

**LANGE FOUNDATION**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Lange Foundation  
Los Angeles, California

### Opinion

We have audited the accompanying financial statements of Lange Foundation, a nonprofit organization, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and 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 Lange Foundation as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Lange 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 Lange 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. 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 Lange 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 Lange 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.

*Weiss Accountancy LLP*

WEISS ACCOUNTANCY LLP  
Van Nuys, California

April 15, 2026

**LANGE FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2024**

ASSETS

Current Assets		
Cash	\$	2,645,138
Investments		5,105,801
Prepaid expenses		11,209
		7,762,148
Property and Equipment, net		1,919,758
Other Assets		
Operating lease right-of-use assets		224,832
Deposits		4,000
		228,832
	\$	9,910,738

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and accrued expenses	\$	177,598
Operating lease obligations, current portion		70,413
		248,011
Long-Term Liabilities		
Operating lease obligations, net of current portion		167,847
		415,858
Net Assets		
Without donor-imposed restrictions		8,952,060
With donor-imposed restrictions		542,820
		9,494,880
	\$	9,910,738

See accompanying notes to financial statements.

**LANGE FOUNDATION**  
**STATEMENT OF ACTIVITIES AND NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Without Donor-Imposed Restriction	With Donor-Imposed Restriction	Total
Revenues and support			
Contributions	\$ 1,765,589	\$ 99,223	\$ 1,864,812
Non-cash contributions	8,630	-	8,630
Estate sales	71,088	-	71,088
Adoption fees	67,262	-	67,262
Investment income	418,062	-	418,062
Net assets released from restrictions	65,468	(65,468)	-
Partnership investment income	13,000	-	13,000
Other income	5,979	-	5,979
	<u>2,415,078</u>	<u>33,755</u>	<u>2,448,833</u>
Expenses			
Program services			
Kennel	1,410,811	-	1,410,811
Sanctuary	820,885	-	820,885
Justice fund	65,468	-	65,468
Safety net	269,937	-	269,937
Help others	7,643	-	7,643
Estate sales	28,383	-	28,383
Intervention - San Bernardino	317,101	-	317,101
	<u>2,920,228</u>	<u>-</u>	<u>2,920,228</u>
Supporting services			
Management and general	170,848	-	170,848
Fundraising	32,598	-	32,598
	<u>203,446</u>	<u>-</u>	<u>203,446</u>
	<u>3,123,674</u>	<u>-</u>	<u>3,123,674</u>
Change in net assets	<u>(708,596)</u>	<u>33,755</u>	<u>(674,841)</u>
Net assets, beginning of year, as previously stated	9,704,349	509,065	10,213,414
Prior period adjustments	<u>(43,693)</u>	<u>-</u>	<u>(43,693)</u>
Net assets, beginning of year, as restated	<u>9,660,656</u>	<u>509,065</u>	<u>10,169,721</u>
Net assets, end of year	<u>\$ 8,952,060</u>	<u>\$ 542,820</u>	<u>\$ 9,494,880</u>

See accompanying notes to financial statements.

**LANGE FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Program Services							Supporting Services		Total Expenses	
	Kennel	Sanctuary	Justice Fund	Safety Net	Help Others	Estate Sales	Intervention San Bernadino	Total	Management and General		Fundraising
Advertising	\$ 378	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 378	\$ -	\$ -	\$ 378
Animal care	842,643	350,127	65,468	224,221	7,643	-	259,278	1,749,380	-	-	1,749,380
Auto	1,220	5,140	-	202	-	-	406	6,968	1,044	-	8,012
Depreciation	-	45,190	-	-	-	-	-	45,190	-	-	45,190
Employee benefits	41,902	35,745	-	4,059	-	-	4,182	85,888	8,343	-	94,231
Insurance	-	-	-	-	-	300	-	300	18,480	-	18,780
Occupancy	95,969	37,997	-	-	-	-	678	134,644	23,602	-	158,246
Office expense	2,709	51	-	4,156	-	24	5,899	12,839	4,765	-	17,604
Payroll taxes	26,796	22,858	-	2,596	-	-	2,674	54,924	5,336	-	60,260
Printing and postage	8,869	492	-	405	-	-	2,158	11,924	2,432	32,598	46,954
Professional services	15,171	7,527	-	743	-	19,127	520	43,088	25,464	-	68,552
Repairs and maintenance	6,627	22,003	-	-	-	-	5,683	34,313	6,904	-	41,217
Salaries	325,004	277,252	-	31,485	-	-	32,435	666,176	64,714	-	730,890
Storage fees	-	-	-	-	-	8,791	-	8,791	1,056	-	9,847
Supplies	5,639	2,101	-	-	-	-	500	8,240	677	-	8,917
Taxes and licenses	16,503	300	-	-	-	-	-	16,803	200	-	17,003
Telephone	6,309	1,244	-	610	-	141	1,184	9,488	1,477	-	10,965
Travel	-	-	-	-	-	-	-	-	291	-	291
Unrelated business income taxes	-	-	-	-	-	-	-	-	3,062	-	3,062
Workers' compensation	15,072	12,858	-	1,460	-	-	1,504	30,894	3,001	-	33,895
	<u>\$ 1,410,811</u>	<u>\$ 820,885</u>	<u>\$ 65,468</u>	<u>\$ 269,937</u>	<u>\$ 7,643</u>	<u>\$ 28,383</u>	<u>\$ 317,101</u>	<u>\$ 2,920,228</u>	<u>\$ 170,848</u>	<u>\$ 32,598</u>	<u>\$ 3,123,674</u>

See accompanying notes to financial statements.

**LANGE FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

Cash Flows from Operating Activities	
Decrease in net assets	\$ (674,841)
Adjustments to reconcile decrease in net assets to net cash used in operating activities	
Depreciation	45,190
Donated investments	(8,630)
Unrealized gains on investments	(855)
(Increase) decrease in:	
Prepaid expenses	(1,022)
Operating lease right-of-use assets	66,774
Deposits	10,000
Increase (decrease) in:	
Accounts payable and accrued expenses	86,752
Operating lease obligations	(65,553)
	<hr/>
Net cash used in operating activities	(542,185)
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Cash Flows from Investing Activities	
Purchases of property and equipment	(17,450)
Purchase of investments	(6,028,685)
Proceeds from sale of investments	7,916,663
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Net cash provided by investing activities	1,870,528
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Net Increase in Cash	1,328,343
Cash, Beginning of Year	1,316,795
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Cash, End of Year	\$ 2,645,138
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**SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES**

Donated investments received	\$ 8,630
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See accompanying notes to financial statements.

**LANGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Lange Foundation (the "Foundation"), established in 1993, is a California tax-exempt nonprofit corporation pursuant to Internal Revenue Code Section 501(c)(3). The Foundation is a public benefit corporation whose mission is to rescue and rehome as many impounded animals as possible. The Foundation also does all it can to keep pets in the homes where they are loved by taking the lead in innovative intervention programs, giving pet owners alternatives to impounding their own pets in times of need.

During the year ended December 31, 2024, the Foundation funded the following programs:

Kennel and Sanctuary – The Foundation's kennel in Los Angeles and sanctuary in Canyon Country are halfway homes for dogs' and cats' rescues from Los Angeles County's 26 overcrowded public animal shelters, as well as the San Bernardino City Shelter. The Foundation is the only recourse for the majority of the dogs and cats it rescues that require immediate emergency medical care. Prior to their placements, the Foundation's pets are given exceptional medical care and behavior training, if needed. Once adopted, their progress in their new homes is carefully followed. The Foundation stands behind those it rescues even after they find loving homes.

Safety Net – The Foundation contracted 8 years ago with the Los Angeles County Animal Control Department to conduct a Safety Net Program within the overcrowded Palmdale and Lancaster Shelters. The Foundation's staff work inside these shelters interviewing owners who feel they have no other alternative other than surrendering their pets, even though they are desperate to keep them in the home where they are loved. The Foundation provides medical care including emergency surgeries, training, food, supplies and temporary boarding. This program also includes an Antelope Valley spay/neuter program. The Foundation also contracted with the Los Angeles County Homeless Initiative in 2018 to help look after pets of the homeless by providing medical care, food and grooming.

Surgery Fund – The Foundation rescues pets who have no possible way to be adopted from the shelters as they need urgent medical care because they are suffering injuries received through trauma or abuse.

Justice Fund – The Justice Fund, started in 2008, is supported by a yearly grant. The Justice Fund is restricted to rescuing dogs over 50 pounds from South Los Angeles shelters (see Note 2).

Help Others – The Foundation provides help to individuals who call the Foundation because they are not able to pay for veterinary care for their pets as they are going through financial difficulties. The Foundation pays directly to the veterinary clinics for the services provided.

Intervention – San Bernadino – The Foundation is at the forefront of the intervention movement designed to give pet owners an alternative to impounding their own pets when they do not have the funds to buy food or seek medical care. The Foundation has its own staff working inside the Lancaster, Palmdale and San Bernadino Shelters. The Foundation covers redemption fees for pets whose owners cannot afford to get the impound fees required to reclaim their pets. The Foundation also provides regular vet services, including lifesaving surgeries, spay/neuter surgeries, and provides food and supplied to pets owned by homeless people.

**LANGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (continued)

Advertising

The Foundation expenses the cost of advertising and public outreach in the period incurred.

Basis of Accounting

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applicable to nonprofit organizations.

Net Asset Classification

Net assets are classified as either without donor restrictions or with donor restrictions. Net assets without donor restrictions represent resources that are not subject to donor-imposed restrictions, while net assets with donor restrictions represent resources subject to donor-imposed restrictions that may be temporary or perpetual in nature. See Note 7 for assets with donor-imposed restrictions.

Use of Estimates

The preparation of financial statements presented in conformity with generally accepted accounting principles requires management to make estimates and assumptions that 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.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and cash equivalents with original maturities of 90 days or less.

Income Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code except for income derived from activities unrelated to its exempt purpose. The Foundation is subject to federal and state income taxes on its unrelated business taxable income (UBTI).

For the year ended December 31, 2024, the Foundation incurred unrelated business taxable income primarily from a partnership investment. The related income tax expense was \$3,062 and is included in income tax expense in the accompanying Statement of Activities.

The Foundation has evaluated its tax positions and determined that there are no uncertain tax positions requiring recognition or disclosure in the financial statements. As of December 31, 2024, the Foundation's information returns remain subject to examination by federal and state taxing authorities, generally for three years and four years respectively, after they are filed.

**LANGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are recorded at cost, or if donated, at fair value at the date of contribution. Depreciation is provided using the straight-line method over estimated useful lives of 5 to 39 years.

Functional Allocation of Expenses

The cost of providing program services and supporting services has been detailed on a functional basis in the accompanying statements of functional expenses. Expenses are directly charged to the program activities other than those that benefit multiple functions. The expenses are allocated based on management's estimates.

Leases

The Foundation leases an operating facility under an operating lease. The Foundation determines if an arrangement contains a lease at the inception of a contract. Right-of-use (“ROU”) assets represent the Foundation’s right to use an underlying asset for the lease term and lease liabilities represent the Foundation’s obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date of the lease, renewal date of the lease or significant remodeling of the lease space based on the present value of the remaining future minimum lease payments using the interest rate implicit in the lease. If the rate implicit is not readily determinable, the Foundation utilizes the risk-free rate to discount lease payments. The operating lease ROU assets also include lease payments made before commencement and are reduced by lease incentives. The Foundation includes renewal options that are reasonably certain to be exercised as part of the lease term. For leases with an initial term of 12 months or less, a ROU asset and lease liability is not recognized and lease expense is recognized on a straight-line basis over the lease term.

For real estate leases, the Foundation accounts for lease components and nonlease components as a single lease component. Certain real estate leases may require additional payments for reimbursement of real estate taxes, common area maintenance and insurance, which are expensed as incurred as variable lease costs.

Fair Value

The carrying amounts of cash and receivables approximate their fair values due to the short-term nature of these instruments. Estimated fair values have been determined using available market information and appropriate valuation techniques. These estimates may not necessarily reflect the amounts that could be realized in a current market exchange.

Revenue Recognition and Credit Losses

The Foundation recognizes revenue in accordance with ASC 958, Not-for-Profit Entities. Contributions are recorded as revenue when cash, other assets, or unconditional promises to give are received. Contributions are classified as with donor restrictions or without donor restrictions depending on the existence and nature of any donor-imposed restrictions.

**LANGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (continued)

Revenue Recognition and Credit Losses (continued)

Conditional contributions, which are subject to donor-imposed contingencies, are recognized as revenue only when the conditions on which they depend have been substantially met.

Noncash contributions, including donated securities, are recorded at fair value on the date of receipt in accordance with applicable accounting guidance. Such contributions occur infrequently.

The Foundation may also receive bequest contributions from donors' estates. Bequests are recognized as contribution revenue when the Foundation is notified that the estate has been settled, the amount to be received is determinable, and collection is reasonably assured.

Revenue from exchange transactions, such as adoption fees and estate sale merchandise sales, is recognized when the related goods or services are provided. Investment income, including interest, dividends, and realized and unrealized gains and losses on investments, is recognized when earned.

For the year ended December 31, 2024, the Foundation received contributions from one donor with restrictions, with the remaining contributions received without donor restrictions.

The Foundation maintains an allowance for expected credit losses on receivables, including contributions and other receivables, in accordance with ASC 326, Financial Instruments – Credit Losses. The allowance is based on management's assessment of the collectability of receivables considering historical experience, the nature of the receivable, the donor's or customer's financial condition, and other relevant factors. Receivables are written off when deemed uncollectible. As of December 31, 2024, there were no receivables or allowances for credit losses.

Note 2 – Restricted Cash

As of December 31, 2024, restricted cash for the Justice Fund was \$542,820. During the year ended December 31, 2024, \$65,468 of restricted cash was released from restriction (see note 8).

Note 3 – Investments and Fair Value Measurements

The Foundation records investments in accordance with accounting principles generally accepted in the United States of America. Investments in marketable securities are reported at fair value. Investment income or loss, including interest and dividend income, realized and unrealized gains and losses, is included in the statement of activities as increases or decreases in net assets without donor restrictions.

Investments consisted of the following as of December 31, 2024:

Equity securities	\$ 57,051
Fixed income securities	<u>5,048,750</u>
	<u>\$ 5,105,801</u>

**LANGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

Note 3 – Investments and Fair Value Measurements (continued)

Investment return consisted of the following for the year ended December 31, 2024:

Interest and dividend income	\$ 417,207
Unrealized gain on investments	<u>855</u>
	<u>\$ 418,062</u>

The Foundation measures fair value in accordance with a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Foundation can access.

Level 2 – Inputs to the valuation methodology include observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or other inputs that are observable or can be corroborated by observable market data.

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

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Investments in cash and cash equivalents, mutual funds, equity securities, and exchange-traded funds held in brokerage accounts are valued using quoted market prices in active markets for identical assets and are classified within Level 1 of the fair value hierarchy.

The following table sets forth by level, within the fair value hierarchy, the Foundation’s investments measured at fair value on a recurring basis as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Equity securities	\$ 57,051	\$ -	\$ -	\$ 57,051
Fixed income securities	<u>5,048,750</u>	<u>-</u>	<u>-</u>	<u>5,048,750</u>
	<u>\$ 5,105,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,105,801</u>

**LANGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

Note 4 –Partnership Investment

The Foundation holds an investment in a limited partnership accounted for under the equity method of accounting. Under this method, the investment is initially recorded at cost and subsequently adjusted for the Foundation’s share of the partnership’s net income or loss and distributions. The Foundation’s share of losses from the partnership have exceeded the carrying amount of the investment. Accordingly, the carrying value of the investment has been reduced to zero in the accompanying Statement of Financial Position.

The Foundation received cash distributions from the partnership totaling \$13,000 during the year ended December 31, 2024. Because the carrying value of the investment had previously been reduced to zero and the Foundation has not recognized its share of losses in excess of its investment, such distributions have been recognized as income and are included in partnership investment income in the accompanying Statement of Activities.

Note 5 – Property and Equipment

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

Building	\$ 1,678,703
Land	1,116,625
Automobiles	<u>46,188</u>
	2,841,516
Less accumulated depreciation	<u>(921,758)</u>
Property and Equipment, net	<u><u>\$ 1,919,758</u></u>

Depreciation expense for the year ended December 31, 2024 amounted to \$45,190.

Note 6 – Leases

The Foundation conducts its operations in a facility leased under an operating lease agreement that originally expired in February 2022. The Foundation exercised both available renewal options, extending the lease term through February 2028.

The following represents a summary of the balance sheet clarification of the Foundation’s right-of-use assets and lease liabilities as of December 31, 2024:

Operating lease:	
Operating lease right-of-use assets	<u>\$ 224,832</u>
Current portion of operating lease liabilities	\$ 70,413
Long-term operating lease liabilities	<u>167,847</u>
	<u><u>\$ 238,260</u></u>

**LANGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

Note 6 – Leases (continued)

The following represents lease costs components for the year ended December 31, 2024:

Operating lease cost	\$ 74,393
Weighted-average remaining lease term (in years)	
Operating leases	<u>3.2</u>
Weighted-average discount rate	
Operating leases	<u>2.88%</u>

Estimated future operating lease payments for the Foundation’s operating lease liabilities are as follows:

Year Ending December 31,	2025	\$ 76,099
	2026	78,505
	2027	80,860
	2028	<u>13,542</u>
		249,006
Amount representing interest		<u>(10,746)</u>
Present value of lease obligation		<u>\$ 238,260</u>

The Foundation did not have any short-term leases during the year ended December 31, 2024.

Note 7 – Concentration of Credit Risk

The Foundation maintains cash balances in bank accounts that are insured by the FDIC up to \$250,000. As of December 31, 2024, deposits in excess of federal insurance limitations were \$49,887.

Note 8 – Net Assets With Donor Imposed Restrictions

As of December 31, 2024, net assets with donor restrictions totaled \$542,820, which consisted of contributions restricted by donors for the purpose of rescuing dogs over fifty pounds. Net assets are released from donor restrictions when expenditures are incurred that satisfy the restricted purpose.

Note 9 - Liquidity and Availability of Financial Assets

The Foundation has \$7,208,119 of financial assets available within one year of the statement of financial position date, consisting of \$2,102,318 of unrestricted cash and \$5,105,801 of investments to meet cash needs for general expenditures. None of these financial assets are subject to donor-imposed restrictions. In addition to the financial assets available, the Foundation anticipates collection of sufficient revenue to cover general expenditures.

**LANGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

Note 10 – Prior Period Adjustment

During the year ended December 31, 2024, the Foundation identified errors in the previously issued financial statements related to unrecorded accrued payroll, credit card liabilities, and in-transit contributions revenue. In addition, errors were identified in the valuation of operating lease right-of-use assets and liabilities. Accordingly, beginning net assets as of January 1, 2024 were restated to correct these errors. The effects of the restatement on the Foundation’s previously issued financial statements are summarized as follows:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Cash	\$ 7,866	\$ -	\$ 7,866
Operating lease right-of-use assets	(16,053)	-	(16,053)
Deposits	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Decrease in total assets	<u>(4,187)</u>	<u>-</u>	<u>(4,187)</u>
Accounts payable and accrued expenses	43,352	-	43,352
Operating lease right-of-use assets	<u>(3,846)</u>	<u>-</u>	<u>(3,846)</u>
Increase in total liabilities	<u>39,506</u>	<u>-</u>	<u>39,506</u>
Net decrease in beginning net assets	<u>\$ (43,693)</u>	<u>\$ -</u>	<u>\$ (43,693)</u>

It was also determined that donations receivable should have been classified as cash in-transit in the previously issued financial statements. Accordingly, the beginning cash balance in the accompanying Statement of Cash Flows was restated as of January 1, 2024 to include this balance of \$39,447.

Note 11 – Subsequent Events

In preparing the financial statements, the Foundation has evaluated subsequent events and transactions for potential recognition or disclosure through April 15, 2026, the date the financial statements were available to be issued.

In July 2025, the Foundation entered into a short-term lease agreement for temporary use of a facility for the period from August 11, 2025 through September 10, 2025. The lease is considered a short-term lease under applicable accounting guidance, and no right-of-use asset or lease liability is expected to be recognized. Lease payments will be recognized as expense over the lease term.