Alisa Ann Ruch Burn Foundation

Financial Statements

Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Alisa Ann Ruch Burn Foundation
Pasadena, California

Opinion

We have audited the accompanying financial statements of Alisa Ann Ruch Burn Foundation (the Foundation), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and change in net assets, functional expenses and cash flows for the year 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 December 31, 2023, 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 Foundation 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 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.

Hutchinson and Bloodgood LLP

Glendale, California
July 29, 2024

ALISA ANN RUCH BURN FOUNDATION

Statement of Financial Position
December 31, 2023

ASSETS	
Current assets	
Cash and cash equivalents	$ 109,143
Deposits and prepaid expenses	10,971
Total current assets	120,444
Property and equipment, net	21,444
Other assets	
Right-of-use asset	19,025
Other donated assets	53,970
Investments, endowment funds	704,486
Total other assets	777,481
Total assets	$ 919,039
LIABILITIES AND NET ASSETS	
Current liabilities	
Accrued liabilities	$ 34,458
Lease liability	20,659
Current portion of long-term debt	3,739
Total current liabilities	58,856
Long-term debt, less current portion	136,861
Total liabilities	195,717
Net assets	
Without donor restrictions	576,364
With donor restrictions	146,958
Total net assets	723,322
Total liabilities and net assets	$ 919,039

ALISA ANN RUCH BURN FOUNDATION

Statement of Activities and Change in Net Assets
Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants	$ 48,563	$ 119,250	$ 167,813
Contributions, pledges, and bequests	429,512	81,565	511,077
Fundraising events	132,877	1,500	134,377
	610,952	202,315	813,267
Other revenue, net	--	2,225	2,225
Net assets released from restrictions	119,010	(119,010)	--
Total revenue and support	729,962	85,530	815,492
EXPENSES			
Program services	974,219	--	974,219
Support services	56,529	--	56,529
Fundraising expenses	122,528	--	122,528
Total expenses	1,153,276	--	1,153,276
Change in net assets before non-operating revenue	(423,314)	85,530	(337,784)
NON-OPERATING REVENUE			
Return on investments, net	69,931	4,476	74,407
Change in net assets	(353,383)	90,006	(263,377)
NET ASSETS, beginning	929,747	56,952	986,699
NET ASSETS, ending	$ 576,364	$ 146,958	$ 723,322

ALISA ANN RUCH BURN FOUNDATION

Statement of Functional Expenses
Year Ended December 31, 2023

	Program Services				
	Burn Prevention	Survivor Services	Fundraising Expenses	Support Services	Total
SALARIES AND RELATED EXPENSES					
Salaries	$ 125,953	$ 216,834	$ 74,342	$ 38,321	$ 455,450
Payroll taxes	10,747	18,501	6,343	3,270	38,861
Employee benefits	7,087	12,200	4,183	2,155	25,625
Total salaries and related expenses	143,787	247,535	84,868	43,746	519,936
OTHER EXPENSES					
Auto expense	1,102	8,721	917	94	10,834
Bank and credit card charges	2,754	2,754	306	305	6,119
PayPal fees	101	101	11	11	224
Computer expense	3,014	3,014	335	335	6,698
Contract services	80,824	49,229	5,395	5,396	140,844
Conferences and seminars	3,750	3,174	--	--	6,924
Dues and subscriptions	3,569	2,568	7,518	286	13,941
Equipment maintenance and rental	917	917	101	102	2,037
Professional development	1,294	1,538	140	144	3,116
Insurance	7,851	7,851	872	1,310	17,884
Miscellaneous expense	978	978	23	24	2003
Office supplies	1,236	1,305	187	132	2,860
Payroll processing fees	1,570	1,570	175	175	3,490
Postage and delivery	509	808	642	50	2,009
Prevention materials	6,898	--	--	--	6,898
Printing and reproduction	9,226	1,526	3,543	170	14,465
Program expenses	--	221,921	12,161	--	234,082
Rent	15,316	15,316	1,702	1,702	34,036
Survivor stipends	--	36,487	--	--	36,487
Scholarships	--	16,825	--	--	16,825
Storage	4,643	4,634	473	483	10,233
Taxes and Licenses	297	293	33	33	656
Recognition and awards	2,899	2,972	322	322	6,515
Telephone	3,553	3,553	395	395	7,896
Travel	16,792	21,311	2,162	1,067	41,332
Total other expenses	169,093	409,366	37,413	12,536	628,408
Total expenses before depreciation and amortization and interest expense	312,880	656,901	122,281	56,282	1,148,344
Depreciation and amortization	395	395	44	44	878
Interest	1,824	1,824	203	203	4,054
Total functional expense	$ 315,099	$ 659,120	$ 122,528	$ 56,529	$ 1,153,276

ALISA ANN RUCH BURN FOUNDATION

Statement of Cash Flows
Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ (263,377)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	878
Non-cash operating lease expenses	(16,422)
Net unrealized/realized gains on investments	(57,673)
Change in assets and liabilities:	
Pledges, grants and other receivable	6,500
Prepaid expenses and other assets	1,178
Change in operating lease liability	18,052
Accounts payable	(26,043)
Accrued liabilities	(2,382)
Net cash used in operating activities	(339,289)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from surrender of life insurance	4,377
Purchases of investments	(266,767)
Proceeds from disposition of investments	348,683
Net cash provided by investing activities	86,293
CASH FLOWS USED IN FINANCING ACTIVITIES	
Repayments, long term debt	(3,638)
Net decrease in cash and cash equivalents	(256,634)
CASH AND CASH EQUIVALENTS, beginning of year	365,777
CASH AND CASH EQUIVALENTS, end of year	$ 109,143
SUPPLEMENTAL INFORMATION	
Funds transferred out of the endowment fund	$ (98,650)
Interest payments, long-term debt	$ 4,054
Non-cash activities:	
Right-of-use asset obtained in exchange for lease liability	$ 26,107

NOTE 1. ORGANIZATION

Alisa Ann Ruch Burn Foundation (the Foundation) was founded in 1971. It derived its name and inspiration from an eight-year-old child, Alisa Ann, who was fatally burned in a backyard barbecue accident. The Foundation's mission is to significantly reduce the number of burn injuries through prevention education and to enhance the quality of life of those affected by burn injuries in California. The Foundation works in partnership with firefighters, educators, burn care professionals, and community members to develop and implement programs and services. The Foundation is governed by an Executive Board of Directors and is aided by a small team of California staff located in Pasadena, Fresno, Clovis, and El Cerrito.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Statement Presentation: The Foundation is required to report classification of the net assets, revenues as well as expenses based on the existence or absence of donor-imposed restrictions. Each of the two classes of net assets – with donor restrictions, and without donor restrictions – are presented in the statement of financial position, and the amounts of change in each of those classes of net assets in the statement of activities.

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 for use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions: Net assets without donor restrictions are resources available for use in carrying out the mission of the Foundation, and include those expendable resources which have been designated for use by the Foundation. The Foundation reports restricted contributions, whose restrictions are met in the same reporting period, as unrestricted support. Net assets without donor restrictions also include quasi endowment net assets designated by the Board of Directors or management for specific purposes (known as quasi endowment net assets).

Net Assets With Donor Restrictions: Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Foundation's unspent contributions are classified in this class if the donor limited their use. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

All revenues are reported as increases in net assets without donor restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions. All expenses are reported as decreases in net assets without donor restrictions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: The Foundation considers all highly-liquid investments available for current use with a maturity of three (3) months or less to be cash equivalents, unless the investments are held for meeting restrictions of a capital or endowment nature.

Pledges Receivable and Accounts Receivable: Pledges receivable are unsecured amounts due on unconditional promises to give. Pledges receivable in the future are recorded at the present value of estimated future cash flows. Receivables are primarily unsecured amounts due to cost reimbursement or performance contracts. Conditional promises to give are not included as support until the conditions are substantially met. The Foundation uses the allowance method of accounting for receivables determined to be potentially uncollectable. In the management's opinion, all promises to give were collectible at year-end and therefore no allowance has been established.

Endowment: The Foundation's endowment consists of one individual donor-restricted endowment and three quasi-endowment funds designated by the Board of Directors for a variety of purposes.

The net assets associated with endowment funds, including funds designated by the Foundation to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as allowing the Foundation to appropriate for expenditure or accumulate so much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes, and duration for which the endowment funding is established, subject to the intent of the donor as expressed in the gift instrument. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift. The remaining portion is classified as donor restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate endowment funds:

1) The duration and preservation of the fund
2) The purposes of the Foundation and the donor-restricted endowment fund
3) General economic conditions
4) The possible effect of inflation and deflation
5) The expected total return from income and the appreciation of investments
6) Other resources of the Foundation
7) The investment policies of the Foundation

The Foundation has adopted an endowment payout policy to preserve and enhance the purchasing power of the endowment and to provide a relatively stable and constant return sufficient to meet a portion of the spending needs of the Foundation. The Board, with 100% vote, can release funds from quasi-endowments. To satisfy its long-term rate-of-return objectives, the Foundation relies on the endowment investment policy of Mariner Wealth Advisors (MWA). MWA targets a diversified asset allocation that is appropriate for a grant-making horizon between 3 and 7 years representing an overall moderate investment risk.

Accumulated investment gains are used to fund the difference between payout and current earnings. The endowment payout policy is intended to produce increasing yet smooth and predictable endowment distributions year over year. From time to time, the fair value of endowment funds may fall below the original gift amount. Deficiencies of this nature are referred to as underwater endowments. In the event that an endowment falls underwater, current management policy is to allow spending on the endowment.

Revenue Recognition: The Foundation’s revenue recognition policies are as follows:

Contributions: Contributions are recorded as revenue upon receipt of cash or unconditional promise to give (pledge) in which there is no right of return of assets contributed and an indication of any donor-imposed barriers or performance obligations as a condition of the contribution based upon the donor agreement. Contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as net assets with donor restrictions until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with donor-restrictions. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (continued):

Fundraising Events Revenue: Amounts received are recorded at the time of transaction.

Contributed Goods and Services: Contributions of goods received that are measurable are recorded as revenue at their estimated fair value when received. 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. Many volunteers provide services throughout the year that are not recognized as contributions in the financial statements, because the services do not require specialized skills. It is impracticable to determine the fair market value of all donated services by the volunteers of the Foundation beyond those required to be recognized as income.

Grants: Certain grants are considered non-exchange transactions and are reported as increases in net assets without restrictions as the associated barriers are overcome, which generally is as allowable expenditures under such agreements are incurred.

Endowment Support: Endowment support, limited to the payout determined by the Board of Directors, is comprised of ordinary income and accumulated gains on endowment and quasi-endowment assets.

Contract Revenue*:* From time to time, the Foundation may receive and reports revenue from a contract related to the Assistance to Firefighters Grant Program. The Federal Emergency Management Agency (FEMA) compensates the Foundation for the performance of fire prevention and safety services in accordance with the contract award limits. Revenue is reported at the amount that reflects the consideration to which the Foundation expects to be entitled to in exchange for providing fire prevention and safety programming. Revenue is recognized in the period in which the Foundation satisfies its performance obligation related to the programming. The Foundation determines the transaction price for the services provided based on actual costs incurred, which are then reimbursed by the award amount disclosed within the contract.

Prepaid Expenses: Prepaid deposits and other costs are expensed ratably over their respective terms of agreement.

Life Insurance Policy: The Foundation was the owner and beneficiary of a life insurance policy on certain key executives. Life insurance was recorded at the amount that can be realized under the insurance contract, which was the cash surrender value. The carrying amounts of the cash surrender value of life insurance approximated fair value. During the year ended December 31, 2023, the Foundation surrendered life insurance policy.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment, Net: Property and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. Property and Equipment is capitalized if it has a cost of $1,000 or more and a useful life when acquired of more than 1 year. Donated assets are capitalized at fair market value on the date of the gift. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Property, consisting primarily of equipment, is depreciated on a straight-line basis over estimated useful lives, generally three to five years. Fully depreciated assets are retained in the accounts at their estimated salvage value until their retirement. Estimated useful lives of the assets are as follows:

Computer Equipment	5 years
Furniture and Fixtures	7 years
Leasehold Improvements	15 years
Office Equipment	5 years
Software	3 years
Telephone Equipment	5 years

Property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Advertising Costs: Advertising costs are expensed as incurred. There were no advertising expenses during 2023.

Vacation Policy: Vacation benefits are accrued on a monthly basis. Full-time employees accrue vacation time based upon years of service to the Foundation as follows:

Years Employed	Maximum Accrual Per Year
1st Year	2 weeks
2nd – 5th Year	3 weeks
Over 5 years	4 weeks

Unused vacation leave is paid at the time of termination. Total value of accrued vacation at December 31, 2023, was approximately $22,600. Vacation accrual is capped at 240 hours.

Income Taxes: The Foundation is a nonprofit corporation, qualifying under section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. As such, except for taxes pertaining to unrelated business income, the Foundation is exempt from federal and state income taxes. No provision has been made for income taxes, as the Foundation had no unrelated business income. The Foundation believes that it has appropriate support for any tax position taken and, as such, the Foundation has no material unrecognized tax benefits, tax penalties or interest as of and for the year ended December 31, 2023. The Foundation's tax years that are open for examination by federal and state agencies are three and four years, respectively.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Recognition and Allocation: The cost of providing the Foundation's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited, based on the percentage of expenses utilized by each. Compensation expense and related benefits are allocated on the basis of estimate of time and effort.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Foundation.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Foundation generally does not conduct its fundraising activities in conjunction with its other activities.

Fair Value Measurements: The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs Level 3 measurements). The inputs to the three levels of the fair value hierarchy under Topic 820 are described below:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical 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, or corroborated by, observable market data by correlation to 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.

Level 3 – Unobservable and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. All transfers between fair value hierarchy levels are recognized by the Foundation at the beginning of each reporting period. Financial assets carried at fair value on a recurring basis include beneficial interest in assets held by others. The Foundation had no financial liabilities carried at fair value on a recurring basis at December 31, 2023. The Foundation had no assets or liabilities carried at fair value on a nonrecurring basis at December 31, 2023.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases: The Foundation determines if an arrangement is a lease, at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Foundation obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Foundation also considers whether its service arrangements include the right to control the use of an asset.

The Foundation made an accounting policy election not to recognize right-of-use (ROU) assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Foundation made an accounting policy election to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

Recently Adopted Accounting Pronouncements: In June 2016, the FASB issued ASU 2016-13 (ASU), Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The impact of the adoption of this ASU was not significant.

NOTE 3. ENDOWMENT ACTIVITIES

The Foundation has three funds, Alisa Ann Ruch Burn Foundation Endowment Fund (the AARBF Fund), the Woody and Louise "Bridge to Life" Scholarship Fund (the W&L Fund), and the Champ Camp Fund (collectively, the Funds). While these three funds do not carry donor restrictions, they have been designated by the Foundation's Board of Directors to function as endowment funds (i.e., quasi-endowments). The principal is generally retained, and the Board may appropriate contributions to and expenditures from the AARBF Fund, W&L Fund, and Champ Camp Fund by unanimous Board of Directors vote. The Funds include no donor imposed restricted funds as of December 31, 2023.

The Foundation has one endowment fund, Resiliency Endowment Fund. The fund was established in 2022 with a $35,000 donation.

Designations of endowment funds for the year ended December 31, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted fund	$ --	$ 43,823	$ 43,823
Board designated funds	660,663	--	660,635
	$ 660,663	$ 43,823	$ 704,486

Changes in endowment net assets for the year ended December 31, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 693,132	$ 35,597	$ 728,729
Investment return			
Investment income	18,374	992	19,366
Net unrealized and realized appreciation	54,044	3,629	57,673
Investment management fees	(2,487)	(145)	(2,632)
Total investment return	69,931	4,476	74,407
Other changes in endowment investment			
Transfers, net	(102,400)	3,750	(98,650)
Total investments at fair value	$ 660,663	$ 43,823	$ 704,486

NOTE 4. INVESTMENTS

The composition of investments is as follows at December 31, 2023:

	Mutual Funds	Money Market Funds	Total
The Resiliency Fund	$ 43,111	$ 712	$ 43,823
The AARBF Fund	139,191	2,917	142,108
The W&L Fund	322,605	6,381	328,986
The Champ Camp Fund:	186,797	2,772	189,569
	$ 691,704	$ 12,782	$ 704,486

Investment return consists of the following for the year ended December 31, 2023:

Investment income	$ 19,366
Net unrealized and realized appreciation	57,673
Investment management fees	(2,632)
Total investment return	$ 74,407

NOTE 5. LONG TERM DEBT

In July 2020, the Foundation received $149,900 Economic Injury Disaster loan from the Small Business Administration. The loan has a 30-year term, carries fixed rate of 2.75%, and requires monthly payments of $641, including principal and interest, after the initial 12-month deferment period. The Foundation started making regular scheduled monthly payments effective July 2021.

Future contractual payments during the years ending December 31, are as follows:

2024	$ 3,739
2025	3,843
2026	3,950
2027	4,060
2028	4,173
Thereafter	120,835
	140,600
Current portion	(3,739)
Long-term debt, less current portion	$ 136,861

NOTE 6. LIFE INSURANCE POLICY

During the year ended December 31, 2023, the Foundation surrendered life insurance policy. The Foundation received proceeds of $3,919 upon surrender.

NOTE 7. PROPERTY AND EQUIPMENT

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

Computer equipment	$ 53,189
Furniture and fixtures	48,650
Leasehold improvements	27,999
Office equipment	17,703
Software	2,427
Telephone equipment	3,800
	153,768
Less accumulated depreciation and amortization	(132,324)
	$ 21,444

Depreciation and amortization expense for the year ended December 31, 2023, was $878.

NOTE 8. OPERATING LEASE

The Foundation leases an office space in San Francisco, California. This non-cancelable operating lease expires on August 31, 2024.

The table below presents information regarding existing operating lease:

Weighted average remaining lease term (in years)	0.67
Weighted-average discount rate	4.72%

Future minimum lease payments required under this operating lease is as follows:

Year Ending December 31, 2024	$ 20,944
Less amount representing interest	(285)
Present value of minimum lease payments (current)	$ 20,659

NOTE 9. OTHER ASSETS

In August 2018, the Foundation received a donation of cemetery plots that were valued at $53,970. The donation carried no donor restrictions. Management has determined that no indication of possible impairment related to these assets is present, therefore, no impairment losses were recognized in the financial statements in the current period. The Board approved pursuing sale of these plots. The plots were not sold as of the date of the issuance of these financial statements.

NOTE 10. CONTINGENCIES

In the ordinary course of its business, the Foundation may become involved in legal proceedings. In the opinion of management, any liability resulting from such proceedings would not have a material adverse effect on the financial statements.

NOTE 11. RETIREMENT PLAN

The Foundation has a defined contribution 401(k) plan (the Plan) covering substantially all employees. Employees are eligible to participate in the Plan after they complete one year of service and attain age 21. The Foundation makes an annual safe harbor contribution to the Plan in an amount equal to 3% of eligible compensation. The Foundation contributed $7,378 to the Plan for the year ended December 31, 2023.

The Foundation may also make additional discretionary contributions to the Plan, which vest over the service period of four years. No discretionary contributions were made during 2023.

NOTE 12. LIQUIDITY AND AVAILABILITY

The following reflects the Foundation's financial assets as of December 31, 2023, reduced by the amounts not available for general expenditures within one year. Financial assets are considered unavailable when not convertible to cash within one year, designated by the Board of Directors for endowment or other purposes, or include donor purpose or time restrictions which are not anticipated to be fulfilled within one year.

Financial assets at year end:

Cash and cash equivalents	$ 109,143
Endowment funds	704,486
Total financial assets	813,629
Less amounts unavailable for general expenditures within one year, due to purpose restrictions by donors	(146,958)
Financial assets available to meet cash needs for general expenditures within one year	$ 666,671

In addition to existing financial assets available to meet general expenditures within one year, the Foundation receives contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Foundation has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 30 days operating expenses and has a policy to target a year-end balance of reserves of undesignated net assets without restrictions, at one fiscal year of expected expenditures. To achieve these targets, the Foundation forecasts its future cash flows and monitors its liquidity quarterly and monitors its reserves annually. During the year ended December 31, 2023, the level of liquidity and reserves was managed within the policy requirements.

NOTE 13. NET ASSETS WITH DONOR RESTRICTIONS

The composition of net assets with donor restrictions is as follows at December 31, 2023:

Purpose Restriction (Champ Camp)	$ 94,605
Other, various	8,530
Resiliency Fund (endowment fund)	43,823
	$ 146,958

NOTE 14. FAIR VALUE MEASUREMENTS

Fair value is determined based on assumptions that a market participant would use in pricing an asset or liability. Measurements of fair value are classified within a hierarchy based upon valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 Observable quoted prices in active markets for identical assets and liabilities.

Level 2 Observable quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 Model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

The following methods and assumptions were used to estimate the fair value of each class of assets that are recognized at fair value:

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the United States Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

Money market fund: Value approximates carrying value.

Foundation's assets carried at fair value on a recurring basis are classified within the fair value hierarchy as follows:

	Fair Value Measurements Using			
December 31, 2023	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money market fund	$ 12,783	--	--	$ 12,783
Mutual funds	691,703	--	--	691,703
Total investments at fair value	$ 704,486	$ --	$ --	$ 704,486

NOTE 15. CONCENTRATIONS OF CREDIT RISK

Cash and Cash Equivalents: Amounts held in financial institutions occasionally are in excess of the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation limits. The Foundation deposits its cash with high quality financial institutions, and management believes the Foundation is not exposed to significant credit risk on those amounts.

Investments: The Foundation's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Because of the significance of the investments to the Foundation's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements.

NOTE 16. ECONOMIC DEPENDENCY

The majority of the Foundation's contributions and grants are received from corporations, foundations, and individuals located in the greater Los Angeles and San Francisco metropolitan areas, and from agencies of the state of California. As such, the Foundation's ability to generate resources via contributions and grants is dependent upon the economic health of that area and of the state of California. An economic downturn could cause a decrease in contributions and grants that coincides with an increase in demand for the Foundation's services.

NOTE 17. RELATED PARTY TRANSACTIONS

Foundation's investments are managed by a wealth management firm (the Firm) for which one of the Directors serves as a managing director. No fees were paid by the Foundation to the Firm during 2023.

NOTE 18. SUBSEQUENT EVENTS

Management evaluated events and transactions occurring subsequent to December 31, 2023 through July 29, 2024, the date the financial statements were issued. During this period, there were no subsequent events requiring recognition or disclosure in the financial statements.