FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

NATIONAL PEDIATRIC CANCER FOUNDATION, INC.

June 30, 2024

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RIVERO, GORDIMER & COMPANY, P.A.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
National Pediatric Cancer Foundation, Inc.

Opinion

We have audited the accompanying financial statements of National Pediatric Cancer Foundation, Inc. (a nonprofit organization) (the "Foundation"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024, and the changes in 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 the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 the Foundation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit

Report on Summarized Comparative Information

We have previously audited the Foundation's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 10, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Rivero, Gordimer & Company, P.A.

Tampa, Florida
October 22, 2024

National Pediatric Cancer Foundation, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2024
(With comparative total for 2023)

	Without Donor Restrictions	With Donor Restrictions	Total 2024	Total 2023
ASSETS				
Cash and cash equivalents	$ 862,478	$ 411,410	$ 1,273,888	$ 809,161
Investments (notes B and C)	3,750,447	-	3,750,447	4,076,098
Beneficial interest in assets held by others	-	270,970	270,970	246,173
Accounts receivable	32,475	-	32,475	60,273
Property and equipment, net of accumulated depreciation (note E)	1,510,693	-	1,510,693	1,522,783
Prepaids and other assets	193,136	-	193,136	123,012
TOTAL ASSETS	$ 6,349,229	$ 682,380	$ 7,031,609	$ 6,837,500
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	$ 76,027	$ -	$ 76,027	$ 107,769
Deferred revenue	189,597	-	189,597	38,800
Financing lease payable	17,379	-	17,379	-
Note payable (note G)	647,870	-	647,870	877,393
Total liabilities	930,873	-	930,873	1,023,962
Net assets (notes K and L)	5,418,356	682,380	6,100,736	5,813,538
TOTAL LIABILITIES AND NET ASSETS	$ 6,349,229	$ 682,380	$ 7,031,609	$ 6,837,500

The accompanying notes are an integral part of this financial statement.

National Pediatric Cancer Foundation, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2024
(With comparative total for 2023)

	Without Donor Restrictions	With Donor Restrictions	Total 2024	Total 2023
PUBLIC SUPPORT AND REVENUE				
Public support				
Cash contributions	$ 4,077,034	$ 433,439	$ 4,510,473	$ 4,258,763
Non-cash contributions	9,556	-	9,556	374,204
Special events, net	325,158	-	325,158	102,571
Total public support	4,411,748	433,439	4,845,187	4,735,538
Revenue				
Investment income, net	458,667	-	458,667	418,711
Gain on beneficial interest in assets held by others	-	24,797	24,797	21,504
Other revenue	7,064	-	7,064	-
Total revenue	465,731	24,797	490,528	440,215
Net assets released from restrictions	85,741	(85,741)	-	-
Total public support and revenue	4,963,220	372,495	5,335,715	5,175,753
EXPENSES				
Program services	4,495,305	-	4,495,305	4,372,589
Supporting services				
Management and general	237,269	-	237,269	369,117
Development and community support	315,943	-	315,943	224,183
Total supporting services	553,212	-	553,212	593,300
Total expenses	5,048,517	-	5,048,517	4,965,889
CHANGE IN NET ASSETS	(85,297)	372,495	287,198	209,864
Net assets at beginning of year	5,503,653	309,885	5,813,538	5,603,674
Net assets at end of year	$ 5,418,356	$ 682,380	$ 6,100,736	$ 5,813,538

The accompanying notes are an integral part of this financial statement.

National Pediatric Cancer Foundation, Inc.

STATEMENT OF CASH FLOWS

For the year ended June 30, 2024

Cash flows from operating activities	
Change in net assets	$ 287,198
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	46,995
Decrease in accounts receivable	27,798
Increase in other assets	(70,124)
Decrease in accounts payable and accrued expenses	(31,742)
Increase in deferred revenue	150,797
Net change in beneficial assets held by others	(24,797)
Net unrealized gain on investments	(206,060)
Total adjustments	(107,133)
Net cash provided by operating activities	180,065
Cash flows from investing activities	
Sales of investments, net	531,711
Capital additions	(16,768)
Net cash provided by investing activities	514,943
Cash flows from financing activities	
Payments on financing lease	(758)
Payments on note payable	(229,523)
Net cash used by financing activities	(230,281)
Net increase in cash and cash equivalents	464,727
Cash and cash equivalents at beginning of year	809,161
Cash and cash equivalents at end of year	$ 1,273,888
Supplemental disclosures of cash flow information	
Cash paid during the year	
Interest	$ 38,580
Income taxes	$ -
Supplemental disclosures of non-cash financing activities	
Right of use asset and financing lease liability	$ 18,137

The accompanying notes are an integral part of this financial statement.

National Pediatric Cancer Foundation, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30,2024
(With comparative total for 2023)

	Program Services	Management and General	Development and Community Support	Total 2024	Total 2023
Leased employee expense	$ 1,367,228	$ 144,843	$ 77,069	$ 1,589,140	$1,349,937
Advertising	5,307	201	104,060	109,568	137,850
Conferences, conventions, and meetings	1,000	45	10,152	11,197	12,019
Contract labor	31,888	4,290	1,580	37,758	46,955
Donor and community relations	-	300	2,841	3,141	735
Information technology	81,477	11,819	5,123	98,419	83,251
Insurance	24,589	5,217	1,557	31,363	25,658
Interest	34,047	2,777	1,756	38,580	34,144
Licenses and permits	-	299	3,236	3,535	9,359
Occupancy	36,957	4,533	2,630	44,120	45,066
Office expenses	12,371	3,445	3,131	18,947	30,810
Online transaction fees	-	3,121	46,467	49,588	48,860
Postage and shipping	19,502	564	22,075	42,141	27,954
Printing and reproduction	1,951	241	307	2,499	23,166
Professional fees	15,176	42,265	9,030	66,471	109,100
Public relations	-	7,745	-	7,745	26,579
Travel	2,125	2,207	22,808	27,140	6,587
Total expenses before grant allocations and depreciation	1,633,618	233,912	313,822	2,181,352	2,018,030
Grant allocations	2,820,170	-	-	2,820,170	2,905,436
Depreciation	41,517	3,357	2,121	46,995	42,423
Total expenses	$ 4,495,305	$ 237,269	$ 315,943	$ 5,048,517	$4,965,889

The accompanying notes are an integral part of this financial statement.

National Pediatric Cancer Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the organization's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. <u>Description of the Organization</u>

National Pediatric Cancer Foundation, Inc., formerly Pediatric Cancer Foundation, Inc. (the "Foundation"), created on November 19, 1991, is a not-for-profit corporation, based in Tampa, Florida. The Foundation is a tax-exempt, charitable organization formed and existing to raise money to fund pediatric cancer research, leading to the treatment and elimination of pediatric cancer worldwide.

The Foundation instituted the Sunshine Project during the year ended June 30, 2006, the purpose of which is to implement a novel collaborative approach that will accelerate the development of new drugs and therapies leading to the prevention and cure of pediatric cancers. In developing this collaboration, the Foundation has brought together some of the country's leading investigators and institutions to drive the process of finding a cure.

2. <u>Basis of Accounting</u>

These financial statements, presented on the accrual basis of accounting, have been prepared to focus on the Foundation as a whole and to present net assets, revenues, and expenses based on the existence or absence of donor-impaired restrictions. This has been accomplished by the classification of assets, liabilities, and net assets into two groups – with donor restrictions and without donor restrictions.

These two groups are defined as follows:

- <u>Net assets without donor restrictions</u> – the portion of the Organization's net assets that is not subject to donor-imposed restrictions.

- <u>Net assets with donor restrictions</u> – the portion of the Organization's net assets that is subject to donor-imposed restrictions

A donor-imposed restriction is a stipulation that specifies a use for a contributed asset that is more specific than broad limits resulting from the nature of the organization, the environment in which it operates, or its mission. A donor-imposed restriction may be temporary or permanent. Temporary restrictions may be fulfilled by actions of the organization to meet the stipulations or be fulfilled by the passage of time. Permanent restrictions stipulate that the resources must be maintained in perpetuity.

The Foundation follows the provisions of the Financial Accounting Standards Board *Accounting Standards Codification ("FASB ASC").*

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

FASB ASC 958-205 establishes standards for general purpose external financial statements of not-for-profit organizations that require a statement of financial position, a statement of activities and changes in net assets, and a statement of cash flows.

FASB ASC 958-605 requires the Foundation to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributed services meeting certain criteria at fair values.

3. Cash Equivalents

The Foundation considers all highly liquid financial instruments with original maturities of three months or less to be cash equivalents.

4. Investments

Investments held by the Foundation include bond funds and equity securities. The investments are reported at their fair values in the Statement of Financial Position. Investment income or loss (including gains or losses on investments, interest, and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

5. Beneficial Interest in Assets Held by Others

The Foundation has transferred assets to a community foundation which holds funds for its benefit. When a nonprofit transfers assets to a charitable trust or community foundation in which the resource provider names itself as beneficiary, the economic benefit of the transferred asset remains with the resource provider. The asset received in exchange is a beneficial interest in assets held by others, measured at the fair value of the asset contributed. Changes in the value are recognized in the Statement of Activities and Changes in Net Assets as “change in value of beneficial interest in funds held by others.”

An additional fund exists at a community foundation that does not meet the criteria of a beneficial interest in funds held by others. As such, these assets are not recorded by the Foundation and are excluded from the Statement of Financial Position. These designated funds are valued at approximately $88,000 at June 30, 2024.

6. Property and Equipment

Property and equipment are stated at cost or at estimates of fair-market value by management at the time of donation. Depreciation is calculated using the straight-line method over the estimated useful lives, three to 39 years of the respective assets. The Foundation capitalizes asset acquisitions exceeding $2,000.

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Income Taxes

The Foundation has received a determination of tax exempt status under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying financial statements.

Management is not aware of any activities that would jeopardize the Foundation's tax-exempt status. The Foundation is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years after June 30, 2021 remain subject to examination by taxing authorities.

8. Non-Cash Contributions

The Foundation receives various types of non-cash support, including services, marketable securities and other tangible items. Donated securities and other tangible items totaled $9,556 for the year ended June 30, 2024 and are recorded at fair market value deemed at the point of sale.

Donated goods and services are received from a variety of volunteers and businesses assisting in various special events. GAAP requires recognition of services received if those services create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated goods and services for special events totaled $233,794 for the year ended June 30, 2024 and are included in Special Events, net. No amounts for volunteer services have been recognized.

9. Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist of cash and cash equivalents. The Foundation manages this risk through the use of high credit worthy financial institutions. Interest-bearing accounts and noninterest-bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000.

As of June 30, 2024, approximately $1,035,000 of cash and cash equivalents are not insured. The Foundation has not experienced any losses from its deposits.

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

10. Use of Estimates

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

11. Functional Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation. Those expenses include employee salaries and benefits, occupancy, and all core program functions connected to the Foundations mission. All salary related expenditures are allocated based on actual time and effort documentation maintained throughout the year. Occupancy related expenses including depreciation are allocated based on square footage. Some expenses directly attributable to a specific department or function will be charged solely to that department.

12. Presentation

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation’s financial statements for the year ended June 30, 2024, from which the summarized information was derived.

NOTE B - INVESTMENTS

Investments are carried at fair value as follows at June 30, 2024:

Money market and deposits	$ 89,323
Fixed income	335,257
Mutual funds	1,348,210
Equity securities	1,977,657
	$ 3,750,447

NOTE C - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board *Accounting Standards Codification* 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement), a middle priority to quoted prices for similar assets or liabilities (level 2 measurements), and the lowest priority to unobservable inputs (level 3 measurements).

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for significant assets measured at fair value at June 30, 2024:

Beneficial interest in assets held by others: Consists of funds held by a community foundation. The beneficial interest is not actively traded, and significant other observable inputs are not available. Thus, the fair value is equal to the value reported by the trustee.

Investments: Consist of bond funds and equity securities. Valued at the closing quoted price reported in the active market using market pricing and other observable inputs for similar securities obtained from industry standard data providers.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following illustrates a rollforward for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the year ended June 30, 2024 :

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Money market and deposits	$ 89,323	$ 89,323	$ -	$ -
Fixed income	335,257	335,257	-	-
Mutual funds	1,348,210	1,348,210	-	-
Equity securities	1,977,657	1,977,657	-	-
Beneficial interest in assets held by others	270,970	-	-	270,970
Total	$ 4,021,417	$ 3,750,447	$ -	$ 270,970

NOTE C - FAIR VALUE MEASUREMENTS - Continued

The following table presents financial assets measured at fair value on a recurring basis as of June 30, 2024 :

Assets	
Beneficial interest in assets held by others at June 30, 2023	$ 246,173
Additions	-
Investment income, net	2,856
Realized and unrealized gain	21,941
Distributions	-
Beneficial interest in assets held by others at June 30, 2024	$ 270,970

NOTE D - LIQUIDITY

The Foundation has cash and investments totaling $5,024,335 at June 30, 2024. This amount consists of cash of $1,273,888, and investments of $3,750,447. Within cash, $411,410 is restricted by donors with a purpose restriction. Within investments, $1,850,000 is designated by the Board of Directors as an Endowment Fund (see note J). Accordingly, the Foundation has $4,612,925 available within one year of the balance sheet date to meet cash needs for general expenditures and funding of clinical trials. The Foundation has a goal to maintain financial assets, which consist of cash and investments, on hand to meet 90 days of normal operating expenses, including research support, which are, on average, approximately $300,000 per month. Due to the cyclical nature of patient enrollment in clinical trials, the Foundation will structure its financial assets to be available to adequately fund these trials when needed.

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2024 are summarized as follows:

Office equipment	$ 33,467
Computer equipment	63,882
Office space	1,545,000
	1,642,349
Less accumulated depreciation	(131,656)
	$ 1,510,693

NOTE F - NOTE PAYABLE

Note payable consists of the following at June 30, 2024:

Mortgage note, payable in 60 monthly payments of $5,675, including interest of 4.38%, with the remaining balance due upon maturity on August 10, 2027	$	647,870
Less current portion		(31,636)
	$	616,234

Maturities of long-term debt are as follows:

Year ended June 30,:		
2025	$	31,636
2026		33,050
2027		34,527
2028		548,657
	$	647,870

NOTE G - COMMITMENTS AND CONTINGENCIES

The Foundation leases certain equipment under a non-cancelable finance type lease. In accordance with ASC 842, *Leases*, the Foundation recorded a right of use asset and finance lease payable of $18,137, which is the net present value of future minimum lease payments at the time the accounting standard was implemented. The Foundation’s lease does not provide an implicit rate, and accordingly has chosen to use a discount rate of 5.12%, which the Foundation determined to be the going rate for leased commercial equipment at the time the lease began.

As of June 30, 2024, the Foundation had a right of use asset, net of accumulated amortization, of $17,257 and a related lease liability of $17,379.

NOTE G - COMMITMENTS AND CONTINGENCIES - Continued

Future minimum lease payments approximate the following:

Year ending June 30,		
2025	$	3,933
2026		3,933
2027		3,933
2028		3,933
2029		3,933
Thereafter		328
Total future minimum payments		19,993
Discounted to present value		(2,614)
	$	17,379

NOTE H - SPECIAL EVENTS

The Foundation holds a number of special events during the year in order to raise funds for pediatric cancer research, which consists of the following for the year ended June 30, 2024:

Gross receipts	$	2,864,471
Less contributions		(629,613)
Less direct expenses		(1,909,700)
	$	325,158

NOTE I - GRANT ALLOCATIONS

The Foundation entered into an agreement with H. Lee Moffitt Cancer Center and Research Institute, Inc. (“Moffitt”) effective July 1, 2013. Under this agreement, the Foundation shall compensate Moffitt to coordinate, administer, perform, and supervise the Sunshine Project for a term of three years from the effective date, with a one-year automatic renewal. This agreement was renewed in 2023 for a five year term ending June 30, 2028. This agreement may be terminated by either party with 30 days written notice. The Foundation allocated funds of approximately $2.8 million to the Sunshine Project during the year ended June 30, 2024.

NOTE J - BOARD DESIGNATIONS

The Foundation's Board of Directors have established the NPCF Endowment Fund (the "Fund"), with a goal of raising $10 million for the Fund. The purpose of the Fund is to help assure permanent financial support for the Foundation and the Sunshine Project, and the accomplishment of the Foundation's mission, including operational costs associated with the Sunshine Project. The Fund shall consist of all such contributions along with the income and proceeds therefrom, all of which shall be dedicated to the charitable and research purposes of the Foundation.

Once the balance of the Fund exceeds $3,000,000, a percentage of the market value of the Fund equal to 1% of the Fund balance (determined as of the first day of the fiscal year) shall be applied and disbursed annually to The Foundation for use in its mission, including support of the Sunshine Project. The balance of the Fund at June 30, 2024 was approximately $2,077,000.

NOTE K - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions contain donor-imposed restrictions that expire upon the passage of time or once specific actions are undertaken by the Foundation. The net assets are then released and reclassified to net assets without donor restrictions when these restrictions are satisfied.

Net assets with donor restrictions totaled approximately $682,000 at June 30, 2024. Included in this amount is approximately $411,000 of cash restricted by a donor, and approximately $271,000 of beneficial interest in assets held by others of which $75,000 is restricted in perpetuity.

NOTE L - ENDOWMENT NET ASSETS

Interpretation of Relevant Law

In accordance with FASB ASC 958-205-50 "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures of All Endowment Funds," the Foundation has established a permanent endowment fund. This fund is invested in accordance with the investment policy of the Foundation.

In July 2011, the State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Foundation has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulation to the contrary. As a result of this interpretation, the Foundation classifies assets transferred to the permanent endowment as net assets with donor restrictions. Additionally, all investment gains related to the permanently restricted endowment are classified as net assets with donor restrictions.

NOTE L - ENDOWMENT NET ASSETS - Continued

Changes in the endowment's net assets are as follows for the year ended June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at June 30, 2023	$ 1,851,825	$ 246,173	$ 2,097,998
Transfers In	28,104	-	28,104
Investment income, net	43,137	2,856	45,993
Realized and unrealized losses	153,490	21,941	175,431
Endowment net assets at June 30, 2024	$ 2,076,556	$ 270,970	$ 2,347,526

NOTE M - SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions occurring subsequent to June 30, 2024 as of October 22, 2024 which is the date the financial statements were available to be issued.