American Liver Foundation

Independent Auditor's Report and Financial Statements

March 31, 2025

American Liver Foundation
Contents
March 31, 2025

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Independent Auditor's Report

Board of Directors
American Liver Foundation
New York, New York

Opinion

We have audited the financial statements of American Liver Foundation, which comprise the statement of financial position as of March 31, 2025, and the related statements of activities, functional expenses, and cash flows for the period of January 1, 2025 through March 31, 2025, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of American Liver Foundation as of March 31, 2025, and the changes in its net assets and its cash flows for the period of January 1, 2025 through March 31, 2025 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 American Liver 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 American Liver Foundation's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of American Liver 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 American Liver 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.

Forvis Mazars, LLP

New York, New York
July 25, 2025

American Liver Foundation
Statement of Financial Position
March 31, 2025

		2025
ASSETS		
Cash and cash equivalents	$	2,656,457
Investments		5,835,176
Contributions receivable		366,674
Prepaid expenses and other assets		356,666
Right-of-use assets – operating		103,655
Property and equipment, net		158,023
Total Assets	$	9,476,651
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$	206,922
Accrued payroll and related liabilities		235,063
Deferred revenues		209,167
Funds held on behalf of others		657,509
Awards and grants payable		612,500
Operating lease liabilities		107,924
Total Liabilities		2,029,085
Net Assets		
Without donor restrictions		3,880,304
With donor restrictions		
Perpetual in nature		742,035
Purpose restrictions		1,865,631
Time restricted for future periods		959,596
		3,567,262
Total Net Assets		7,447,566
Total Liabilities and Net Assets	$	9,476,651

American Liver Foundation
Statement of Activities
Three Months Ended March 31, 2025

		2025		
		Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support				
Contributions and grants		$ 488,339	$ 1,434,794	$ 1,923,133
Contributed services		141,900	-	141,900
Investment return, net		52,347	695	53,042
Special events revenues	$ 11,764			
Direct costs of special events	(3,770)	7,994	-	7,994
Other income		12,368	-	12,368
Net assets released from restrictions		274,770	(274,770)	-
Total Revenues, Gains, and Other Support		977,718	1,160,719	2,138,437
Expenses				
Program services				
Public education		303,449	-	303,449
Research		91,606	-	91,606
Professional education		133,862	-	133,862
Patient support		346,606	-	346,606
Community services		354,319	-	354,319
Total program services		1,229,842	-	1,229,842
Supporting services				
Management and general		177,343	-	177,343
Fundraising		163,287	-	163,287
Total supporting services		340,630	-	340,630
Total Expenses		1,570,472	-	1,570,472
Change in Net Assets		(592,754)	1,160,719	567,965
Net Assets, Beginning of Year		4,473,058	2,406,543	6,879,601
Net Assets, End of Year		$ 3,880,304	$ 3,567,262	$ 7,447,566

American Liver Foundation
Statement of Functional Expenses
Three Months Ended March 31, 2025

	2025										
	Program Services						Supporting Services				
	Public Education	Research	Professional Education	Patient Support	Community Services	Total	Management and General	Fundraising	Direct Costs of Special Events	Total	Total
Salaries	$ 141,087	$ 58,187	$ 85,299	$ 227,554	$ 169,752	$ 681,879	$ 86,118	$ 77,201	$ -	$ 163,319	$ 845,198
Payroll taxes and benefits	32,261	13,305	19,505	52,033	38,816	155,920	19,692	17,517	-	37,209	193,129
Depreciation and amortization	1,083	447	655	1,747	3,103	7,035	661	593	-	1,254	8,289
Computer support services	2,560	1,056	1,548	4,129	3,080	12,373	1,563	1,401	-	2,964	15,337
Media	15,403	-	-	-	10,632	26,035	-	1,403	-	1,403	27,438
Postage and shipping	435	51	75	200	489	1,250	76	499	-	575	1,825
Printing, publishing, and copying	114	8	45	29	30	226	11	2,593	-	2,604	2,830
Professional services	49,549	10,770	12,490	33,320	98,842	204,971	12,610	48,907	-	61,517	266,488
Contributed services – professional services	3,770	-	-	-	-	3,770	30,130	-	-	30,130	33,900
Occupancy	1,913	789	1,156	3,085	2,301	9,244	1,168	1,047	-	2,215	11,459
Insurance	1,575	553	810	2,162	1,613	6,713	818	733	-	1,551	8,264
Supplies	26,011	317	271	724	623	27,946	274	857	-	1,131	29,077
Telephone and internet	873	156	229	611	456	2,325	231	419	-	650	2,975
Travel	14,667	3,853	8,653	12,745	9,690	49,608	4,823	5,303	-	10,126	59,734
Hotel, catering, and other event expenses	1,651	86	126	335	250	2,448	127	1,403	3,770	5,300	7,748
Interest and bank fees	-	-	-	-	-	-	5	-	-	5	5
Credit card fees	-	-	-	-	-	-	16,040	-	-	16,040	16,040
Other expenses	10,497	2,028	3,000	7,932	14,642	38,099	2,996	3,411	-	6,407	44,506
Total expenses	303,449	91,606	133,862	346,606	354,319	1,229,842	177,343	163,287	3,770	344,400	1,574,242
Less expenses deducted directly from revenues											
Direct costs of special events	-	-	-	-	-	-	-	-	(3,770)	(3,770)	(3,770)
Total expenses included in the expense section on the statements of activities	$ 303,449	$ 91,606	$ 133,862	$ 346,606	$ 354,319	$1,229,842	$ 177,343	$ 163,287	$ -	$ 340,630	$1,570,472

American Liver Foundation
Statement of Cash Flows
Three Months Ended March 31, 2025

	2025
Operating Activities	
Change in net assets	$ 567,965
Items not requiring (providing) operating cash flows	
Depreciation and amortization	8,289
Net realized and unrealized (gains) losses on investments	3,989
Noncash operating lease expense	7,673
Changes in	
Contributions receivable	83,386
Prepaid expenses and other assets	(182,879)
Accounts payable and accrued expenses	86,970
Accrued payroll and related liabilities	67,157
Deferred revenues	146,667
Funds held on behalf of others	(1,393)
Awards and grants payable	(237,500)
Operating lease liability	(7,603)
Net Cash Provided by Operating Activities	542,721
Investing Activities	
Purchase of investments	(42,027)
Proceeds from sale of investments	813,034
Property and equipment acquisitions	(115,535)
Net Cash Provided by Investing Activities	655,472
Change in Cash and Cash Equivalents	1,198,193
Cash and Cash Equivalents, Beginning of Year	1,458,264
Cash and Cash Equivalents, End of Year	$ 2,656,457
Supplemental Cash Flows Information	
Interest paid	$ 5

Note 1. Nature of Organization

Nature of Operations

American Liver Foundation (the Foundation) is a national nonprofit organization supporting liver health education, advocacy, and disease prevention. The Foundation provides funds for research, public, patient, and professional education programs, support services, broad awareness activities, and advocacy for those affected by liver-related diseases.

The Foundation conducts community-based programs that provide the most up-to-date information on disease-specific and treatment issues, address the trends in hepatology research, and connect individuals and groups to information and services that they need. The Foundation's programmatic efforts address the needs of liver patients and their families; the general public; health care and social service professionals; health care institutions; local, state, and federal legislators, and policy makers; and advocacy groups and community-based organizations. The Foundation operates a national helpline providing basic disease information in English and most foreign languages.

The Foundation is supported primarily by special events, individual and corporate contributions, and grants.

Effective January 1, 2025, the Foundation modified its fiscal year end to be March 31.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts, including endowment accounts, are not considered to be cash and cash equivalents. At March 31, 2025, cash equivalents consisted primarily of money market accounts.

At March 31, 2025, the Foundation's cash accounts exceeded federally insured limits by approximately $2,406,000.

Investments and Net Investment Return

The Foundation measures securities at fair value. Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external, and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific-identification method.

Investment return that is initially restricted by donor stipulation, and for which the restriction will be satisfied in the same year, is recorded as revenue with donor restrictions and then released from restriction. Other investment return is reflected in the statement of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Foundation maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Allowance for Doubtful Accounts

The Foundation has determined that no allowance for uncollectible accounts for contributions receivable is necessary as of March 31, 2025. Such estimate is based on management's assessments of the creditworthiness of its donors, the aged basis of its receivables, as well as current economic conditions, subsequent collections, and historical information.

Property and Equipment

Property and equipment acquisitions are stated at cost, less accumulated depreciation, and amortization. Depreciation and amortization are charged to expense on the straight-line basis over the estimated useful life of each asset.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Office equipment	5 years
Equipment	5 years
Software and infrastructure	3 years
Computers and peripherals	3 years

Long-Lived Asset Impairment

The Foundation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the three months ended March 31, 2025.

Deferred Revenue

Deferred revenue consists of conditional gifts received from grants that are not recognized as revenue until the occurrence of future events.

Funds Held on Behalf of Others

The Foundation acts as an administrator for funds collected on behalf of liver transplant patients. The Foundation disburses funds to cover the cost of properly documented post-surgery expenses.

Awards and Grants Payable

Liver Scholars Awards, Special Research Initiative Awards, Seed Grant Awards, Pilot Awards, and post-doctoral research fellowships are expensed in the year granted and are subject to an annual review and renewal process. All awards and grants payable are current as of March 31, 2025.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions

Contributions are provided to the Foundation either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts, with or without restriction	
Gifts that depend on a future and uncertain event	Not recognized until the gift becomes unconditional, *i.e.*, the donor-imposed condition is substantially met
Unconditional gifts, with or without restriction	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

As of March 31, 2025, all contributions receivable are due within one year.

Special Events

The Foundation conducts special events in which a portion of the gross proceeds paid by the participants represents payment for the direct cost of the benefits received by the participants at the events. All proceeds received are recorded as special events revenues in the accompanying statement of activities.

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income. The Foundation files tax returns in the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general, and fundraising categories based on salaries and other methods.

Note 2. Revenue from Contracts with Special Event Attendees

Special Events Revenue

Revenue from special events is reported at the amount that reflects the consideration to which the Foundation expects to be entitled in exchange for the direct cost of the benefits received by the participant at the event.

Performance Obligations and Transaction Price Allocated to Remaining Performance Obligations

Performance obligations are determined based on the nature of the services provided by the Foundation. Revenue for performance obligations satisfied over a period of time is generally recognized when goods are provided to donors over a period of time and the Foundation does not believe it is required to provide additional goods or services related to that sale.

Note 3. Investments and Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at March 31, 2025:

	2025			
		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	$ 240,091	$ -	$ 240,091	$ -
Mutual funds				
International equity	248,477	248,477	-	-
Emerging markets	88,376	88,376	-	-
Equities, ETFs, and Index Funds	1,009,726	1,009,726	-	-
U.S. Treasuries	1,273,062	1,273,062	-	-
Fixed income	2,750,509	2,750,509	-	-
Total investments	5,610,241	$ 5,370,150	$ 240,091	$ -
Cash and cash equivalents	224,935			
Total	$ 5,835,176			

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the three months ended March 31, 2025.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Note 4. Property and Equipment

		2025
Software and infrastructure	$	42,598
Office equipment		108,000
Computers and peripherals		57,512
		208,110
Less accumulated depreciation and amortization		(50,087)
	$	158,023

Note 5. Line of Credit

The Foundation obtained a $500,000 revolving line of credit from TD Bank. The line is collateralized by the Foundation's assets. The interest rate is prime plus 74 basis points, which was 8.24% at March 31, 2025. No funds were due as of March 31, 2025. The availability of the credit line is reevaluated annually by TD Bank and has been extended to October 2025.

Note 6. Contributed Nonfinancial Assets

For the three months ended March 31, 2025, contributed nonfinancial assets recognized within the statement of activities included:

		2025
Donated legal services	$	30,130
Interpretation services		3,770
Donated equipment		108,000
	$	141,900

Donated services recognized within the statement of activities consist of test interpretation and legal services which are utilized to support management, general and programmatic purposes. Donated equipment recognized within the statement of activities consist of medical scanning equipment and is utilized for program purposes. The Foundation estimates the fair value of these services and equipment based on purchasing similar services and equipment in the United States. Donated equipment is capitalized and depreciation over its five year useful life. Donated services and equipment do not have donor restrictions.

Note 7. Net Assets With Donor Restrictions

Net assets with donor restrictions at March 31, 2025 are restricted for the following purposes or periods:

	2025
Subject to expenditure for specified purpose	
Research program	$ 504,313
Education and support services	1,034,741
	1,539,054
Subject to the passage of time	
Future events or periods	959,596
Endowments	
Subject to appropriation and expenditure when a specified event occurs	
Research program	326,577
Subject to NFP endowment spending policy and appropriation	
Research program	742,035
Total endowments	1,068,612
	$ 3,567,262

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors:

	2025
Expiration of time restrictions	$ 2,270
Satisfaction of purpose restrictions	
Education and support services	272,500
	$ 274,770

Note 8. Endowment

The Foundation's governing body is subject to the *State of New York Prudent Management of Institutional Funds Act* (NYPMIFA). As a result, the Foundation classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before being reclassified as net assets without donor restrictions.

Additionally, in accordance with NYPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Foundation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Foundation
7. Investment policies of the Foundation

The Foundation's endowment consists of five individual funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The composition of net assets by type of endowment fund at March 31, 2025 were:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 742,035	$ 742,035
Accumulated investment gains	-	326,577	326,577
Total endowment funds	$ -	$ 1,068,612	$ 1,068,612

Change in endowment net assets for the three months ended March 31, 2025 were:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 1,070,847	$ 1,070,847
Investment return, net	-	(2,235)	(2,235)
Endowment net assets, end of year	$ -	$ 1,068,612	$ 1,068,612

Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the Foundation must hold in perpetuity, or for donor-specified periods. Under the Foundation's policies, endowment assets are invested in equities and mutual funds.

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. The Foundation evaluates the needs of the programs and the board annually approves the spending of up to 6% of the endowment balance. Due to the short period, no amounts were appropriated during the three months ended March 31, 2025.

Underwater Endowments

The Foundation does not have any underwater endowments.

Note 9. Pension Plan

The Foundation has a 403(b) defined contribution pension plan. The employer match is 50% of the first 8% of salary contributed to the plan by eligible participants for a maximum of 4%. All active employees are covered by the plan. Pension expense was $25,604 for the three months ended March 31, 2025.

Note 10. Leases

Accounting Policies

The Foundation determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Foundation determines lease classification as operating or finance at the lease commencement date.

The Foundation combines lease and nonlease components, such as common area and other maintenance costs, in calculating the ROU assets and lease liabilities.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Foundation has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that the Foundation is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Foundation has elected not to record leases with an initial term of 12 months or less on the statement of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Nature of Leases

The Foundation has entered into the following lease arrangements:

The Foundation has a lease for office space that expires in 2028. This lease requires the Foundation to pay its share of all executory costs (property taxes, maintenance, and insurance). Lease payments have an escalating fee schedule, which increases 2% to 3% each year. Termination of the lease is generally prohibited unless there is a violation under the lease agreement.

The Foundation has no material related-party leases.

The Foundation's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

Quantitative Disclosures

The lease cost and other required information for the three months ended March 31, 2025 are:

	2025
Lease cost	
Operating lease cost	$ 8,676
Total lease cost	$ 8,676

	2025
Other information	
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	$ 8,605
Weighted-average remaining lease term	
Operating leases	3.17 years
Weighted-average discount rate	
Operating leases	3.64%

Future minimum lease payments and reconciliation to the statement of financial position at March 31, 2025 are as follows:

	Operating Leases
2026	$ 35,137
2027	35,998
2028	36,858
2029	6,167
Total future undiscounted lease payments	114,160
Less imputed interest	(6,235)
Lease liabilities	$ 107,924

Note 11. Significant Estimates and Concentrations

GAAP require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Investments

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statement of financial position. Based upon the current portfolio of investments, management believes the investments are low risk for significant volatility that would be impactful to the entity's operations.

Note 12. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2025
Financial assets at year-end	
Cash and cash equivalents	$ 2,656,457
Investments	5,835,176
Contributions receivable	366,674
Total financial assets	8,858,307
Less amounts not available to be used within one year	
Perpetual in nature	(742,035)
Purpose restrictions	(1,865,631)
Funds held on behalf of others	(657,509)
Donor-imposed restrictions	(3,265,175)
Financial assets available to meet cash needs for general expenditures within one year	$ 5,593,132

The Foundation's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

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 90 days operating expenses. The Foundation has a policy to target a year-end balance of reserves without donor restriction and which are undesignated by the board to meet 30 to 90 days of expected expenditures. To achieve these targets, the Foundation forecasts its future cash flows and monitors its liquidity monthly and monitors its reserves monthly. During the three months ended March 31, 2025, the level of liquidity and reserves was managed within the policy requirements.

Note 13. Subsequent Events

Subsequent events have been evaluated through July 25, 2025, which is the date the financial statements were available to be issued.