CENTER FOR COURAGE AND RENEWAL

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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FOR THE FISCAL YEAR ENDED JUNE 30, 2025

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Center for Courage and Renewal
Greenville, South Carolina

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of the Center for Courage and Renewal, which comprise the statement of financial position as of June 30, 2025 and 2024, and the related statements of activities, 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 the Center for Courage and Renewal as of June 30, 2025 and 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 the Center for Courage and Renewal 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 the Center for Courage and Renewal'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 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, 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 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 the Center for Courage and Renewal'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 the Center for Courage and Renewal'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.

DCPAS, LLC dba Davis & Company CPAs

Mount Pleasant, South Carolina
October 22, 2025

CENTER FOR COURAGE AND RENEWAL
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2025 AND 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 239,640	$ 550,409
Accounts receivable	45,746	13,052
Pledge receivable, net	730,565	-
Prepaid expenses	25,422	32,902
Investments	1,580,569	1,403,405
Property and equipment, net	1,101	2,047
Total assets	$ 2,623,043	$ 2,001,815
Liabilities and Net Assets		
Accounts payable and accrued liabilities	$ 48,970	$ 27,409
Deferred revenue	89,290	114,911
Payroll liabilities	25,530	12,138
Total liabilities	163,790	154,458
Net assets		
Without donor restrictions		
Undesignated	$ 1,661,962	$ 972,394
Board designated	500,000	375,000
Total without donor restrictions	2,161,962	1,347,394
With donor restrictions	297,291	499,963
Total net assets	2,459,253	1,847,357
Total liabilities and net assets	$ 2,623,043	$ 2,001,815

See accompanying notes.

CENTER FOR COURAGE AND RENEWAL
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, contributions and other support			
Contributions	$ 1,597,542	$ 2,075	$ 1,599,617
Royalties	808	-	808
Grants	80,000	-	80,000
Service fees	201,110	-	201,110
Tuition, net of scholarships	205,005	-	205,005
Investment income	117,843	-	117,843
Net assets released from restriction	204,747	(204,747)	-
Total revenues, contributions and other support	2,407,055	(202,672)	2,204,383
Operating expenses			
Program expenses	1,113,487	-	1,113,487
Management and general	293,622	-	293,622
Fundraising expenses	185,378	-	185,378
Total operating expenses	1,592,487	-	1,592,487
Increase (decrease) in net assets	814,568	(202,672)	611,896
Net assets, beginning of year	1,347,394	499,963	1,847,357
Net assets, end of year	$ 2,161,962	$ 297,291	$ 2,459,253

See accompanying notes.

CENTER FOR COURAGE AND RENEWAL
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, contributions and other support			
Contributions	$ 401,581	$ 15,665	$ 417,246
Miscellaneous income	223	-	223
Grants	-	61,033	61,033
Service fees	116,575	-	116,575
Tuition, net of scholarships	176,079	-	176,079
Investment income	121,932	-	121,932
Net assets released from restriction	216,562	(216,562)	-
Total revenues, contributions and other support	1,032,952	(139,864)	893,088
Operating expenses			
Program expenses	732,400	-	732,400
Management and general	225,822	-	225,822
Fundraising expenses	94,929	-	94,929
Total operating expenses	1,053,151	-	1,053,151
Increase (decrease) in net assets	(20,199)	(139,864)	(160,063)
Net assets, beginning of year	1,367,593	639,827	2,007,420
Net assets, end of year	$ 1,347,394	$ 499,963	$ 1,847,357

See accompanying notes.

CENTER FOR COURAGE AND RENEWAL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR FISCAL ENDED JUNE 30, 2025

		Supporting Services		
	Program Services	**Management & General**	**Fund-raising**	**Total**
Salaries and related benefits	$ 581,468	$ 181,218	$ 127,955	$ 890,641
Consulting	176,525	-	30,800	207,325
Occupancy	171,680	-	-	171,680
Office	83,188	23,039	6,962	113,189
Professional fees	16,073	64,973	335	81,381
Other	67,960	1,340	9,837	79,137
Travel and meetings	15,768	16,549	6,679	38,996
Insurance	-	5,013	-	5,013
Postage and shipping	825	544	2,810	4,179
Total expenses before depreciation	1,113,487	292,676	185,378	1,591,541
Depreciation	-	946	-	946
Total functional expenses	$ 1,113,487	$ 293,622	$ 185,378	$ 1,592,487

See accompanying notes.

CENTER FOR COURAGE AND RENEWAL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR FISCAL ENDED JUNE 30, 2024

		Supporting Services		
	Program Services	Management & General	Fund-raising	Total
Salaries and related benefits	$ 472,976	$ 115,205	$ 31,247	$ 619,428
Consulting	138,092	-	44,900	182,992
Occupancy	54,775	14,460	-	69,235
Office	47,824	17,495	3,729	69,048
Professional fees	11,352	57,648	8,401	77,400
Other	190	958	5,610	6,758
Travel and meetings	7,042	16,348	1,042	24,432
Insurance	-	2,453	-	2,453
Postage and shipping	149	176	-	325
Total expenses before depreciation	732,400	224,743	94,929	1,052,071
Depreciation	-	1,080	-	1,080
Total functional expenses	$ 732,400	$ 225,823	$ 94,929	$ 1,053,151

See accompanying notes.

CENTER FOR COURAGE AND RENEWAL
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 611,896	$ (160,063)
Adjustments to reconcile change in net assets to net cash provided (used) in operating activities:		
Depreciation	946	1,080
Unrealized gain on investments	(72,173)	(83,186)
(Increase) decrease in operating assets:		
Accounts receivable	(32,694)	(12,898)
Pledge receivable, net	(730,565)	-
Prepaid expenses	7,480	35,250
Increase (decrease) in operating liabilities:		
Accounts payable	21,561	(4,945)
Deferred revenue	(25,621)	24,351
Payroll liabilities	13,392	1,576
Net cash provided (used) in operating activities	(205,778)	(198,835)
Cash flows from investing activities		
Redemption of investments, net	(104,991)	410,761
Net cash provided (used) in investing activities	(104,991)	410,761
Net increase (decrease) in cash and cash equivalents	(310,769)	211,926
Cash and cash equivalents as of beginning of the year	550,409	338,483
Cash and cash equivalents as of end of the year	$ 239,640	$ 550,409

See accompanying notes.

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Center for Courage and Renewal (the "Center") was established as an educational not-for-profit organization in 2003 in the State of Washington to develop and deliver Courage To Teach (CTT), Courage To Lead (CTL), and other Courage and Renewal and Circle of Trust programs and retreats. The Center has prepared over 400 facilitators through the Courage and Renewal Facilitator Preparation Program (FPP). These facilitators, based in the United States, Canada, Guatemala, Australia, New Zealand, Europe, and South Africa, have led in-person and online programs for thousands of K-12 teachers, leaders, clergy, health care, non-profit professionals and others around the world.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve. Board designated net assets are included within investments on the statements of financial position.

Net Assets With Donor Restrictions

Net assets with donor restrictions are net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Center reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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. There were no perpetually restricted net assets at June 30, 2025 or 2024.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Center considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents. At June 30, 2025 and 2024, cash and cash equivalents consist of checking, savings and money market accounts.

Accounts Receivable

Accounts receivable consist of amounts due for various services provided. All account balances are due in less than one year. No allowance for uncollectible balances has been established by management based on the Center's historical experience in the collection of balances due.

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges/Program Receivables
Pledges and program receivables are recognized in the period in which the pledge is made and represent outstanding promises to give from various individuals and foundations. Receivables expected to be collected in more than one year have not been discounted to present value, as management has determined that the effect of discounting would not be material to the financial statements. An allowance for credit losses equal to 1% of outstanding pledge receivables has been established based on management's historical experience and current knowledge of donor collectability.

Property and Equipment
Equipment is carried at cost if purchased, or at fair value if donated. The Center follows a policy whereby it capitalizes purchases of property and equipment with a value in excess of $2,500 and a useful life of three years or more. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which is expected to be five to ten years.

Revenue Recognition
Revenue from tuition, consulting, and membership fees is recognized when control of the services is transferred to the customer, in an amount that reflects the consideration the Center expects to receive. Payments received in advance are recorded as deferred revenue until services are performed.

Performance Obligations
The Center's primary performance obligations include providing educational programs, consulting services, and memberships. Revenue is recognized over time as services are rendered, since customers simultaneously receive and consume the benefits.

Transaction Price
The transaction price is based on contract terms and generally includes fixed consideration without significant variability. Payments are typically due when a customer registers for a course, signs a consulting agreement, or subscribes for membership, and contracts do not contain a significant financing component.

Contract Balances
Accounts receivable represent amounts due for services provided. Deferred revenue represents advance payments from customers for which the related services have not yet been rendered. Revenue is recognized as the performance obligations are satisfied.

Significant Judgments
Significant judgments include determining the timing of revenue recognition and measuring progress toward satisfying performance obligations. The Center uses time-based or output-based measures depending on the nature of the service.

Functional Allocation of Expenses
The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Center. Those expenses include employee compensation, consulting, event venues, travel, technology services, rent, and utilities, and other various expenses. Direct costs associated with major programs are allocated to such program functions, and indirect costs are allocated to supporting functions based on estimates of time and effort of employees and/ or estimates of time and costs of specific technology or services utilized.

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates
Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Income Tax Status
The Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Center qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(ii) and has been classified as an organization other than a private foundation under Section 509(a)(1). Management is not aware of any uncertain tax positions taken.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets are available for general expenditures, that are without donor or other restrictions limiting their use within one year of the Statement of Financial Position and comprise of the following at June 30:

	2025	2024
Financial Assets		
Cash and cash equivalents	$ 239,640	$ 550,409
Accounts receivable	45,746	13,052
Pledge receivable, net	730,565	-
Investments	1,580,569	1,403,405
Total financial assets	2,596,520	1,966,866
Less those unavailable for general expenditures within one year:		
Restricted by donors	(297,291)	(499,963)
Designated by the Board for reserves	(500,000)	(375,000)
Pledges due in more than a year	(527,445)	-
Financial assets available within one year	$ 1,271,784	$ 1,091,903

The Center's financial assets have seasonal variations during the year attributed to the timing of receipt of grant payments, tuition payments, and pledge payments. The Center has an operating reserve that the governing board has dedicated with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need. Distress or a liquidity need could result from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. The Board of Directors reviews a cash flow report monthly that tracks both restricted and unrestricted balances and matches those flows against the Center's obligations and encumbrances. The Center's priorities are to ensure 100% coverage of restricted balance obligations; 100% coverage of liabilities; and a, operating Board reserve of up to $375,000 as of June 30, 2024 increased to $500,000 in 2025 for emergency needs.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consist solely of computers and related peripherals. Depreciation expense totaled $946 for the year ended June 30, 2025, and $1,080 for the year ended June 30, 2024.

NOTE 4 – PLEDGE RECEIVABLE

Pledge receivable consists of the following as at June 30:

Year		2025
2026	$	210,500
2027		30,000
2028		497,445
Total pledge receivable		737,945
Less: allowance for credit loss		7,380
Pledge receivable, net	$	730,565

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows at June 30:

		2025		2024
Lilly (Thriving in Ministry)	$	200,962	$	377,869
McFarland Fund		96,329		119,483
YCI		-		2,611
Total	$	297,291	$	499,963

NOTE 6 - REVENUE AND FUNDRAISING

The Center receives revenue primarily from donations and grants, as well as program service fees. In 2024, the Center launched a campaign to raise funds dedicated to long-term financial stability. Contributions to this campaign are included in donations and grants. The following table presents a comparison of revenue by source for the years ended June 30,:

Revenue Source		2025		2024
Donations and grants	$	595,117	$	478,279
Program service fees		406,923		292,877
PJP legacy campaign		1,084,500		-

NOTE 7 – TUITION AND RELATED FEES REVENUE

Tuition and related fees revenue consist of the following for the year ended June 30:

		2025		2024
Tuition and fees	$	276,592	$	239,242
Less: scholarships paid		(58,462)		(63,163)
Less: discounts given		(13,125)		-
Total	$	205,005	$	176,079

NOTE 8 - RETIREMENT PLAN

The Center uses a Simple IRA (the Plan) covering all employees with at least one year of service and who have attained 21 years of age. Employee contributions to the Plan are 100% invested at all times. The Center makes a discretionary contribution to the Plan each year up to 3% of all participants' compensation and is vested in increments based on years of service with the Center. Employer contributions to the Plan totaled $15,960 for the year ended June 30, 2025 and $10,663 for the fiscal year ended June 30, 2024 which is included with salaries and related benefits in the statements of functional expenses.

NOTE 9 - INVESTMENTS

Investments held by the Center are cash and cash equivalents and Exchange traded funds. Investments consisted of the following as of June 30:

	2025		2024	
	Cost	**Market Value**	**Cost**	**Market Value**
Cash and cash investments	$ 2,004	$ 2,004	$ 3,084	$ 3,084
Fixed income	418,284	440,976	871,000	832,865
Equities	486,373	504,811	-	-
Exchange traded funds	529,652	632,778	510,937	567,456
Total	$ 1,436,313	$ 1,580,569	$ 1,385,021	$ 1,403,405

Expenses related to investment income include custodial fees which amounted to $5,000 for the fiscal year ended June 30, 2025 and $3,750 for the fiscal year ended June 30, 2024 and are reported net of return on investments.

Fair value refers to the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

Level 1: Quoted prices in active markets for identical securities
Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.)
Level 3: Significant unobservable inputs (including the Center's own assumptions in determining the fair value of investments)

For the years ended June 30, 2025 and 2024, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

- *Money market:* The fair value of investments money market funds that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs- market approach).
- *Exchange traded funds:* Fair values of U.S. Government and corporate securities reflect closing prices reported in the statements. (Level 1 inputs -market approach).

NOTE 10 – RELATED PARTY TRANSACTIONS

During the year ended June 30, 2025, the Center engaged in transactions totaling $13,608 with certain members of its Board of Directors. These transactions primarily consisted of program facilitation professional services. All transactions were conducted in the ordinary course of operations and were reviewed and approved in accordance with the Center's conflict of interest policy.

NOTE 11 - CONCENTRATIONS

For the years ended June 30, 2025 and 2024, 63% and 48% respectively of total contributions was from one grantor. At June 30, 2025, 67% and 16% as of June 30, 2024 of total pledges receivable was from one donor.

NOTE 12 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 22, 2025, the date the consolidated financial statements were available to be issued and has concluded no significant subsequent events meet the criteria of professional accounting standards to be recognized or disclosed in the consolidated financial statements.