



THE MOTLEY FOOL FOUNDATION

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

THE MOTLEY FOOL FOUNDATION

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SEPTEMBER 30, 2023 AND 2022**

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Independent Auditor's Report

Board of Trustees
The Motley Fool Foundation
Alexandria, Virginia

Opinion

We have audited the accompanying financial statements of The Motley Fool Foundation (the Foundation), which comprise the statements of financial position as of September 30, 2023 and 2022, 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 Foundation as of September 30, 2023 and 2022, 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 the Foundation 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 the Foundation'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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 the Foundation'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 Foundation'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.

Councilor, Buchanan + Mitchell, P.C.

Certified Public Accountants

Bethesda, Maryland
January 16, 2024

THE MOTLEY FOOL FOUNDATION
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2023 AND 2022

	2023	2022
Assets		
Cash and Cash Equivalents	\$ 3,442,382	\$ 4,679,684
Pledges Receivable, Net	272,688	888,147
Prepaid Expenses	37,212	19,792
Investments	8,476,848	7,553,137
Property and Equipment, Net	46,438	65,779
Total Assets	\$ 12,275,568	\$ 13,206,539
Liabilities and Net Assets		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 33,044	\$ 54,255
Due to Related Party	78,980	86,190
Total Liabilities	112,024	140,445
Net Assets		
Without Donor Restrictions	11,890,856	12,177,947
With Donor Restrictions for Subsequent Activities	272,688	888,147
Total Net Assets	12,163,544	13,066,094
Total Liabilities and Net Assets	\$ 12,275,568	\$ 13,206,539

See accompanying Notes to Financial Statements.

THE MOTLEY FOOL FOUNDATION

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	2023 Total
Revenue			
Contributions	\$ 172,481	\$ 164,541	\$ 337,022
Donated Services	198,414	-	198,414
Net Investment Income	1,305,680	-	1,305,680
Losses on Pledges Receivable	-	(140,000)	(140,000)
Net Assets Released from Restrictions	640,000	(640,000)	-
Total Revenue	2,316,575	(615,459)	1,701,116
Expenses			
Financial Freedom for All	948,512	-	948,512
General and Administrative	1,131,102	-	1,131,102
Fundraising	524,052	-	524,052
Total Expenses	2,603,666	-	2,603,666
Change in Net Assets	(287,091)	(615,459)	(902,550)
Net Assets, Beginning of Year	12,177,947	888,147	13,066,094
Net Assets, End of Year	\$ 11,890,856	\$ 272,688	\$ 12,163,544

See accompanying Notes to Financial Statements.

THE MOTLEY FOOL FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>
Revenue			
Contributions	\$ 15,175,925	\$ 734,213	\$ 15,910,138
Donated Services	210,508	-	210,508
Net Investment Loss	(1,535,612)	-	(1,535,612)
Net Assets Released from Restrictions	<u>180,000</u>	<u>(180,000)</u>	<u>-</u>
 Total Revenue	 14,030,821	 554,213	 14,585,034
Expenses			
Financial Freedom for All	908,262	-	908,262
General and Administrative	1,157,593	-	1,157,593
Fundraising	<u>688,347</u>	<u>-</u>	<u>688,347</u>
 Total Expenses	 <u>2,754,202</u>	 <u>-</u>	 <u>2,754,202</u>
 Change in Net Assets	 11,276,619	 554,213	 11,830,832
 Net Assets, Beginning of Year	 <u>901,328</u>	 <u>333,934</u>	 <u>1,235,262</u>
 Net Assets, End of Year	 <u><u>\$ 12,177,947</u></u>	 <u><u>\$ 888,147</u></u>	 <u><u>\$ 13,066,094</u></u>

See accompanying Notes to Financial Statements.

THE MOTLEY FOOL FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Financial Freedom for All</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>2023 Total</u>
Personnel	\$ 319,475	\$ 416,660	\$ 433,965	\$ 1,170,100
Occupancy	2,445	3,211	3,448	9,104
Professional Fees	49,864	328,894	1,731	380,489
Grants and Contracts	500,000	-	-	500,000
Other Expenses	<u>76,728</u>	<u>382,337</u>	<u>84,908</u>	<u>543,973</u>
Totals	<u>\$ 948,512</u>	<u>\$ 1,131,102</u>	<u>\$ 524,052</u>	<u>\$ 2,603,666</u>

See accompanying Notes to Financial Statements.

THE MOTLEY FOOL FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Financial Freedom for All</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>2022 Total</u>
Personnel	\$ 252,645	\$ 380,867	\$ 336,607	\$ 970,119
Occupancy	11,739	34,209	23,937	69,885
Professional Fees	2,171	402,560	289,233	693,964
Grants and Contracts	575,000	-	-	575,000
Other Expenses	<u>66,707</u>	<u>339,957</u>	<u>38,570</u>	<u>445,234</u>
Totals	<u>\$ 908,262</u>	<u>\$ 1,157,593</u>	<u>\$ 688,347</u>	<u>\$ 2,754,202</u>

See accompanying Notes to Financial Statements.

THE MOTLEY FOOL FOUNDATION

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

	2023	2022
Cash Flows from Operating Activities		
Change in Net Assets	\$ (902,550)	\$ 11,830,832
Adjustment to Reconcile Change in Net Assets to Net Cash (Used in) Provided by Operating Activities		
Donated Stocks	(345,182)	(175,873)
Depreciation Expense	19,342	10,171
Net Realized and Unrealized Investment (Gain) Loss	(1,017,911)	1,600,634
<u>Decrease (Increase) in Assets</u>		
Pledges Receivable, Net	615,459	(554,213)
Prepaid Expenses	(17,420)	(9,527)
<u>(Decrease) Increase in Liabilities</u>		
Accounts Payable and Accrued Expenses	(21,211)	39,672
Due to Related Party	(7,210)	45,716
	(1,676,683)	12,787,412
Cash Flows from Investing Activities		
Purchases of Property and Equipment	-	(31,075)
Purchases of Investments	(4,281,723)	(10,302,600)
Proceeds from Sale of Investments	4,721,104	1,371,076
	439,381	(8,962,599)
Net Cash Provided by (Used in) Investing Activities	439,381	(8,962,599)
Net (Decrease) Increase in Cash and Cash Equivalents	(1,237,302)	3,824,813
Cash and Cash Equivalents, Beginning of Year	4,679,684	854,871
Cash and Cash Equivalents, End of Year	\$ 3,442,382	\$ 4,679,684

See accompanying Notes to Financial Statements.

THE MOTLEY FOOL FOUNDATION

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2023 AND 2022

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Motley Fool Foundation (the Foundation) is a nonprofit organization that is incorporated as a non-stock corporation in the State of Delaware with offices in Alexandria, Virginia. The Motley Fool Holdings, Inc. (TMFHI) is the sole member of the Foundation. An independent Board of Trustees governs the Foundation.

The Foundation's vision is "Financial Freedom for all," with a mission of creating pathways to Financial Freedom for those living paycheck-to-paycheck. Under this vision and mission, its purpose is to find, fund, and amplify innovative solutions that enable strivers to become thrivers.

The Foundation was established in May 2019 and received its IRS 501(c)(3) exemption in February 2020. Since that time and prior to fiscal year 2023, the Foundation had been actively and systematically researching potential audiences and programming to identify where it will have the biggest impact and how to measure that impact. At the same time, the Foundation was building scalable capacity and infrastructure to support sustainability and success, developing its purpose and brand, and cultivating early donor support. The Foundation adopted its first three-year strategic plan in fiscal year 2023.

The Foundation website is <https://foolfoundation.org/>.

The Foundation's major program is under the umbrella of its vision, Financial Freedom for all. This program was focused on the five key drivers that enable Financial Freedom for Americans living between poverty and wealth: education, health, money, work, and housing. These drivers comprise "The System," and when they work together, people advance financially. When they do not, people are left behind. The Foundation's goal is to break down silos between these drivers and the barriers holding people back.

In fiscal year 2023, the Foundation continued to invest in individuals and organizations that it identified as "Rule Breakers" who work across the five drivers. The Foundation worked to find them, connect them, learn from them, help them go further and faster with targeted investments, and amplify what they do. These Rule Breakers work across the country with the unbanked and underbanked, developing Black rural entrepreneurs, acquiring and preserving affordable housing, increasing Financial Freedom for low-income and immigrant communities, giving support to underrepresented students striving for higher education, providing entrepreneurship training, developing sustainable transportation, and providing access to healthy food. The groundwork was laid to expand this cohort further and to connect them with each other and the Foundation's communities.

Infrastructure was also initiated to find and convene a set of Rule Breakers and community leaders in one geographic location to develop solutions across all five drivers to provide equitable pathways to Financial Freedom for an entire population.

The Foundation created the Sparks Lab on its website as a place to post content that relates to insights around the five drivers of Financial Freedom and for use as a place to research, explore, and learn about them. Part of the content is a video series containing conversations with the

THE MOTLEY FOOL FOUNDATION

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

Foundation Rule Breakers and others working in the drivers. The Foundation also uses this site to solicit ideas for future work.

Additionally, the Foundation made several small grants to other 501(c)(3) organizations that work within the five drivers of Financial Freedom in conjunction with Foundation volunteer efforts and time spent with each grantee.

Basis of Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

Cash and Cash Equivalents

Cash and cash equivalents include cash in checking and money market accounts and all highly liquid investments with an original maturity of three months or less.

Pledges Receivable

Pledges receivable are recorded at their net realizable value. Receivables due over multiple years are discounted to their net present value using the applicable interest rate if such discount would be material. Management closely monitors pledges receivable and charges off any balances that are determined to be uncollectible. The allowance for doubtful accounts for pledges receivable was \$100,000 at September 30, 2023. Management considered all pledges receivable to be fully collectible at September 30, 2022, and no allowance was recorded in that fiscal year.

Investments

Investments are recorded at their readily determinable fair value. Stocks and mutual funds are valued based on quoted prices on national exchanges, except for private equity securities which are valued based on independent appraisals. Realized gains and losses, unrealized gains and losses, net of investment fees are reported as net investment income (loss) in the statements of activities.

Property and Equipment

Property and equipment are stated at cost, if purchased, or fair market value at date of donation, if contributed. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets. All acquisitions of property and equipment in excess of \$1,000 are capitalized.

THE MOTLEY FOOL FOUNDATION

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Unconditional contributions are recorded as increases in net assets without donor restrictions and net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, 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.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities. Expenses directly identifiable to programs and supporting activities are presented accordingly.

Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel costs, occupancy, and other expenses. These expenses are allocated on the basis of estimates of time and effort by the employees.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) on income other than unrelated business income. In addition, the Foundation has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

The Foundation requires that a tax position be recognized or derecognized based on a “more-likely-than-not” threshold. This applies to positions taken or expected to be taken in a tax return. The Foundation does not believe its financial statements include, or reflect, any uncertain tax positions.

The Foundation’s tax returns are subject to examination by the taxing authorities generally for three years after filing.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

THE MOTLEY FOOL FOUNDATION

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassification of Prior Year Information

Certain prior year amounts have been reclassified for comparative purposes.

2. ADOPTION OF ACCOUNTING STANDARDS UPDATE 2020-07

During the year ended September 30, 2022, the Foundation adopted the Financial Accounting Standards Board's (FASB) Accounting Standard Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. This guidance is intended to increase transparency of contributed nonfinancial assets for nonprofits through enhancements to presentation and disclosure. Specifically, the ASU addresses the lack of transparency surrounding the measurement of contributed nonfinancial assets, as well as the amount of those contributions used in programs and other activities. Management believes that the adoption of this ASU enhances the transparency of financial information among nonprofit entities. The change in accounting principle was applied on a retrospective basis.

3. RELATED PARTY TRANSACTIONS

The Motley Fool, LLC (the LLC) is a for-profit operating company wholly owned by TMFHI. The LLC supports and collaborates with the Foundation as it seeks to accomplish its charitable purpose of tackling systemic barriers to Financial Freedom. The Foundation and the LLC have entered into a shared services agreement that outlines certain shared human resources, office space, and equipment. The Foundation recorded approximately \$1,045,000 and \$849,000 of personnel and occupancy expenses that were required to be reimbursed to the LLC under the shared services agreement for the years ended September 30, 2023 and 2022, respectively.

In addition, during the year ended September 30, 2022, the LLC contributed \$15 million in cash to the Foundation. Additional donated services to the Foundation are described in Note 6 to the financial statements.

During the years ended September 30, 2023 and 2022, the Foundation received donations from board members of approximately \$29,000 and \$580,000, respectively.

4. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation's cash flows have seasonal variations due to the timing of receipt of contributions. The Foundation manages its liquidity to meet general expenditures, liabilities, and other obligations as they become due as part of its liquidity management policies.

THE MOTLEY FOOL FOUNDATION

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

4. LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

As of September 30, 2023 and 2022, the following financial assets and liquidity sources were available for general operating expenditures in the years ending September 30:

	2024	2023
<i>Financial Assets</i>		
Cash and Cash Equivalents	\$ 3,442,382	\$ 4,679,684
Pledges Receivable Due in Less Than One Year, Net	101,250	404,250
Investments	8,476,848	7,553,137
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	\$ 12,020,480	\$ 12,637,071

5. CONCENTRATIONS

The Foundation maintains cash accounts with various financial institutions that exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC). Management periodically assesses the financial conditions of the institutions and believes that the risk of any loss is minimal.

During the year ended September 30, 2023, approximately 36% of total contributions was from one donor. During the year ended September 30, 2022, the LLC provided approximately 94% of the contributions. At September 30, 2023, approximately 16% of pledges receivable was from one donor. At September 30, 2022, approximately 56% of pledges receivable was from one donor.

6. DONATED SERVICES

During the years ended September 30, 2023 and 2022, the Foundation received personnel services to assist the Foundation in legal, communications and finance support from the LLC. Based on current market rates for these services, the Foundation would have paid approximately \$198,000 and \$211,000 for the years ended September 30, 2023 and 2022, respectively.

The donated services for personnel costs are allocated on the statements of functional expenses as follows for the years ended September 30:

	Financial Freedom for All	General and Administrative	Fundraising	Total
2023				
Personnel	\$ -	\$ 198,414	\$ -	\$ 198,414
2022				
Personnel	\$ 7,030	\$ 199,240	\$ 4,238	\$ 210,508

All donated services received by the Foundation for the years ended September 30, 2023 and 2022, were considered without donor restrictions and able to be used by the Foundation as determined by the Board of Trustees and management.

THE MOTLEY FOOL FOUNDATION

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

7. PLEDGES RECEIVABLE

Pledges receivable consists of the following at September 30, 2023 and 2022:

<u>Payments Due</u>	<u>2023</u>	<u>2022</u>
Less Than One Year	\$ 201,250	\$ 404,250
One to Five Years	189,093	538,250
	<u>390,343</u>	942,500
Discount to Net Present Value at Annual Interest		
Rates Ranging from 3.25% to 8.5%	(17,655)	(54,353)
Allowance for Doubtful Accounts	<u>(100,000)</u>	-
Net Pledges Receivable	<u>\$ 272,688</u>	<u>\$ 888,147</u>

8. INVESTMENTS AND FAIR VALUE MEASUREMENTS

All of the Foundation's investments are exposed to various risks such as interest rates, market, and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets (examples include stocks);

Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active (examples include corporate bonds);

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs into the determination of fair value require significant management judgment (examples include certain private equity securities).

The following presents investments carried at fair value for the years ended September 30:

<u>2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds				
Equity	\$ 6,292,718	\$ -	\$ -	\$ 6,292,718
Fixed Income	1,221,142	-	-	1,221,142
Stocks				
Domestic	668,078	-	-	668,078
Foreign	44,904	-	-	44,904
Private Equity Investments	-	-	<u>250,006</u>	<u>250,006</u>
Total Investments at Fair Value	<u>\$ 8,226,842</u>	<u>\$ -</u>	<u>\$ 250,006</u>	<u>\$ 8,476,848</u>

THE MOTLEY FOOL FOUNDATION

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022**

8. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following presents investments carried at fair value for the years ended September 30:

<u>2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds				
Equity	\$ 5,650,600	\$ -	\$ -	\$ 5,650,600
Fixed Income	1,439,322	-	-	1,439,322
Stocks				
Domestic	431,423	-	-	431,423
Foreign	31,792	-	-	31,792
Total Investments at Fair Value	<u>\$ 7,553,137</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,553,137</u>

Fair value measurements using significant unobservable inputs (Level 3):

Balance at October 1, 2022	\$ -
Donations into Level 3	250,006
Balance at September 30, 2023	<u>\$ 250,006</u>

All assets have been valued using quoted market prices except for Level 3 assets. There were no changes in the valuations techniques during the current year since acquisition of the Level 3 asset. The Foundation recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. There were no such transfers during 2023 or 2022.

During the year ended September 30, 2023, the Foundation received a donation of \$250,006 of TMFHI privately held stock in fulfillment of a pledge. The donation of the private equity stock includes limitations on disposition, such as, the Foundation must notify TMFHI before selling the stock. In addition, TMFHI agrees to repurchase some or all of the shares in 2024 at the then current share price. If not all shares are repurchased in 2024, then TMFHI will repurchase additional shares from the Foundation annually until all the shares have been sold back to TMFHI. Other limitations include risks that TMFHI may not offer liquidity events, or because of competing sales, the Foundation may not be able to liquidate the shares on the schedule and amounts it desires. Additionally, as with other investments, there is risk that the value of the shares declines since the last assessment.

The fair value of the private equity investments is measured by an independent appraiser using a multi-stage process to determine the fair value of the common stock of TMFHI, which involved calculating the enterprise and equity value of each business line, then adding them together to determine the equity value of TMFHI. The equity value was then allocated to TMFHI's securities using the option pricing method. The value per share of common stock was then reduced by a discount for lack of marketability of 10% to put it on a minority, non-marketable basis. Significant increases or decreases in any of these inputs in isolation could result in a significantly lower or higher fair value measurement. At least annually, Management and the Board of Trustees: (1) determines if the current valuation techniques used in fair value measurements are still appropriate, and (2) evaluates and adjusts the unobservable inputs used in the fair value measurements based on current market conditions and third-party information.

THE MOTLEY FOOL FOUNDATION

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

9. PROPERTY AND EQUIPMENT

The Foundation held the following property and equipment at September 30:

	<u>2023</u>	<u>2022</u>
Website	\$ 73,367	\$ 73,367
Software	4,000	4,000
Total Property and Equipment	77,367	77,367
Less Accumulated Depreciation	<u>(30,929)</u>	<u>(11,588)</u>
Property and Equipment, Net	<u>\$ 46,438</u>	<u>\$ 65,779</u>

Depreciation expense for the years ended September 30, 2023 and 2022, was \$19,342 and \$10,171, respectively.

10. CONTINGENCIES

The spread of COVID-19 (coronavirus disease) has had a disruptive impact on the daily life and operations of individuals, businesses, and nonprofits around the world. There is uncertainty about financial and economic impacts in all sectors of the economy. The financial markets have experienced significant volatility, and this may continue for an extended period of time. In light of these circumstances, management continues to assess how best to adapt to changed circumstances.

11. SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through January 16, 2024, which is the date the financial statements were available to be issued.