THE JOHN RITTER FOUNDATION

FOR AORTIC HEALTH

FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

FARBER HASS HURLEY LLP
CERTIFIED PUBLIC ACCOUNTANTS

THE JOHN RITTER FOUNDATION
FOR AORTIC HEALTH
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SEPTEMBER 30, 2024

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FARBER HASS HURLEY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The John Ritter Foundation for Aortic Health
Los Angeles, California

Opinion

We have audited the accompanying financial statements of The John Ritter Foundation for Aortic Health, which comprise the statement of financial position as of September 30, 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 The John Ritter Foundation for Aortic Health as of September 30, 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 The John Ritter Foundation for Aortic Health and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The John Ritter Foundation for Aortic Health'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, including omissions, 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 John Ritter Foundation for Aortic Health'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 John Ritter Foundation for Aortic Health’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.



Farber Hass Hurley LLP

Chatsworth, California
June 4, 2025

THE JOHN RITTER FOUNDATION
FOR AORTIC HEALTH
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2024

ASSETS

Current assets:		
Cash	$	328,014
Other current assets		1,711
Total current assets		329,725
Non-current assets:		
Intangible assets, net		68,148
Investments		59,536
Total non-current assets		127,684
Total assets	$	457,409

LIABILITIES AND NET ASSETS

Accrued expenses	$	61,059
		61,059
Net assets:		
Net assets without donor restrictions		356,392
Net assets with donor restrictions		39,958
Total net assets		396,350
Total liabilities and net assets	$	457,409

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

THE JOHN RITTER FOUNDATION
FOR AORTIC HEALTH
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024

	Net assets without donor restriction	Net assets with donor restriction	Total
Revenue, Support, and Gains			
Contributions	$ 968,235	$ 100,000	$ 1,068,235
In-kind contributions	446,572	-	446,572
Donated goods	70,358	-	70,358
Gross special events revenue	61,925	-	61,925
Less cost of direct benefits to donors	(160,947)	-	(160,947)
Net special event loss	(99,022)	-	(99,022)
Net investment return	14,503	-	14,503
Interest and dividend income	509	-	509
Net assets released from restrictions	115,042	(115,042)	-
Total revenue, support, and gains	1,516,197	(15,042)	1,501,155
Expenses			
Program services expense	1,088,516	-	1,088,516
Supporting services expense			
Management and general	226,657	-	226,657
Fundraising and development	204,693	-	204,693
Total supporting services expenses	431,350	-	431,350
Total expenses	1,519,866	-	1,519,866
Change in net assets	(3,669)	(15,042)	(18,711)
Net assets, beginning of year	360,061	55,000	415,061
Net assets, end of year	$ 356,392	$ 39,958	$ 396,350

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

THE JOHN RITTER FOUNDATION
FOR AORTIC HEALTH
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2024

	Program Services	General and Administrative	Fund Raising	Total
Salaries	$ 278,120	$ 37,522	$ 58,292	$ 373,934
Payroll taxes	20,616	3,209	5,252	29,077
Total employee costs	298,736	40,731	63,544	403,011
Advertising and marketing	345,888	57,725	54,781	458,394
Amortization	59,845	8,087	12,940	80,872
Bank service charges	-	3,266	-	3,266
Contractors	-	2,364	869	3,233
Dues and subscriptions	35	23,014	-	23,049
Charitable contributions (University of Texas)	203,400	-	-	203,400
Grant writer	-	-	10,042	10,042
Insurance	-	5,573	-	5,573
Legal and accounting	88,299	74,850	-	163,149
Merchant fees	-	-	13,783	13,783
Office expenses	5,135	664	104	5,903
Other program expenses	15,541	180	37,458	53,179
Payroll processing charge	-	1,546	-	1,546
Postage and shipping	1,931	1,299	761	3,991
Printing and promotions	6,118	-	111	6,229
Storage	130	1,338	-	1,468
Business licenses fees	-	100	-	100
Travel and conference expenses	63,458	5,920	10,300	79,678
Total other expenses	789,780	185,926	141,149	1,116,855
Total expenses	$ 1,088,516	$ 226,657	$ 204,693	$ 1,519,866

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

THE JOHN RITTER FOUNDATION
FOR AORTIC HEALTH
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2024

Cash flows from operating activities:		
Change in net assets	$	(18,711)
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Amortization expense		80,872
Net investment return		(14,503)
Change in assets and liabilities:		
Other receivables		5,440
Prepaid expenses		(1,629)
Other assets		10,350
Accrued expenses		25,790
Deferred revenue		25,000
Cash provided from operating activities		112,609
Net increase in cash, cash equivalents		112,609
Cash and cash equivalents, beginning of year		215,405
Cash and cash equivalents, end of year	$	328,014
Supplemental cash flow information:		
Interest paid	$	-
Taxes paid	$	-

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

THE JOHN RITTER FOUNDATION
FOR AORTIC HEALTH
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations

The John Ritter Foundation for Aortic Health (the "Foundation"), is a California non-profit, charitable corporation created in 2003 after the sudden death of John Ritter due to acute aortic dissection. The Foundation is dedicated to improving the identification of individuals at risk for aortic dissections and the treatment of thoracic aortic disease through medical research. The Foundation also seeks to provide accurate information to the general public about the disease and its risk factors, along with support to individuals who have thoracic aortic disease or have lost a loved one to the disease. Finally, the Foundation is dedicated to raising awareness of thoracic aortic disease, including risk factors, proper medical and surgical management, and recognition of symptoms of an acute aortic dissection.

In March 2011, the Foundation entered into an agreement with the University of Texas Health Science Center at Houston to form the John Ritter Program in Thoracic Aortic Disease Research ("JRRP") which concentrates on research regarding the genetic cause of aortic disease.

Basis of accounting

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

Financial statement presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restriction – net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. The Foundation's board may designate assets without restrictions for specific purposes from time to time.

Net assets with donor restriction – net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

As permitted, the Foundation does not use fund accounting

Cash and cash equivalents

Cash and cash equivalents consist of cash in bank accounts.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and revenue recognition

Sources of revenue
The Foundation derives its revenues from contributions from the general public. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. For the year ending September 30, 2024, there were $100,000 in donations received with restrictions. As of September 30, 2024, $39,958 remains in net assets with donor restrictions.

Contributions and donations
The Foundation recognizes contributions and donations when cash, securities or other assets are received; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Revenue recognition
The Foundation recognizes revenues upon applying the five-step model: (a) identification of the contract(s) with a customer; (b) identification of the performance obligations in the contract; (c) determination of the transaction price; (d) allocation of the transaction price to performance obligations in the contract; and (e) recognition of revenues when, or as, the contractual obligations are satisfied.

In-kind contributions
From time to time, the Foundation receives in-kind contributions such as professional services, goods, and long-lived assets. Contributions of goods and long-lived assets are recognized as revenue at a point of time at the estimated fair value, which considers the highest and best use, on the date of donation or when ownership of donated assets is transferred to the Foundation. During the year ending September 30, 2024, donated goods received by the Foundation totaled $70,358.

The contribution of services is recognized at a point in time if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Revenues and expenses related to contributed professional services are recognized in equal amounts at their fair market value, as estimated by management. During the year, a number of individuals donated expert services and time to the Foundation; the value of these services has been reflected in the financial statements. Total value of in-kind contribution of services recognized during fiscal year ended September 30, 2024, is $446,572.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Stock contributions

Periodically, the Foundation receives contributions in the form of stock. The fair market value of the donated stock on the date of the donation is recognized as contribution revenue. If the donor placed a restriction on the donation of the stock, the fair market value of that stock on the date of the donation is recorded as restricted. There were no stock contributions during the fiscal year ended September 30, 2024.

Functional expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and benefits are allocated based on estimates of time and effort. Professional fees are allocated based on full-time equivalent.

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 values of investment securities will occur in the near term and such changes could materially affect the Foundation's account balances and amounts included on the Statement of Financial Position. Changes in unrealized gains and losses resulting from changes in fair value, net of investment management fees, are included in the statement of activities as "net appreciation or depreciation in investments".

Intangible assets

Intangible assets are stated at cost. The Foundation's policy is to capitalize assets with a cost in excess of $1,000. Amortization is computed using the straight-line method over the estimated useful lives of the assets between two to five years. As of September 30, 2024, the Foundation had $80,872 in amortization expenses.

Tax-exempt status

The Foundation has received favorable determination letters from the Internal Revenue Service and the Franchise Tax Board that the Foundation is exempt from Federal and State income tax under Internal Revenue Code Section 501(c)(3) and applicable state statutes. In addition, the Foundation has been classified as a foundation that is not a private foundation under Section 509(a)(2). The accounting principles generally accepted in the United States of America provides accounting and disclosure guidance about positions taken by a foundation in its information returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Foundation in its Federal and State foundation information returns are more likely than not to be sustained upon examination. The Foundation is subject to examinations by U.S. Federal and State tax authorities from 2021 to the present, generally for three years after they are filed.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising and marketing costs

The Foundation expenses its costs for advertising when incurred. For the year ended September 30, 2024, advertising and marketing expense was $458,394 including $327,250 in-kind services provided.

Volunteer hours

A substantial number of volunteers have donated significant amounts of time in the Foundation's program services and in its fundraising campaigns. No amounts have been reflected in the statements for donated services, as no objective basis is available to measure the value of such services.

Use of estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

Fair value of financial instruments

The carrying amount of cash and cash equivalents approximates fair value because of the liquidity of these instruments. The carrying values of receivables and accrued expenses approximate fair values because of the short maturity of these instruments. Investments are reported at fair value. 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. See Note 3 for discussion of fair value measurements.

NOTE 2. CASH

The Foundation's financial assets as of September 30, 2024, consist of cash totaling $328,014. There are no contractual or donor-imposed restrictions on the assets, and all are available for general use, except for $39,958 with donor restrictions as of September 30, 2024.

The cash balances may exceed the amount of insurance provided on such deposits. The balances are insured by the Federal Deposit Insurance Corporation ("FDIC"). During the year ended September 30, 2024, there were funds that were uninsured. Management does not believe that the Foundation is subject to any unusual financial risk beyond the normal risk associated with commercial banking relationships. The Foundation has not experienced any losses on its deposits of cash and cash equivalents.

NOTE 3. FAIR VALUE MEASUREMENTS

Fair value of financial instruments

Fair value of financial instruments including cash and accrued expenses are stated at cost, which approximates fair value due to the short-term nature of these items. Framework for measuring fair value provides a 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) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset 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 assets and liabilities measured at fair value:

Common stocks: Valued at the closing price reported in the active market in which the individual securities are traded.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission ("SEC"). These funds are required to publish their daily Net Asset Value ("NAV") and to transact at that price.

Money Market Funds: Valued at cost, which approximates fair value.

NOTE 3. FAIR VALUE MEASUREMENTS (continued)

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

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets and liabilities at fair value as of September 30, 2024:

	Level 1	Level 2	Level 3	Total
Stocks:				
Common stock	$ 13,631	-	-	$ 13,631
Total common stock	13,631	-	-	13,631
Mutual Funds:				
Mutual funds	44,563	-	-	44,563
Total Mutual Funds	44,563	-	-	44,563
Money Market Funds	1,342	-	-	1,342
Total Investments and Cash Equivalents	$ 59,536	$ -	$ -	$ 59,536

NOTE 4. RISKS AND UNCERTAINTIES

The Foundation invests in various investment securities (see Note 3). 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 those such changes could materially affect the investment balances and the amounts available for appropriation.

NOTE 5. INTANGIBLE ASSETS

The Foundation's intangible asset was comprised of the following at September 30, 2024:

Platform and promotional website	$ 216,979
Accumulated amortization	(148,831)
	$ 68,148

NOTE 6. FUNDRAISING EVENTS

The Foundation has the following various fundraising events throughout the year:

	Evening from the heart - LA	Evening from the heart - NY	New York Marathon	Run for Aortic Health	Dallas Bowlathon	San Jose Event	Other Fundraising Events	Total
For the year ended September 30, 2024								
Direct Revenue	$ 30,000	$ 15,600	$ -	$ -	$ 7,975	$ -	$ 8,350	$ 61,925
Less direct benefit to donors	(90,656)	(33,579)	-	-	(615)	(1,747)	(34,350)	(160,947)
Less overhead expenses	-	-	(36,443)	(869)	-	(4,676)	(6,750)	(48,738)
Net income (loss) from fundraising for the year ended September 30, 2024	$ (60,656)	$ (17,979)	$ (36,443)	$ (869)	$ 7,360	$ (6,423)	$ (32,750)	$ (147,760)

NOTE 7. RELATED PARTIES

The Foundation engages in related party transactions with board members and affiliated organizations resulting from related party support through contributions, as well as grant expenses contributed to affiliated organizations. Certain contributions received by the Foundation may be re-granted to affiliated organization to carry out program objectives.

During the year ended September 30, 2024, the Foundation received $428,713 of contributions from their board members. In addition, the Foundation received $22,500 in in-kind contributions from a party related to the board member.

At times, the Foundation re-grants contributions received from donors to their affiliates to carry out certain projects. During the year ended September 30, 2024, the Foundation recognized approximately $203,000 of grant expenses to affiliated organizations. As of September 30, 2024, the Foundation has no amounts due from its affiliates.

NOTE 8. LIQUIDITY AND CAPITAL RESOURCES

The Foundation's source of liquidity includes cash and cash equivalents and contributions from donors. As of September 30, 2024, the Foundation's working capital is $228,708. Financial assets available for general expenditure within one year of the balance sheet date, consist of the following:

Current assets:		
Cash	$	328,014
Other current assets		1,711
Donor restricted assets included in cash		(39,958)
		289,767
Accrued expenses		61,059
		61,059
Working capital	$	228,708

The Foundation has a total of $39,958 in assets restricted for specific purposes as of September 30, 2024.

In addition, the Foundation operates with a balanced budget and anticipates collecting revenue to cover general expenditures not covered by donor restricted resources. Refer to the statement of cash flows, which identifies the sources and uses of the Foundation's cash and positive cash generated by operations for fiscal year 2024.

NOTE 9. SUBSEQUENT EVENTS

In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through June 4, 2025, the date that the financial statements were available to be issued.