Vitamin Angel Alliance, Inc.

(A Nonprofit Organization)

Financial Statements
Year ended December 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Vitamin Angel Alliance, Inc.

Opinion

We have audited the accompanying financial statements of Vitamin Angel Alliance, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024, and the related statements of activities, 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 Vitamin Angel Alliance, Inc. 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Vitamin Angel Alliance, Inc. 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 Vitamin Angel Alliance, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Vitamin Angel Alliance, Inc.'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 Vitamin Angel Alliance, Inc.'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.

Report on Summarized Comparative Information

We have previously audited Vitamin Angel Alliance’s 2023 financial statements, and our report dated June 18, 2024, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hutchinson and Bloodgood LLP

Hutchinson and Bloodgood LLP
Santa Barbara, California
June 24, 2025

Vitamin Angel Alliance, Inc.

Statement of Financial Position
December 31, 2024
(With summarized comparative totals for December 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	Total 2024	Total 2023
ASSETS				
CURRENT ASSETS				
Cash	$ 15,893,510	$ 7,395,547	**$ 23,289,057**	$ 6,184,039
Prepaid expenses and deposits	200,817	-	**200,817**	553,697
Pledges receivable	529,705	6,767,912	**7,297,617**	12,972,526
Inventory	92,570,935	-	**92,570,935**	55,294,728
TOTAL CURRENT ASSETS	109,194,967	14,163,459	**123,358,426**	75,004,990
OTHER ASSETS				
Pledges receivable, net	-	1,918,465	**1,918,465**	4,166,000
Investments	17,608,273	-	**17,608,273**	16,576,242
Office furniture, equipment, and leasehold improvements, net	90,519	-	**90,519**	87,243
Right-of-use assets	3,095,487	-	**3,095,487**	3,290,180
TOTAL OTHER ASSETS	20,794,279	1,918,465	**22,712,744**	24,119,665
TOTAL ASSETS	$ 129,989,246	$ 16,081,924	**$ 146,071,170**	$ 99,124,655
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	$ 952,144	$ -	**$ 952,144**	$ 1,087,335
Accrued payroll liabilities	774,975	-	**774,975**	589,388
Lease liabilities	239,130	-	**239,130**	226,360
TOTAL CURRENT LIABILITIES	1,966,249	-	**1,966,249**	1,903,083
OTHER LIABILITIES				
Lease liabilities, net of current portion	2,979,056	-	**2,979,056**	3,153,913
Accrued deferred compensation	-	-	**-**	575,000
TOTAL OTHER LIABILITIES	2,979,056	-	**2,979,056**	3,728,913
TOTAL LIABILITIES	4,945,305	-	**4,945,305**	5,631,996
NET ASSETS				
Without donor restrictions				
Board designated	11,412,822	-	**11,412,822**	9,998,050
Other unrestricted net assets	113,631,119	-	**113,631,119**	67,260,402
With donor restrictions	-	16,081,924	**16,081,924**	16,234,207
TOTAL NET ASSETS	125,043,941	16,081,924	**141,125,865**	93,492,659
TOTAL LIABILITIES AND NET ASSETS	$ 129,989,246	$ 16,081,924	**$ 146,071,170**	$ 99,124,655

The Notes to Financial Statements are an integral part of these statements.

Vitamin Angel Alliance, Inc.

Statement of Activities
December 31, 2024
With summarized comparative totals for the year ended December 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	Total 2024	Total 2023
SUPPORT, REVENUES AND GAINS (LOSSES)				
In-kind contributions	$ 156,106,555	$ -	**$ 156,106,555**	$ 113,881,884
Contributions	18,816,999	21,277,766	**40,094,765**	18,086,821
Investment income, net	2,096,704	-	**2,096,704**	2,334,814
Sublease income	134,349	-	**134,349**	60,443
Net assets released from restrictions	21,430,049	(21,430,049)	**-**	-
TOTAL SUPPORT, REVENUES AND GAINS (LOSSES)	198,584,656	(152,283)	**198,432,373**	134,363,962
EXPENSES				
Nutrition and health projects	140,755,254	-	**140,755,254**	131,848,427
Management and general	3,400,295	-	**3,400,295**	2,589,749
Fundraising	6,643,618	-	**6,643,618**	6,360,327
TOTAL EXPENSES	150,799,167	-	**150,799,167**	140,798,503
INCREASE (DECREASE) IN NET ASSETS	47,785,489	(152,283)	**47,633,206**	(6,434,541)
NET ASSETS, BEGINNING OF YEAR	77,258,452	16,234,207	**93,492,659**	99,927,200
NET ASSETS, END OF YEAR	$ 125,043,941	$ 16,081,924	**$ 141,125,865**	$ 93,492,659

The Notes to Financial Statements are an integral part of these statements.

Vitamin Angel Alliance, Inc.

Statement of Functional Expenses
Year ended December 31, 2024
(With summarized comparative totals for the year ended December 31, 2023)

	Program Services	Supporting Services			
	Nutrition and Health Projects	Management and General	Fundraising	Total 2024	Total 2023
SALARIES AND BENEFITS					
Salaries	$ 3,299,011	$ 2,187,639	$ 3,025,807	$ 8,512,457	$ 7,337,020
Payroll taxes and benefits	514,472	338,180	605,613	1,458,265	1,257,780
TOTAL SALARIES AND BENEFITS	3,813,483	2,525,819	3,631,420	9,970,722	8,594,800
OTHER OPERATING EXPENSES					
Consulting	2,675,694	408,508	1,563,771	4,647,973	3,945,595
Depreciation	26,618	6,316	12,182	45,116	52,444
Development events, donor recognition and marketing	-	-	715,958	715,958	627,315
Direct program	2,467,826	-	-	2,467,826	2,633,559
Information technology	338,697	80,370	154,997	574,064	445,362
Insurance	88,854	21,083	40,662	150,599	147,136
Legal and accounting	237,463	56,347	108,669	402,479	373,883
Loss on disposal of assets	-	3,212	-	3,212	53,893
Occupancy	148,959	164,428	68,168	381,555	410,416
Office	224,291	81,918	86,983	393,192	293,586
Postage and shipping	3,203,823	3,694	-	3,207,517	2,241,198
Products distributed - contributed	122,408,048	-	-	122,408,048	116,080,325
Products distributed - purchased	4,284,502	-	-	4,284,502	3,981,510
Travel	836,996	48,600	260,808	1,146,404	917,481
TOTAL OTHER OPERATING EXPENSES	$ 136,941,771	$ 874,476	$ 3,012,198	$ 140,828,445	$ 132,203,703
TOTAL EXPENSES - 2024	$ 140,755,254	$ 3,400,295	$ 6,643,618	$ 150,799,167	
TOTAL EXPENSES - 2023	$ 131,848,427	$ 2,589,749	$ 6,360,327		$ 140,798,503

Vitamin Angel Alliance, Inc.

Statement of Cash Flows
Year ended December 31, 2024
(With summarized comparative totals for December 31, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	**$ 47,633,206**	$ (6,434,541)
Adjustments to reconcile decrease in net assets to net cash used by operating activities		
Depreciation	**45,116**	52,444
Amortization of right-of-use assets	**32,606**	41,583
Net realized (gain) loss on investments	**(379,174)**	3,508
Net unrealized gain on investments	**(1,158,480)**	(2,097,188)
Net realized loss on disposal of fixed assets	**3,212**	53,893
Decrease (increase) in:		
Inventory	**(37,276,207)**	2,253,394
Pledges receivable	**7,922,444**	3,213,267
Prepaid expenses and deposits	**352,880**	(374,531)
Increase (decrease) in:		
Accounts payable	**(135,191)**	603,195
Accrued payroll liabilities	**185,587**	13,448
Accrued deferred compensation	**(575,000)**	75,000
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**16,650,999**	(2,596,528)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	**(3,886,938)**	(2,219,160)
Proceeds from sales of investments	**4,392,561**	1,899,661
Purchase of office furniture and equipment	**(51,604)**	(15,138)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	**454,019**	(334,637)
NET INCREASE (DECREASE) IN CASH	**17,105,018**	(2,931,165)
CASH, beginning of year	**6,184,039**	9,115,204
CASH, end of year	**$ 23,289,057**	$ 6,184,039

NOTE 1. ORGANIZATION

Vitamin Angel Alliance, Inc. (the "Organization"), a California nonprofit corporation, was incorporated in 1998 and is headquartered in Goleta, California. The Organization aims to improve nutrition and health outcomes in low resource settings worldwide. This is done by strengthening, extending, and amplifying the impact of local organizations that are working to reach the most nutritionally vulnerable groups who are underserved by existing systems.

Pregnant women, infants, and young children in underserved communities often experience multiple barriers to good nutrition. To address these barriers, the Organization works collaboratively with local organizations, including national and local governments, non-governmental organizations (NGOs), academic institutions, and others to help determine how to reduce barriers to access essential nutrition interventions. The Organization also provides resources and technical assistance, using an implementation science framework to plan, implement, monitor, and evaluate existing programs, and support advocacy efforts to create a supportive and sustainable environment for optimal nutrition outcomes.

Evidence-based nutrition interventions are a powerful way to support healthy pregnancies, improve birth outcomes, reduce infant and maternal mortality, and protect children under five against debilitating childhood infections. The Organization works to expand the availability of evidence-based nutrition interventions in communities that are underserved and nutritionally vulnerable with a focus on strengthening, sustaining, and expanding multiple micronutrient supplementation (MMS) for pregnant women, high-dose vitamin A supplementation for children under 5, deworming for children under 5, and infant and young child feeding programs.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements.

Net Assets: GAAP requires that the Organization report information regarding its financial position and activities according to two classes of net assets based on the existence and nature of donor imposed restrictions as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are permanent in nature, where by the donor has stipulated the funds be maintained in perpetuity. As of December 31, 2024 and 2023, there were no donor restricted funds that were permanent in nature.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prior-Year Summarized Information: The financial statements include certain prior-year summarized comparative information in total but are not presented by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023 from which the summarized information was derived.

Cash: For purposes of the statement of cash flows, cash consists of cash in banks and excludes cash equivalents held for investment.

Investments: The Organization follows Accounting Standards Codification 820, Fair Value Measurements and Disclosures, issued by the Financial Accounting Standards Board (ASC 820). ASC 820 defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. Pursuant to ASC 820, assets and liabilities recorded and maintained at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure fair value. ASC 820 establishes a three-level fair value hierarchy that describes the inputs that are used to measure the fair values of respective assets and liabilities:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 – Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

The Organization has no liabilities measured at fair value. Following is a description of the valuation methodologies used for cash and investments measured at fair value:

Cash and money market funds: Valued at face value. (Level 1)

Equities and mutual funds: Valued utilizing quoted prices available in active markets for identical investments as of the reporting date. (Level 1)

Fixed income securities: Valued utilizing benchmark yields, reported trades or broker dealer quotes. (Level 2)

Detailed information about fair value of investments and the unrealized gains and losses are discussed in Note 5.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory: The Organization's policy is to distribute inventory at the earliest practical date, consistent with sound programmatic principles. While the distribution typically occurs in the same year of receipt, it may occur in the following year. The expense ‘products distributed’ is recorded when inventory is shipped. Inventory consists of the following as of December 31:

	2024	2023
Anti-parasitic tablets	**$ 49,505,840**	$ 23,130,100
MMS for pregnant women	**39,801,725**	29,250,347
High dose vitamin A	**3,263,370**	2,914,281
	$ 92,570,935	$ 55,294,728

Contributed inventory is recorded at fair value (See Note 2, Contributed Product). Purchased inventory is carried at cost, unless the purchase price has been discounted. If the Organization is able to purchase from a vendor at a price below the valuation price, the Organization records the discount as a gift in-kind (GIK) contribution. The discount is the difference between the amount that would be paid for the quantity of product purchased in an orderly transaction between market participants, and the purchase price paid by the Organization.

Pledges Receivable: Unconditional promises to give are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. Pledges receivable consist primarily of promises from corporate donors. The Organization uses the allowance method to determine uncollectible pledges. The allowance is based on prior years’ experience and management’s analysis of specific promises made. There was no allowance for uncollectible pledges at December 31, 2024 and 2023. The fair value is measured using an income approach which incorporates inputs including estimated credit risk, estimated timing of cash receipts, and an appropriate present value discount factor.

Office Furniture, Equipment, and Leasehold Improvements: Office furniture, equipment, and leasehold improvements are carried at cost, or if acquired by gift, at the estimated fair market value on the date of donation. Expenditures for major renewals that extend the useful lives of office furniture and equipment are capitalized if amounts are in excess of $500. Expenditures for maintenance and repairs are charged to operations as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of office furniture and equipment as follows:

	Years
Furniture and fixtures	5-7
Computers and office equipment	5
Leasehold improvements	7

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition: The Organization records contributions in the period received or promised as revenue without donor restrictions unless the donor stipulates any restrictions which are not met within the year the donation is received. Donor restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying financial statements. Donor restricted contributions whose restrictions are not met within the same year as received are recorded as an increase in net assets with donor restrictions. When a restriction expires due to purpose and/or time, net assets with donor restrictions are reclassified as net assets without donor restrictions.

Contributed Product: The Organization values gifts in-kind at fair value. ASC 820 defines fair value as “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.”

The fair value is determined based on the principal market for each product. There is no commercial market for the products contributed to the Organization in the United States. Accordingly, the principal market for the products contributed are limited to the international commercial marketplace where non-governmental organizations, governments, and/or local pharmacies transact for the product. The Organization uses independent pricing guides to determine the fair value of each product based on each product’s specific formulation. The sources of such pricing information vary and may include IMS Health data, “Sources and Prices of Selected Medicines for Children”, the Organization’s own acquisition cost and/or the average wholesale price found in RedBook®.

IMS Health data comes from a company called IMS Health that provides market intelligence to pharmaceutical and healthcare industries and provides wholesale pricing data. The “Sources and Prices of Selected Medicines for Children” guide is published annually by UNICEF and the W.H.O. If the product formulations are not listed in IMS Health data or in the “Sources and Prices of Selected Medicines for Children” guide, the average wholesale price of the most similar products found in RedBook® is used as a suitable pricing reference. RedBook® is published by Thomson Reuters and is based on United States manufacturers’ suggested wholesale prices.

Valuations typically are substantially lower than published retail prices. Contributed products provided to the Organization’s partners around the world are recorded as an expense at the same fair value as they were recognized upon receipt as revenue.

Operating Leases: The Organization follows Financial Accounting Standard Board (FASB) Accounting Standard codification (ASC 842), Leases. For leases with a lease term greater than one year, the Organization recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation. The Organization determines whether an arrangement is or contains a lease at contract inception. Operating leases with a duration greater than one year are included in operating lease right-of-use assets, current portion operating lease liabilities, and operating lease liabilities, net of current portion in the Organization’s statement of financial position.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Leases (continued): Operating lease right-of-use assets and operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Organization uses a risk-free rate of a period comparable with that of the lease term. The Organization considers the lease term to be the noncancelable period that it has the right to use the underlying asset, including all periods covered by an option to (1) extend the lease if the Organization is reasonably certain to exercise the option, (2) terminate the lease if the Organization is reasonably certain not to exercise that option, and (3) extend, or not to terminate, the lease in which exercise of the option is controlled by the lessor.

The operating lease right-of-use assets also include any lease payments made and exclude lease incentives received or receivable. Lease expense is recognized on a straight-line basis over the expected lease term. Variable lease expenses are recorded when incurred.

Contributed Services: The Organization recognizes contribution revenue for specialized services that would otherwise be purchased by the Organization in an amount equal to the fair value of those services.

Service Donated	**2024 Fair Value**	2023 Fair Value
Legal Consulting	**$ 246,500**	$ 242,600
Accounting Services	**17,800**	16,400
	$ 264,300	$ 259,000

Functional Allocation of Expenses: The statement of functional expenses present the natural classification detail of expenses by function. Direct expenses are charged to the appropriate program or supporting services. Certain costs have been allocated among the programs and supporting services benefited. Expenses allocated on a square footage basis include occupancy, depreciation, utilities, and insurance. Expenses allocated on the basis of estimates of time and effort include salaries and wages, benefits, payroll taxes, professional services, office expenses, and information technology.

Tax Exempt Status: The Organization is an exempt organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code, and is considered a public charity.

Uncertain Tax Positions: The Organization's IRS Form 990 is subject to review and examination by Federal and state authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes. The Organization's tax returns from the year 2021 to the present remain subject to examination by the IRS for federal tax purposes, and the tax years from 2020 to the present remain subject to examination by the state of California.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates: Financial statements prepared in accordance with GAAP require management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant accounting estimates include valuation of contributed products and functional expense allocations. Actual results could differ from those estimates.

Subsequent Events: Management has evaluated subsequent events through June 24, 2025, the date that the financial statements were available to be issued.

NOTE 3. 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 as of December 31, 2024:

Cash	$ 15,893,510
Investments	17,608,273
Pledges receivable	529,705
Less board designated operating reserve	(11,412,822)
	$ 22,618,666

As part of the liquidity management plan, the Organization maintains an operating reserve. Based on the available liquidity as of December 31, 2024 and expected 2025 cash income, the Organization does not anticipate using the operating reserve during the fiscal year ending December 31, 2025.

NOTE 4. PLEDGES RECEIVABLE

Pledges receivable as of December 31, 2024, are estimated to be received as follows:

Year ending December 31,	
2025	$ 7,297,617
2026	2,000,000
	9,297,617
Less present value discount	(81,535)
	$ 9,216,082

Pledges receivable due are recorded at the present value of estimated future cash flows using Daily Treasury Par Yield Curve Rates. The present value discount is amortized to contribution revenue over the terms of the pledges receivable.

NOTE 5. INVESTMENTS

At December 31, 2024, investments without donor restrictions consist of the following:

	Cost	Fair Value	Excess (Deficit) of Fair Value
Money market funds (Level 1)	$ 679,943	$ 679,943	$ -
Mutual and Exchange traded funds (Level 1)	2,886,716	3,370,282	483,566
Fixed income (Level 2)	6,551,074	6,532,416	(18,658)
Equities (Level 1)	4,920,316	7,025,632	2,105,316
	$ 15,038,049	$ 17,608,273	$ 2,570,224

At December 31, 2023, investments without donor restrictions consist of the following:

	Cost	Fair Value	Excess (Deficit) of Fair Value
Money market funds (Level 1)	$ 558,843	$ 558,843	$ -
Mutual and Exchange traded funds (Level 1)	3,640,583	3,894,930	254,347
Fixed income (Level 2)	5,866,557	5,839,702	(26,855)
Equities (Level 1)	5,098,513	6,282,767	1,184,254
	$ 15,164,496	$ 16,576,242	$ 1,411,746

Investment income (loss) for the years ending December 31, 2024 and 2023 consist of the following:

	2024	2023
Interest and dividends	**$ 670,811**	$ 341,921
Net realized gain (loss)	**379,174**	(3,508)
Net unrealized gain	**1,158,480**	2,097,188
	2,208,465	2,435,601
Less investment fees	**(111,761)**	(100,787)
Total investment income	**$ 2,096,704**	$ 2,334,814

NOTE 6. OFFICE FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Office furniture, equipment, and leasehold improvements are summarized by major classifications as follows at December 31:

	2024	2023
Leasehold improvements	$ 145,126	$ 145,126
Computers	125,724	102,758
Furniture and equipment	59,145	56,317
	329,995	304,201
Less accumulated depreciation	(239,476)	(216,958)
	$ 90,519	$ 87,243

Depreciation expense for the years ended December 31, 2024 and 2023 was approximately $45,100 and $52,400, respectively.

NOTE 7. OPERATING LEASES

On April 5, 2019, the Organization entered into a non-cancelable operating lease agreement with an expiration date of July 31, 2026, with two successive options of five years each to extend the lease following the expiration of the initial term. The initial monthly lease payment is approximately $19,500 with increases of approximately 3% annually. The Organization is also required to pay common area costs, including property taxes.

On June 1, 2020, the Organization entered into a non-cancellable operating lease agreement with an expiration date of June 30, 2023. The Organization renewed the contract beginning July 1, 2023, and will have an expiration date of June 30, 2025. On December 2, 2024, the Organization renewed the contract for an additional two years and will have an expiration date of June 30, 2027. The monthly lease payments are approximately $2,200, increasing approximately 3% annually.

NOTE 7. OPERATING LEASES (CONTINUED)

Lease expense for the year ended December 31, 2024 was $428,948, which included $79,989 of variable lease expenses for common area maintenance expenses.

Other information:

Operating cash flows used for operating leases	$	286,024
Right-of-use assets obtained in exchange for new operating lease liabilities	$	64,025
Weighted-average remaining lease term in years for operating lease		11.36
Weighted-average discount rate for operating lease		1.89%

Maturity analysis:

December 31,			
	2025	$	297,300
	2026		308,500
	2027		296,400
	2028		282,700
	2029		291,100
	2030 and later		2,106,493
			3,582,493
Less present value discount			(364,307)
Total lease liability		$	3,218,186

NOTE 8. BOARD DESIGNATED NET ASSETS

As of December 31, 2024 and 2023, the board has designated net assets without donor restrictions in the amount of $11,412,822 and $9,998,050, respectively, as an operating reserve fund.

NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets were restricted for expenditure. These included pledges and grants and were as follows at December 31:

	2024	2023
Time restricted receivables, net	**$ 8,686,377**	$ 15,768,451
Unexpended funds	**7,395,547**	465,756
Total funds restricted to expenditure	**$ 16,081,924**	$ 16,234,207

NOTE 10. CONCENTRATIONS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. As of December 31, 2024, substantially all of the Organization's cash was maintained in financial institutions. The cash balances held in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 for interest-bearing accounts. The Organization's uninsured cash balances by the FDIC totaled approximately $22,993,982 at December 31, 2024.

Cash equivalent balances held in brokerage accounts are insured by the Securities Investor Protection Corporation (SIPC) up to $250,000 per institution. The Organization's uninsured cash balances by the SIPC totaled approximately $431,000 at December 31, 2024.

For the year ended December 31, 2024, 86% of cash contributions were attributable to two donors and 80% of in-kind contributions were attributable to two donors. Including the in-kind contribution component, 78% of inventory acquisitions were from two vendors.

The Organization had two donors that accounted for approximately 80% of pledges receivable as of December 31, 2024.

NOTE 11. RELATED PARTY TRANSACTIONS

A board member provided consulting services to the Organization totaling $152,500, in each of the years ended December 31, 2024 and 2023.

NOTE 12. EMPLOYEE BENEFITS

Effective April 1, 2013, the Organization established a qualified profit sharing retirement plan with a 401(k) deferred compensation provision covering substantially all employees. Employees must meet the minimum hours of service requirement of one year and be 21 years old in order to qualify for inclusion in the plan. Under the plan, qualified employees may elect to defer up to 90% of their salaries, subject to the Internal Revenue Code (IRC) limits. The Organization makes safe harbor contributions equal to 3% of each participant's compensation, which are 100% vested as of the date of contribution. In addition, the Organization may elect to make discretionary contributions to the plan, subject to IRC limits, which are allocated to participants in accordance with the plan document. Expenses of the plan are paid by the Organization and are included in the financial statements as a component of general and administrative expenses.

The Organization's contribution to the plan, consisting of safe harbor and a discretionary contribution component, totaled approximately $253,000 and $215,000 and for the years ended December 31, 2024 and 2023, respectively.

NOTE 12. EMPLOYEE BENEFITS (CONTINUED)

The Organization established a non-qualified deferred compensation agreement under Section 457(f) of the IRC effective January 1, 2014. In September 2018, the agreement was amended to provide for deferred compensation of $75,000 annually for five years commencing with the year ending December 31, 2019. The agreement covered the president of the Organization.

As of December 31, 2023, the Organization had fully funded the deferred compensation agreement. In March 2024, the Organization distributed the deferred compensation to the president of the Organization. The payment totaled $827,512 consisting of $575,000 in contributions from the Organization and accumulated investment earnings of $252,512.