts may be recoverable.

Beneficial Interest in Federal Trust Fund

The Organization is the income beneficiary of a federal trust fund established by Congress pursuant to the Eisenhower Exchange Fellowship Act of 1990, as amended by House Bill H.R. 3019 enacted in March 1996. The income from the trust fund is restricted to fellowship programs however, the Organization will never receive the assets of the trust. At the date the Organization receives notice of a beneficial interest, a contribution with donor restrictions of a perpetual nature is recorded in the statement of activities and a beneficial interest in federal trust fund is recorded in the statement of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trust are reported at the fair value of the trusts' assets in the statement of financial position, with trust distributions and changes in fair value recognized in the statement of activities. There were no changes in valuation approach, nor any purchases and sales for the years ended December 31, 2024 and 2023.

Contributions

Contributions received are recorded as net assets without donor restrictions or with donor restrictions depending on the absence or existence and nature of any donor restrictions. Donor-restricted contributions whose restrictions are satisfied in the same period are reported as net assets without donor restrictions.

Unconditional contributions are recognized as revenue when the related promise to give is received. Conditional contributions, that is, those with a measurable performance or other measurable barrier, and a right of return or release, are not recognized in revenue until the conditions on which they depend have been substantially met.

Eisenhower Fellowships
Notes to Financial Statements
December 31, 2024 and 2023

Functional Allocation of Expenses

The costs of providing various program and supporting services have been presented on a functional basis in the statements of activities and functional expenses. Expenses directly attributable to a specific functional area are reported as expenses of that functional area. Expenses not directly attributable to a specific functional area are allocated. Significant expenses that are allocated include salaries and benefits which are allocated based on estimates of time and effort.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1).

GAAP requires entities to evaluate, measure, recognize and disclose any uncertain income tax positions taken on their tax returns. GAAP prescribes a minimum threshold that a tax position is required to meet in order to be recognized in the financial statements. The Organization believes that it had no uncertain tax positions as defined in GAAP.

Concentrations of Credit Risk

The Organization has significant cash and money market fund balances at financial institutions which throughout the year regularly exceed the amounts insured by either the Federal Deposit Insurance Corporation for up to \$250,000 or the Securities Investor Protection Corporation. Any loss incurred or lack of access to such funds could have a significant adverse impact on the Organization's financial condition, change in net assets, and cash flows.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

3. CONTRIBUTIONS RECEIVABLE

Contributions receivable are expected to be collected as follows:

	<u>2024</u>	<u>2023</u>
Less than one year	\$ 3,528,496	\$ 2,642,095
One to five years	<u>1,295,000</u>	<u>2,670,000</u>
Total receivables	4,823,496	5,312,095
Less discount to net present value (3.5%)	<u>(219,000)</u>	<u>(219,000)</u>
Net receivables	<u>\$ 4,604,496</u>	<u>\$ 5,093,095</u>

Eisenhower Fellowships
Notes to Financial Statements
December 31, 2024 and 2023

4. INVESTMENTS

Investments consisted of the following at December 31, 2024 and 2023:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Money market funds	\$ 388,386	\$ 388,386	\$ 544,915	\$ 544,915
Exchange traded funds				
Equity	3,649,650	4,184,693	3,554,253	3,609,361
Fixed income	558,606	555,286	530,749	525,453
Mutual funds				
Equity	12,637,869	17,072,605	12,261,928	15,628,723
Fixed income	1,907,920	1,803,304	1,346,546	1,273,253
Limited partnerships	<u>15,340,970</u>	<u>23,072,220</u>	<u>16,920,576</u>	<u>22,633,140</u>
	<u>\$ 34,483,401</u>	<u>\$ 47,076,494</u>	<u>\$ 35,158,967</u>	<u>\$ 44,214,845</u>

Limited partnerships consisted of the following at December 31, 2024:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity long/short funds (a)	\$ 9,134,335	None	End of Month	10 - 90 days
Fixed income funds (b)	2,540,735	None	End of Month	10 - 30 days
Blended funds (c)	1,680,665	None	End of Month	65 - 90 days
International equities funds (d)	6,947,266	None	End of Month	6 - 90 days
Emerging markets equities funds (e)	<u>2,769,219</u>	None	Daily and Quarterly	10 - 90 days
	<u>\$ 23,072,220</u>			

Limited partnerships consisted of the following at December 31, 2023:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity long/short funds (a)	\$ 8,687,232	None	End of Month	10 - 90 days
Fixed income funds (b)	2,754,969	None	End of Month	10 - 30 days
Blended funds (c)	1,799,465	None	End of Month	65 - 90 days
International equities funds (d)	6,822,266	None	End of Month	6 - 90 days
Emerging markets equities funds (e)	<u>2,569,208</u>	None	Daily and Quarterly	10 - 90 days
	<u>\$ 22,633,140</u>			

(a) – This category includes investments in five limited partnerships that primarily invest in both long and short U.S. and non-U.S. equities. The fair value of the investments in this category has been estimated using the net asset value per share. There were no lock-up redemption restrictions on these limited partnerships at December 31, 2024.

(b) – This category includes an investment in a limited partnership that invests primarily in bank loans and high yield bonds. The fair value of the investment in this category has been estimated using the net asset value per share. There are no lock-up redemption restrictions on this investment at December 31, 2024.

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(c) – This category includes an investment in a limited partnership that invests in instruments related to any level of an issuer’s capital structure (including bank debt, corporate bonds, trade claims, convertible securities, equities, credit default swaps, options and other derivatives, as well as the debt and equity of structured credit products). The fair value of the investment in this category has been estimated using the net asset value per share. There are no lock-up redemption restrictions on this investment at December 31, 2024.

(d) – This category includes investments in limited partnerships that invest primarily in portfolios of international equity securities. The fair value of the investments in this category has been estimated using the net asset value per share. There are no lock-up redemption restrictions on these limited partnerships at December 31, 2024.

(e) – This category includes an investment in three limited partnerships that invest in a diversified portfolio of small and mid-capitalization equity securities of companies located in emerging markets. The fair value of the investment in this category has been estimated using the net asset value per share. There are no lock-up redemption restrictions on these limited partnerships at December 31, 2024.

5. CHANGE IN VALUE OF INVESTMENTS

Change in value of investments was comprised of the following:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 811,484	\$ 805,001
Investment advisor fees	(92,417)	(88,528)
Distributions from federal trust fund	483,597	-
Net realized gain	17,153	1,692,759
Net unrealized gain	3,537,215	3,198,706
Change in value of beneficial interest in federal trust fund	<u>(290,726)</u>	<u>334,113</u>
	<u>\$ 4,466,306</u>	<u>\$ 5,942,051</u>

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Land	\$ 723,608	\$ 723,608
Building and improvements	2,411,933	2,411,933
Office equipment	540,140	540,140
Furniture and fixtures	<u>216,738</u>	<u>216,738</u>
	3,892,419	3,892,419
Less: Accumulated depreciation	<u>(1,962,774)</u>	<u>(1,886,689)</u>
	<u>\$ 1,929,645</u>	<u>\$ 2,005,730</u>

Depreciation expense was \$76,085 and \$86,746 for the years ended December 31, 2024 and 2023, respectively.

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7. NET ASSETS WITHOUT DONOR RESTRICTIONS – BOARD DESIGNATED

Board designated net assets consisted of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Endowment fund	\$ 42,747,577	\$ 40,479,918
Property and equipment	<u>1,929,645</u>	<u>2,005,730</u>
	<u>\$ 44,677,222</u>	<u>\$ 42,485,648</u>

The board-designated endowment fund is to provide income to support the Organization's operations and fellowship programs.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes and periods:

	<u>Balance December 31, 2023</u>	<u>Additions (Subtractions)</u>	<u>Releases</u>	<u>Balance December 31, 2024</u>
Subject to expenditure for specified purposes or periods				
Available for future periods	\$ 3,568,000	\$ 125,000	\$ (417,000)	\$ 3,276,000
Net assets to be maintained indefinitely				
Beneficial interest in federal trust, whose income is restricted for fellowship programs	8,278,168	(290,726)	-	7,987,442
Endowments, whose income is restricted for fellowship programs	<u>5,927,989</u>	<u>132,528</u>	<u>(45,844)</u>	<u>6,014,673</u>
	<u>14,206,157</u>	<u>(158,198)</u>	<u>(45,844)</u>	<u>14,002,115</u>
	<u>\$ 17,774,157</u>	<u>\$ (33,198)</u>	<u>\$ (462,844)</u>	<u>\$ 17,278,115</u>

	<u>Balance December 31, 2022</u>	<u>Additions (Subtractions)</u>	<u>Releases</u>	<u>Balance December 31, 2023</u>
Subject to expenditure for specified purposes or periods				
Available for future periods	\$ 3,881,000	\$ 200,000	\$ (513,000)	\$ 3,568,000
Net assets to be maintained indefinitely				
Beneficial interest in federal trust, whose income is restricted for fellowship programs	7,944,055	334,113	-	8,278,168
Endowments, whose income is restricted for fellowship programs	<u>5,509,239</u>	<u>439,550</u>	<u>(20,800)</u>	<u>5,927,989</u>
	<u>13,453,294</u>	<u>773,663</u>	<u>(20,800)</u>	<u>14,206,157</u>
	<u>\$ 17,334,294</u>	<u>\$ 973,663</u>	<u>\$ (533,800)</u>	<u>\$ 17,774,157</u>

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Certain endowments the donors have superseded state law and require the Organization to maintain only the historic-dollar-value of the endowment indefinitely. These endowments have a historical cost of \$4,659,239. Other endowments are subject to state law and are required to spend the endowment in a prudent manner (2-7% of the fund's market value). These endowments have a historical cost of \$1,250,000 with a fair value of \$1,355,434 and \$1,268,750 at December 31, 2024 and 2023, respectively.

9. ENDOWMENT FUND

An accounting standard was issued which provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The Organization is not subject to this guidance since Pennsylvania has not enacted a version of UPMIFA. The standard also required additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

In accordance with Pennsylvania statutes, the Organization has adopted investment and spending policies for its endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of these endowment assets over the long-term. The Organization's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes.

In 2005, the Organization's Board approved a spending policy for purposes of controlling annual withdrawals from the Endowment to support operations. The current policy permits a maximum 4.5% draw, based on the value of the endowment principal over the twelve quarters preceding the beginning of the fiscal year. This 4.5% distribution is not to be exceeded on average over any given three-year period, without the explicit consent of the Executive Committee.

Changes in the endowment assets for the years ended December 31, 2024 and 2023 are as follows:

<u>2024</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment assets, beginning of year	\$ 40,479,918	\$ 14,206,157	\$ 54,686,075
Change in value of investments	4,624,504	(158,198)	4,466,306
Spending policy distribution	(2,799,930)	(45,844)	(2,845,774)
Transfers	443,085	-	443,085
Endowment assets, end of year	<u>\$ 42,747,577</u>	<u>\$ 14,002,115</u>	<u>\$ 56,749,692</u>

<u>2023</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment assets, beginning of year	\$ 37,200,697	\$ 13,453,294	\$ 50,653,991
Contributions	-	400,000	400,000
Change in value of investments	5,568,388	373,663	5,942,051
Spending policy distribution	(2,888,913)	(20,800)	(2,909,713)
Transfers	599,746	-	599,746
Endowment assets, end of year	<u>\$ 40,479,918</u>	<u>\$ 14,206,157</u>	<u>\$ 54,686,075</u>

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10. RETIREMENT PLAN

The Organization sponsors an employee retirement plan (the "Plan") qualified under Section 403(b) of the Internal Revenue Code covering substantially all employees. The Plan provides for employer contributions equal to 5% of employees' compensation. Employer contributions were \$109,721 for 2024 and \$104,656 for 2023.

11. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of the statements of financial position date, which have been reduced by financial assets not available within one year.

	<u>2024</u>	<u>2023</u>
Cash	\$ 1,128,716	\$ 1,383,212
Contributions receivable, net	4,604,496	5,093,095
Investments	<u>47,076,494</u>	<u>44,214,845</u>
Total financial assets	52,809,706	50,691,152
Less: Financial assets not available for general operations within one year		
Restricted by donor for specific purposes or periods	(3,176,000)	(3,568,000)
Restricted by donor to be maintained indefinitely	(6,014,673)	(5,927,989)
Board-designated endowment fund	<u>(42,747,577)</u>	<u>(40,479,918)</u>
Total financial assets available within one year	<u>\$ 871,456</u>	<u>\$ 715,245</u>

Liquidity Management

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash, money market funds and marketable debt and equity securities.

12. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

The following is a summary of assets and liabilities measured at fair value on a recurring basis and the valuation inputs used to value them:

<u>Description</u>	<u>Balance December 31, 2024</u>	<u>Quoted Prices In Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Assets				
Investments				
Money market funds	\$ 388,386	\$ 388,386	\$ -	\$ -
Exchange traded funds	4,739,979	4,739,979	-	-
Mutual funds	18,875,909	18,875,909	-	-
Limited partnerships	23,072,220	N/A	N/A	N/A
Beneficial Interest in Federal Trust Fund	<u>7,987,442</u>	-	-	<u>7,987,442</u>
	<u>\$ 55,063,936</u>	<u>\$ 24,004,274</u>	<u>\$ -</u>	<u>\$ 7,987,442</u>

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Description	Balance December 31, 2023	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Money market funds	\$ 544,915	\$ 544,915	\$ -	\$ -
Exchange traded funds	4,134,814	4,134,814	-	-
Mutual funds	16,901,976	16,901,976	-	-
Limited partnerships	22,633,140	N/A	N/A	N/A
Beneficial Interest in Federal Trust Fund	8,278,168	-	-	8,278,168
	\$ 52,493,013	\$ 21,581,705	\$ -	\$ 8,278,168

13. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 9, 2025, the date on which the financial statements were available to be issued. No subsequent events have occurred that require recognition or disclosure in the financial statements.