

sorren CPAs, PC

Financial Statements with Independent Auditors Report

The John Ritter Foundation for Aortic Health

Year Ended September 30, 2025

THE JOHN RITTER FOUNDATION FOR AORTIC HEALTH

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The John Ritter Foundation for Aortic Health

Opinion

We have audited the accompanying financial statements of The John Ritter Foundation for Aortic Health (the Foundation), which comprise the statement of financial position as of September 30, 2025, 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 Foundation as of September 30, 2025, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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In performing an audit in accordance with GAAS, we:

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

Sorren CPAs P.C.

Sorren CPAs, P.C.
Medford, Oregon
April 23, 2026

THE JOHN RITTER FOUNDATION FOR AORTIC HEALTH
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2025

ASSETS		
Current assets:		
Cash and cash equivalents	$	283,879
Investments		155,088
Contributions receivable		85,000
Prepaid expenses		2,913
Total current assets		526,880
Non-current assets:		
Intangible asset, net of accumulated amortization		22,501
Total non-current assets		22,501
TOTAL ASSETS	$	549,381
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$	125,441
Accrued payroll liabilities		49,440
Total current liabilities		174,881
Total liabilities		174,881
Net assets:		
Without donor restrictions		337,485
With donor restrictions		37,015
Total net assets		374,500
TOTAL LIABILITIES AND NET ASSETS	$	549,381

See accompanying notes to the financial statements

THE JOHN RITTER FOUNDATION FOR AORTIC HEALTH
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
SUPPORT AND REVENUE:			
Contributions	$ 851,914	$ 60,000	$ 911,914
In-kind contributions	442,879	-	442,879
Events, net of costs of direct benefits to donors of $79,983	179,540	-	179,540
Total support and revenue	1,474,333	60,000	1,534,333
Net assets released from restrictions	62,943	(62,943)	-
Total Support and Revenue After Release from Restrictions	1,537,276	(2,943)	1,534,333
EXPENSES:			
Program service expense	1,160,101	-	1,160,101
Supporting services			
Management and general	161,106	-	161,106
Fundraising	239,771	-	239,771
Total expenses	1,560,978	-	1,560,978
NONOPERATING INCOME (EXPENSE)			
Interest income	193	-	193
Realized and unrealized change in value of investment, net	4,602	-	4,602
Total nonoperating income (expense)	4,795	-	4,795
CHANGE IN NET ASSETS	(18,907)	(2,943)	(21,850)
NET ASSETS AT BEGINNING OF YEAR	356,392	39,958	396,350
NET ASSETS AT END OF YEAR	$ 337,485	$ 37,015	$ 374,500

See accompanying notes to the financial statements

THE JOHN RITTER FOUNDATION FOR AORTIC HEALTH
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2025

	Program Services	General and Administrative	Fundraising	Total
Salaries	$ 327,829	$ 36,585	$ 53,807	$ 418,221
Payroll taxes	29,440	3,500	5,727	38,667
Total employee costs	357,269	40,085	59,534	456,888
Advertising and marketing	371,832	5,000	37,140	413,972
Amortization	45,648	-	-	45,648
Bank service charges	-	3,964	-	3,964
Contractors	23,674	-	2,516	26,190
Dues and subscriptions	15,900	7,279	-	23,179
Grants and charitable contributions	264,043	-	-	264,043
Facilities	-	-	32,177	32,177
Grant writer	-	-	2,943	2,943
Insurance	-	4,369	-	4,369
Legal and accounting	1,415	82,760	-	84,175
Merchant fees	-	13,339	5,052	18,391
Office expenses	253	202	3,491	3,946
Other program expenses	6,674	-	30,868	37,542
In-kind donations	-	-	71,479	71,479
Event expenses	-	-	47,806	47,806
Payroll processing charge	-	1,536	-	1,536
Postage and shipping	1,483	1,861	2,249	5,593
Printing and promotions	15,252	-	-	15,252
Storage	2,570	625	41	3,236
Travel and conference expenses	54,088	86	24,458	78,632
Total other expenses	802,832	121,021	260,220	1,184,073
Subtotal	1,160,101	161,106	319,754	1,640,961
Less:				
Costs of direct benefits to donors reflected on the statement of activities	-	-	(79,983)	(79,983)
Total	$ 1,160,101	$ 161,106	$ 239,771	$ 1,560,978

THE JOHN RITTER FOUNDATION FOR AORTIC HEALTH
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$	(21,850)
Adjustments to reconcile change in net assets		
to net cash provided (used) by operating activities:		
Amortization		45,648
Contributions of investments		(40,950)
Net investment return		(4,602)
(Increase) decrease in:		
Contributions receivable		(85,000)
Prepaid expenses		(1,202)
Increase (decrease) in:		
Accounts payable		111,007
Accrued payroll liabilities		2,814
Net cash provided (used) by operating activities		5,865
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments		(50,000)
Net cash provided (used) by investing activities		(50,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(44,135)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		328,014
CASH AND CASH EQUIVALENTS - END OF YEAR	$	283,879

THE JOHN RITTER FOUNDATION FOR AORTIC HEALTH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

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 which concentrates on research regarding the genetic cause of aortic disease.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and are presented in accordance with accounting for financial statements of not-for-profit organizations, which requires classification of the Foundation's net assets and its revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets be presented in a statement of financial position and that the amounts of change in each of those classes of net assets be presented in a statement of activities. The assets, liabilities, revenues, expenses, and net assets of the Foundation are reported in the following categories:

> ***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 Foundation. These net assets may be used at the discretion of management and the board of directors.
>
> ***Net assets with donor restrictions***: 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 the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with original maturities of 90 days or less to be cash equivalents unless held by an investment advisor. Cash and cash equivalents consist of demand deposits.

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2025, donated goods received by the Foundation totaled $71,479.

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 services for advertising, branding, and production related to the Foundation's fundraising events, website optimization, and deliverables; 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, 2025, is $371,400.

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. The Foundation received $40,950 in stock contributions during the fiscal year ended September 30, 2025.

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

Investments are stated at fair value based on quoted market prices. Investments in marketable securities are adjusted to fair value. Gains and losses are calculated based on specific identification of the investments. Dividends, interest, and other investment income are recorded net of related custodial and advisory fees.

Contributions Receivable

Contributions receivable consist of unconditional promises to give from donors. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured at the present value of their future cash flows.

Intangible Assets

Intangible assets are stated at cost. The Foundation's policy is to capitalize intangible 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax-exempt Status

The Foundation has been recognized by the Internal Revenue Code as a not-for-profit corporation as described in section 501(c)(3) of the U.S. Internal Revenue Code and is exempt from federal and state income taxes on related activities. No tax provision has been made in the accompanying statement of activities. The Foundation recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. As of September 30, 2025 there were no such uncertain tax positions.

Advertising and Marketing Costs

The Foundation expenses its costs for advertising when incurred. For the year ended September 30, 2025, advertising and marketing expense was $413,972 including $371,400 of 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 these donated services, as no objective basis is available to measure the value of such services.

Use of Estimates

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

Actual results could differ from those estimates. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

Reclassifications

Certain amounts presented in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on the previously reported net position or changes in net position.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF FUNDS

The following represents the Foundation's financial assets that are available to meet cash needs for general expenditures within one year as of September 30, 2025:

Financial assets:	
Cash and cash equivalents	$ 283,879
Investments	155,088
Accounts receivable	85,000
Total financial assets	523,967
less donor restricted assets	(37,015)
Total financial assets available within one year	$ 486,952

As part of its liquidity plan, the Foundation established an investment policy which considers risk and investment allocation.

NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Marketable Securities are stated at fair value, as determined by quoted market price. Fair value as of September 30, 2025 was $155,088. There are three levels of inputs that may be used to measure fair value:

Level 1 – Inputs to the valuation methodology are adjusted 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 assets or liability; and 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 following table represents the fair value hierarchy for those assets measured at fair value on a recurring basis as of September 30, 2025:

	Level 1	Level 2	Level 3	Total
Cash in Investment Account	$ 125	$ -	$ -	$ 125
Equities	46,989	-	-	46,989
Mutual funds	107,974	-	-	107,974
Total Investments	$ 155,088	$ -	$ -	$ 155,088

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, 2025:

Platform and promotional website	$ 216,980
Accumulated amortization	(194,479)
Total	$ 22,501

Amortization expense for the year ending September 30, 2025 was $45,648.

Future estimated amortization expense is as follows:

Year ended September 30,	
2026	$ 15,000
2027	7,501
Total	$ 22,501

NOTE 6 – 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, 2025, the Foundation received $92,545 of contributions from their board members, which includes $25,000 in contributions receivable. In addition, the Foundation received $10,347 of in-kind contributions from their board members.

At times, the Foundation re-grants contributions received from donors to their affiliates to carry out certain projects. During the year ended September 30, 2025, the Foundation recognized approximately $50,000 of grant expenses to affiliated organizations. As of September 30, 2025, the Foundation has no amounts due from or due to its affiliates.

Additionally, the Foundation utilized video production services of a vendor that was owned by a board member during the year ended September 30, 2025. The total amount of transactions with the related party vendor were $391,722, which included $371,400 of in-kind contributions for the year ended September 30, 2025.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at September 30, 2025:

Net assets with time/purpose restrictions:	
Grant writing	$ 37,015
Total time/purpose restricted net assets	$ 37,015

Net assets were released from donor restrictions by incurring expenses satisfying the restriction purpose or by the passage of time or other events specified by the donors for the year ended September 30, 2025:

Grant writing	$ 2,943
Research	60,000
Total net assets released from restrictions	$ 62,943

NOTE 8 – CONCENTRATIONS

The Federal Deposit Insurance Corporation (FDIC) insures account balances at each insured institution. The Foundation maintains balances greater than the FDIC insurance. At September 30, 2025, the amount of deposits that exceeded FDIC coverage was approximately $32,094.

NOTE 9 – COMMITMENTS

The Foundation has entered grant agreements with outside organizations to support research projects in which the Foundation is the grantor and is obligated to disburse grant funds for the research projects. The grand total of the grant commitments is for $224,543 with $194,543 remaining to paid on the grant agreements as of September 30, 2025.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring after September 30, 2025, through the date the financial statements were available for issuance, for recognition and/or disclosure in the financial statements.