

Financial Statements

THAT OTHERS MAY LIVE FOUNDATION

December 31, 2023 and 2022

THAT OTHERS MAY LIVE FOUNDATION

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Independent Auditor's Report

Board of Directors
That Others May Live Foundation

Opinion

We have audited the accompanying financial statements of That Others May Live Foundation (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2023, 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 That Others May Live Foundation as of December 31, 2023, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of That Others May Live 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 That Others May Live Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 That Others May Live 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about That Others May Live 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 Summarize Comparative Information

We have previously audited That Others May Live Foundation's 2022 financial statements and our report dated March 8, 2023 expressed an unmodified opinion on those audited financial statements. The summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Schaefer, Tschoagg, Whittemut, Mitchell & Shuilen, LLP

March 8, 2024
Maitland, Florida

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Statements of Financial Position

December 31, 2023 and 2022

Assets

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 157,787	196,968
Investments (notes 3 and 5)	1,604,944	1,541,116
Contributions receivable	-	505
Other assets	8,322	22,892
Total assets	<u>\$ 1,771,053</u>	<u>1,761,481</u>

Liabilities and Net Assets

Liabilities:		
Accounts payable	\$ 7,571	4,691
Total liabilities	<u>7,571</u>	<u>4,691</u>
Net assets without donor restrictions	<u>1,763,482</u>	<u>1,756,790</u>
Total liabilities and net assets	<u>\$ 1,771,053</u>	<u>1,761,481</u>

See accompanying notes to financial statements.

THAT OTHERS MAY LIVE FOUNDATION

Statements of Activities

For the years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Support and revenue:		
Contributions	\$ 69,945	90,970
Fundraising	70,948	51,788
In-kind contribution	9,586	23,029
Program income	48,000	53,736
Interest and dividends	49,882	49,180
Net unrealized and realized gains on investments	163,961	(309,657)
Other	1,994	3,554
Total support and revenue	<u>414,316</u>	<u>(37,400)</u>
Expenses and other:		
Program expenses	336,736	293,754
Management and general	14,263	12,272
Fundraising expenses	56,625	55,160
Total expenses	<u>407,624</u>	<u>361,186</u>
Change in net assets	6,692	(398,586)
Net assets, beginning of year	<u>1,756,790</u>	<u>2,155,376</u>
Net assets, end of year	<u>\$ 1,763,482</u>	<u>1,756,790</u>

See accompanying notes to financial statements.

THAT OTHERS MAY LIVE FOUNDATION

Statements of Functional Expenses

For the year ended December 31, 2023

(With summarized comparative information for the year ended December 31, 2022)

	2023			Total	2022 Total
	Program Services	Supporting Services Management and General	Fund Raising		
Salaries and related expenses	\$ 146,185	6,084	34,050	186,319	173,984
Advertising and marketing	1,884	-	-	1,884	11
Conferences and meetings	211	-	70	281	599
Dues and memberships	853	-	455	1,308	1,083
Facilities and equipment rental	1,516	218	433	2,167	1,957
Grants and assistance	107,321	-	-	107,321	77,572
Insurance expense	1,631	233	466	2,330	1,835
Professional fees	28,182	2,013	10,065	40,260	50,519
Merchant fees	1,961	3,928	3,924	9,813	5,862
Office expense	4,904	819	1,308	7,031	6,993
Taxes and licenses	1,172	-	503	1,675	2,818
Meetings	-	50	-	50	833
Telephone and IT expense	12,104	918	5,351	18,373	16,658
Travel expense	28,812	-	-	28,812	20,462
Total expenses	<u>\$ 336,736</u>	<u>14,263</u>	<u>56,625</u>	<u>407,624</u>	<u>361,186</u>

See accompanying notes to financial statements.

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Statements of Cash Flows

Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 6,692	(398,586)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized gains on investments	(163,961)	238,515
Net increase in cash flow from changes in:		
Contributions receivable	505	15,898
Other assets	14,570	(21,089)
Accounts payable	2,880	1,126
	<u>(139,314)</u>	<u>(164,136)</u>
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Proceeds from the sale of investments	454,725	196,987
Purchase of investment securities, net	<u>(354,592)</u>	<u>(245,009)</u>
Net cash used in investing activities	<u>100,133</u>	<u>(48,022)</u>
Net (decrease) increase in cash and cash equivalents	(39,181)	(212,158)
Cash and cash equivalents - beginning of year	<u>196,968</u>	<u>409,126</u>
Cash and cash equivalents - end of year	<u>\$ 157,787</u>	<u>196,968</u>

See accompanying notes to financial statements.

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Notes to Financial Statements

December 31, 2023 and 2022

(1) Organization and Summary of Significant Accounting Policies

(a) Organization and Summary of Significant Accounting Policies:

That Others May Live Foundation (Organization) was established in 2002 to provide scholarships, family counseling, and aid to surviving children of the U.S. Air Force Rescue Heroes who gave the ultimate sacrifice during a rescue mission, training, or other personnel recovery collateral mission. Together with regional ambassadors, TOMLF assists with rescue personnel appreciation events, deployed member outreach, community awareness, and fundraising.

Since its start, the Organization has expanded its programs to help active duty and Veteran Air Rescue personnel dealing with trauma, suicidal ideations, and related issues. Even though Air Rescue personnel consists of some of the toughest warriors in the world, they are not exempt from mental health struggles. Despite being trained to operate under dangerous and extreme rescue missions anytime, anywhere across the globe, many are now facing issues for which they were unprepared.

The Organization seeks to carry out its mission through the implementation of the following four primary programs:

- **Scholarships (Children of Fallen Warriors (CFW) and Jolly Green Merit Scholarship (JGMS):** The CFW Scholarship program ensures full financial assistance for post-secondary scholarships for every child who loses a parent while conducting a USAF Combat Rescue operation or training. The JGMS program offers annual merit-based scholarships to the children of current and past Air Force personnel.
- **Immediate Tragedy Assistance:** When a Rescue Warrior is seriously wounded or killed, the Organization sends Immediate Tragedy Assistance funds to the Service member or designated family representative. This financial support is intended to provide immediate funding to help with the burden of unexpected and often crippling expenses
- **Warfighter Support:** This program focuses on three critical efforts directly impacting USAF Combat Search and Rescue mission effectiveness: Direct support to deployed personnel, financial assistance to members and families experiencing hardship, and squadron morale support. Included in this program, the Organization also sponsors the annual Air Rescue Ball and Rescue Squadron of the Year Award, intended to recognize our warfighters, provide a sense of community and support, and celebrate the rescue community mission heritage and accomplishments.

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Notes to Financial Statements

December 31, 2023 and 2022

(1) **Organization and Summary of Significant Accounting Policies - Continued**

(a) ***Organization and Summary of Significant Accounting Policies (Continued):***

- **Visible and Invisible Wounds:** the Organization provides access to mental health counseling and opportunities for peer support and resilience building to USAF Rescue Warriors, Veterans, and families affected by visible and invisible wounds attributed to or because of service duties. This program includes but is not limited to physical wounds such as amputations and debilitating injuries along with combat-related PTS and TBI.

(b) ***Basis of Presentation***

The accompanying financial statements are presented on the accrual basis and represent the financial position and results of operations of the Organization.

The Organization has adopted the provisions of FASB Accounting Standards Codification Topic 958, Not-for-Profit Entities.

Unconditional promises to give (pledges) are recorded as receivables and revenue, and the Organization distinguishes between promises received for each net asset category in accordance with donor restrictions, if any.

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

- ◆ Net assets without donor restrictions---Net assets that are not subject to donor-imposed stipulations.
- ◆ Net assets with donor restrictions---Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donors impose restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

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Notes to Financial Statements

December 31, 2023 and 2022

(1) **Organization and Summary of Significant Accounting Policies - Continued**

(c) *Cash and Cash Equivalents*

The Organization considers investment instruments purchased or donated with original maturities of three months or less to be cash equivalents.

(d) *Investments*

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage or time or by use) in the reporting period in which the income and gains are recognized. Realized gains and losses are computed using the specific-identification method.

(e) *Property and Equipment*

Property and equipment are stated at cost, or estimated market value at the date of receipt if donated, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. All property expenditures in excess of \$1,000 are capitalized, maintenance and repairs are charged to expense as incurred.

(f) *Revenue and Support*

Contributions received are recorded as revenue and support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any such restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

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Notes to Financial Statements

December 31, 2023 and 2022

(1) Organization and Summary of Significant Accounting Policies - Continued

(g) *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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and revenue and expenses during the reporting period. Actual results could differ from these estimates.

(h) *Income Taxes*

That Others May Live Foundation is exempt from federal income tax under provision of Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. Consequently, no provision for income taxes has been included in the accompanying financial statements.

In accordance with "Income Taxes" FASB Accounting Standards Codification Topic 740 (Topic 740), all entities are required to evaluate and disclose income tax risks. Topic 740 clarifies the accounting for uncertainty in tax positions and prescribes guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statement of activities. As of December 31, 2023, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Organization's income tax returns are subject to review and examination by federal 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 tax returns for the fiscal years ended from 2020 to 2022 are open to examination by federal authorities.

(i) *Concentration of Credit Risk*

The Organization maintains its cash and cash equivalents in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related

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Notes to Financial Statements

December 31, 2023 and 2022

(1) **Organization and Summary of Significant Accounting Policies - Continued**

(j) *Advertising and Promotional costs*

The Organization follows the policy of charging the costs of advertising and promotional costs to expense, as incurred. Advertising and promotional expense was \$1,884 and \$321 for the years ended December 31, 2023 and 2022, respectively.

(k) *Functional Allocation of Expenses*

Salaries and related payroll expenses are allocated among functional categories based on the estimated proportion of time spent for each function. All other expenses are distributed based on management's estimate of the relative functional activity.

(l) *Prior Year Comparative Data*

The financial statements include certain prior year summarized comparative information. This information has been presented in order to provide an understanding of changes in the Organization's financial position and activities. The prior year information in the statement of activities is presented in total but not by net asset class and, as such, does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. In addition, certain amounts have been reclassified in order to conform with the current year's presentation.

(m) *Subsequent Events*

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition and disclosure through March 8, 2024, which is the date the financial statements were available to be issued.

(2) **Liquidity and Availability**

As of December 31, 2023, the Organization has \$1,762,731 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

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Notes to Financial Statements

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(4) Fair Value Measurements - Continued

The hierarchy give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The Organization uses appropriate techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

The three levels of the fair value hierarchy under FASB ASC 820 are described 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 and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

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Notes to Financial Statements

December 31, 2023 and 2022

(2) Liquidity and Availability - Continued

The following table reflects the Organization's financial assets as of December 31, 2023 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date.

Cash and cash equivalents	\$ 157,787
Investments	<u>1,604,944</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,762,731</u>

(3) Investments

Investments consist of the following:

		December 31, 2023		
		Cost	Market Value	Unrealized Appreciation (Depreciation)
	Mutual funds	\$ 1,622,021	1,604,944	(17,077)
		December 31, 2022		
		Cost	Market Value	Unrealized Appreciation (Depreciation)
	Mutual funds	\$ 1,792,380	1,541,116	(251,264)

(4) Fair Value Measurements

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provided the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

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Notes to Financial Statements

December 31, 2023 and 2022

(4) 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 Organization 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 tables set forth by level, within the fair value hierarchy, the Foundation's assets and liabilities at fair value as of December 31, 2023 and 2022:

	<u>ASSETS AT FAIR VALUE AS OF DECEMBER 31, 2023</u>			
	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Mutual Funds:				
Money market fund	\$ 122,637	-	-	122,637
Equity funds	1,118,857	-	-	1,118,857
Fixed income funds	363,450	-	-	363,450
	<u>\$ 1,604,944</u>	<u>-</u>	<u>-</u>	<u>1,604,944</u>
	<u>ASSETS AT FAIR VALUE AS OF DECEMBER 31, 2022</u>			
	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Mutual Funds:				
Money market fund	\$ 108,578	-	-	108,578
Equity funds	1,113,632	-	-	1,113,632
Fixed income funds	318,906	-	-	318,906
	<u>\$ 1,541,116</u>	<u>-</u>	<u>-</u>	<u>1,541,116</u>