

THE ELIZABETH TAYLOR AIDS FOUNDATION
(A Not-for-Profit California Corporation)

FINANCIAL STATEMENTS

December 31, 2024 and 2023



THE ELIZABETH TAYLOR AIDS FOUNDATION
(A Not-for-Profit California Corporation)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Elizabeth Taylor AIDS Foundation
(A Not-For-Profit California Corporation)

Opinion

We have audited the financial statements of The Elizabeth Taylor AIDS Foundation (a not-for-profit California corporation), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Elizabeth Taylor AIDS Foundation as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). 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 Elizabeth Taylor AIDS Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 U.S. GAAP, 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 Elizabeth Taylor AIDS Foundation's ability to continue as a going concern for one year after the date that the financial statements are 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 U.S. 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.

In performing an audit in accordance with U.S. 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 Elizabeth Taylor AIDS 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 Elizabeth Taylor AIDS 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.

BPM LLP

Santa Monica, California
June 12, 2025

THE ELIZABETH TAYLOR AIDS FOUNDATION
(A Not-for-Profit California Corporation)

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,985,219	\$ 1,325,261
Contributions receivable	369,730	3,269,507
Investments, at fair value	<u>102,308</u>	<u>49,814</u>
Total current assets	4,457,257	4,644,582
Other assets	<u>70,404</u>	<u>56,328</u>
Total assets	<u><u>\$ 4,527,661</u></u>	<u><u>\$ 4,700,910</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 89,112	\$ 194,130
Grants payable	254,500	472,500
Due to related party	<u>56,027</u>	<u>41,079</u>
Total liabilities	<u>399,639</u>	<u>707,709</u>
Net assets:		
Without donor restrictions	3,978,022	1,611,214
With donor restrictions	<u>150,000</u>	<u>2,381,987</u>
Total net assets	<u>4,128,022</u>	<u>3,993,201</u>
Total liabilities and net assets	<u><u>\$ 4,527,661</u></u>	<u><u>\$ 4,700,910</u></u>

THE ELIZABETH TAYLOR AIDS FOUNDATION
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STATEMENTS OF ACTIVITIES

For the years ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Contributions - general	\$ 3,056,783	\$ -	\$ 3,056,783	\$ 1,278,549	\$ 2,456,987	\$ 3,735,536
Contributions in-kind	25,892	-	25,892	20,606	-	20,606
Special events	1,187,877	-	1,187,877	1,367,604	-	1,367,604
Investment income, net	159,988	-	159,988	83,624	-	83,624
Net assets released from restrictions:						
Satisfaction of program/donor restrictions	2,231,987	(2,231,987)	-	2,425,000	(2,425,000)	-
Total revenue and support	6,662,527	(2,231,987)	4,430,540	5,175,383	31,987	5,207,370
Expenses:						
Program expenses	2,988,508	-	2,988,508	3,251,407	-	3,251,407
Fundraising expenses	951,395	-	951,395	1,034,095	-	1,034,095
General and administrative expenses	355,816	-	355,816	356,219	-	356,219
Total expenses	4,295,719	-	4,295,719	4,641,721	-	4,641,721
Change in net assets	2,366,808	(2,231,987)	134,821	533,662	31,987	565,649
Net assets, beginning of year	1,611,214	2,381,987	3,993,201	1,077,552	2,350,000	3,427,552
Net assets, end of year	\$ 3,978,022	\$ 150,000	\$ 4,128,022	\$ 1,611,214	\$ 2,381,987	\$ 3,993,201

THE ELIZABETH TAYLOR AIDS FOUNDATION
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STATEMENTS OF FUNCTIONAL EXPENSES

For the years ended December 31, 2024 and 2023

	2024				2023			
	Program	Fundraising	General and Administrative	Total	Program	Fundraising	General and Administrative	Total
Grants	\$ 1,575,024	\$ -	\$ -	\$ 1,575,024	\$ 1,731,720	\$ -	\$ -	\$ 1,731,720
Contract services	906,937	-	72,803	979,740	1,084,614	12,151	83,500	1,180,265
Salaries and related expenses	355,665	355,665	177,833	889,163	327,646	327,646	163,823	819,115
Special events cost	-	555,043	-	555,043	-	656,143	-	656,143
Travel	55,674	13,521	10,339	79,534	57,908	13,774	9,452	81,134
Office supplies	47,441	11,545	5,974	64,960	11,394	11,394	6,098	28,886
Website development	25,062	-	28,316	53,378	15,760	-	9,368	25,128
Bank and merchant fees	-	-	28,765	28,765	-	-	25,464	25,464
Legal fees	-	-	23,681	23,681	-	-	16,702	16,702
Rent	6,000	6,000	3,000	15,000	6,000	6,000	3,000	15,000
Meals and entertainment	8,855	1,771	1,181	11,807	9,613	235	3,098	12,946
Insurance	4,241	4,241	2,120	10,602	4,856	4,856	2,427	12,139
Telephone	3,609	3,609	1,804	9,022	1,896	1,896	947	4,739
Strategic planning	-	-	-	-	-	-	20,437	20,437
Loss on disposal of equipment	-	-	-	-	-	-	9,509	9,509
Dues and subscription	-	-	-	-	-	-	2,394	2,394
Total expenses	<u>\$ 2,988,508</u>	<u>\$ 951,395</u>	<u>\$ 355,816</u>	<u>\$ 4,295,719</u>	<u>\$ 3,251,407</u>	<u>\$ 1,034,095</u>	<u>\$ 356,219</u>	<u>\$ 4,641,721</u>

THE ELIZABETH TAYLOR AIDS FOUNDATION
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STATEMENTS OF CASH FLOWS

For the years ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 134,821	\$ 565,649
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:		
Net unrealized gain on investments	(52,494)	(17,908)
Loss from disposal of assets	-	9,509
Changes in operating assets and liabilities, net:		
Contributions receivable	2,899,777	(2,633,206)
Other assets	(14,076)	(403)
Accounts payable and accrued expenses	(105,018)	102,020
Grants payable	(218,000)	472,500
Due to related party	14,948	15,000
Net cash and cash equivalents provided by (used in) operating activities	2,659,958	(1,486,839)
Net change in cash and cash equivalents	2,659,958	(1,486,839)
Cash and cash equivalents, beginning of year	1,325,261	2,812,100
Cash and cash equivalents, end of year	\$ 3,985,219	\$ 1,325,261

THE ELIZABETH TAYLOR AIDS FOUNDATION
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NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

1. Purpose and Activities

The Elizabeth Taylor AIDS Foundation (“ETAF” or the “Foundation”) was established in 1991 as a nonprofit public benefit corporation to raise funds and awareness to fight the spread of HIV/AIDS and to provide assistance for those living with the virus. With its focus on direct care and prevention education, ETAF funds AIDS service organizations both domestically and globally, providing support services to populations in need.

ETAF supports organizations delivering direct care services and prevention education to people living with or at risk for HIV/AIDS. In addition, ETAF collaborates on education and awareness initiatives that affect people living with HIV/AIDS.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Foundation’s financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Financial Accounting Standards Board (“FASB”) has established the FASB Accounting Standards Codification (“ASC”) as the sole source of authoritative accounting to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 reported amounts of revenues and expenses during the reporting period. The Foundation’s financial statements include amounts that are based on management’s best estimates and judgment. Actual results could differ from those estimates and assumptions, and such differences may be material to the financial statements.

Net Assets

In accordance with ASC 958-205, *Not-For-Profit Entities – Presentation of Financial Statements*, the Foundation’s net assets, revenues, gains, expenses, 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 restrictions: Net assets available for use at the discretion of the Board of Directors (the “Board”) and/or management for general operations and not subject to donor restrictions.

Net assets with donor restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose for which the resource was restricted has been accomplished, or both.

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NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

2. Summary of Significant Accounting Policies, continued

Revenue and Support

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as increases in net assets without donor restrictions. Otherwise, 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 and reported on the statements of activities as net assets released from restrictions.

In-kind Contributions and Services

Contributions of donated non-cash assets and services are recorded at their fair values in the period received. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Contributed services are recognized as contributions in accordance with ASC 958-605 and subsections, *Not-for-profit Entities – Revenue Recognition*, if the services (a) create or enhance nonfinancial assets or (b) require licensed skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

Members of the Board and certain other volunteers provided services to ETAF without compensation. The value of these services is not recorded in the financial statements since the services would not have been purchased if not provided by donation.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The present value discount is computed using risk-adjusted interest rates applicable to the year in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met or expire.

As of December 31, 2024 and 2023, the Foundation's contributions receivable consisted of unconditional promises to give in the amount of \$369,730 and \$3,269,507, respectively, all of which are expected to be collected within one year.

Allowance for Uncollectible Contributions Receivable

Contributions receivable are reported net of an allowance for uncollectible amounts. The allowance is based on management's judgment and analysis of the credit worthiness of the donors, past payment experience, and other relevant factors. It is the Foundation's policy to charge off uncollectible contributions when management determines the receivable will not be collected in full. For the years ended December 31, 2024 and 2023, the Foundation did not record an allowance for uncollectible contributions, as management determined substantially all contributions were collectible.

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NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

2. Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents

For purposes of the statements of financial position and the statements of cash flows, the Foundation considers all highly liquid instruments purchased with original maturities of three months or less to be cash equivalents.

Investments

The Foundation records its investments at fair market value. Investment earnings available for distribution are recorded as net assets without donor restrictions. Gains and losses are included in the statements of activities. Purchases and sales of securities are reflected on a trade-date basis. Interest is recorded when earned and dividends are accrued as of the ex-dividend date.

The Foundation has adopted Accounting Standards Update ("ASU") 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)* ("ASU 2015-07"). ASU 2015-07 removed the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value ("NAV") per share practical expedient. ASU 2015-07 also removed the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. The Foundation does not have any investments valued at NAV as of December 31, 2024 and 2023.

Grants Payable

The Foundation, after review and approval of the Board, awards grants to tax-exempt organizations. Grant expense is recorded when the Foundation makes an unconditional promise to give. Conditional promises to give are recorded as grant expense in the period in which the recipient meets the terms of the conditions imposed. Grant cancellations or unspent funds are recorded in the year cancelled or the funds returned. There were no conditional grants as of December 31, 2024 and 2023.

Fair Value of Financial Instruments

The Foundation's financial instruments consist of cash and cash equivalents, contributions receivable, investments, accounts payable, grants payable, accrued expenses and notes payable. All of these except for investments are stated at historical cost or settlement value, which approximates fair value. The Foundation's investments are recorded at market value based upon readily available market quotations.

Concentration of Risk

Credit risk represents the risk of loss attributable to possible nonperformance by donors and counterparties relative to the terms of agreements and contracts. For the years ended December 31, 2024 and 2023, the Foundation's contributions were concentrated with two donors. The Foundation's public support from these two donors as a percentage of total support received was as follows for the years ended December 31:

	2024	2023
Donor grants	67%	58%
Royalties	7%	11%
Total support from all sources	74%	69%

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NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

2. Summary of Significant Accounting Policies, continued

Concentration of Risk, continued

The Foundation's contributions receivable were concentrated with donors. The Foundation's contributions receivable from these two donors as a percentage of total contribution receivables was as follows as of December 31:

	2024	2023
Donor	14%	82%
Royalties	84%	18%
Total receivables	98%	100%

The Foundation maintains its cash balances in the form of demand deposits, money market accounts, and short-term U.S. Treasuries with major financial institutions, including securities brokerage firms, that management has determined to be credit worthy. At times, the Foundation maintains balances in excess of the federally insured limits on bank deposits.

As of December 31, 2024 and 2023, the Foundation had no significant financial instruments with off-balance sheet risk of accounting loss.

Income Tax Status

The Foundation is a nonprofit corporation that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and exempt from State of California franchise taxes under Section 23701(d) of the California Revenue and Taxation Code. Only unrelated business income, as defined by Section 509(a)(1) of the IRC, is subject to federal income tax. For the years ended December 31, 2024 and 2023, the Foundation does not believe that it had unrelated business income, and, accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

The Foundation follows the provisions of FASB ASC 740, *Income Taxes*, and related subsections. Accordingly, the Foundation accounts for uncertain tax positions, if any, by recording a liability for unrecognized tax benefits resulting from uncertain tax positions taken, or expected to be taken, in its tax returns. The Foundation recognizes the effect of income tax positions only if those positions are more-likely-than-not of being sustained by the appropriate taxing authorities. The Foundation does not believe that its financial statements include any uncertain tax positions and, accordingly, has not recorded a liability for unrecognized tax benefits in the accompanying financial statements. The Foundation files its tax returns in the U.S. federal jurisdiction and California and is currently not under examination by any tax authority. The Foundation is generally no longer subject to examination by the Internal Revenue Service ("IRS") and the State of California for years prior to 2020.

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NOTES TO FINANCIAL STATEMENTS

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2. Summary of Significant Accounting Policies, continued

Functional Allocation of Expenses

The cost of providing program and other activities has been summarized on a functional basis. Activities performed by the Foundation to generate funds and/or resources to support its program and operation are reported as fundraising activities. Expenses directly attributable to a specific functional area of the Foundation are reported as expenses of those functional areas. A portion of management and general costs that benefit multiple functional areas have been allocated across program and other supporting services based on estimates of time and effort spent by staff and resources.

Special Events Revenue

The Foundation conducts special events in which a portion of the gross proceeds paid by a donor represents payment for the direct costs of the benefits received by the donor at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at the special events is measured at the actual cost to the Foundation. The direct cost of special events which ultimately benefit the donor rather than the Foundation, were of \$322,493 and \$237,493 for the years ended December 31, 2024 and 2023, respectively. Other costs of special events were \$186,612 and \$418,650 for the years ended December 31, 2024 and 2023, respectively.

Reclassification

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

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NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position dates, were comprised of the following for the years ended December 31:

	2024	2023
Current financial assets at year-end:		
Cash and cash equivalents	\$ 3,985,219	\$ 1,325,261
Contributions receivable	369,730	3,269,507
Investments, at fair value	102,308	49,814
Total current financial assets available	4,457,257	4,644,582
Less: amounts not available to be used within one year:		
Net assets with donor restrictions	150,000	2,381,987
Less: net assets with donor or Board-designated restrictions expected to be met in less than a year	(50,000)	(2,381,987)
Subtotal	100,000	-
Financial assets available to meet general expenditures within one year	\$ 4,357,257	\$ 4,644,582

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, the Foundation has an investment policy authorized by the Board that provides that the Foundation maintain an adequate level of cash to meet ongoing operational requirements.

4. Fair Value Measurements

The Foundation applies FASB ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"), which established a framework for measuring fair value, and expanded disclosures about fair value measurements to its investments. ASC 820 provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction as prescribed by ASC 820. ASC 820 also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments in Level 1 include listed equities held in the name of the Foundation, and exclude listed equities and other securities held indirectly through commingled funds.

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4. Fair Value Measurements, continued

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

Level 3 – Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include privately held investments and partnership interests.

Financial instruments recorded at fair value consisted of the following as of December 31, 2024 and 2023:

As of December 31, 2024				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents:				
Money market	\$ 3,739,868	\$ -	\$ -	\$ 3,739,868
Investments:				
Public U.S. equities	102,308	-	-	102,308
Total	<u>\$ 3,842,176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,842,176</u>
As of December 31, 2023				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents:				
Money market	\$ 882,374	\$ -	\$ -	\$ 882,374
Investments:				
Public U.S. equities	49,814	-	-	49,814
Total	<u>\$ 932,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 932,188</u>

5. Investment Income, Net

Investment income, net consisted of the following for the years ended December 31:

	2024	2023
Dividends and interest	\$ 107,494	\$ 65,716
Net unrealized gains	<u>52,494</u>	<u>17,908</u>
Investment income, net	<u>\$ 159,988</u>	<u>\$ 83,624</u>

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December 31, 2024 and 2023

6. Grants Payable

For the years ended December 31, 2024 and 2023, the Foundation approved and disbursed charitable contributions and grants to various not-for-profit organizations consistent with the Foundation's mission. The Foundation has outstanding grants and contributions payable due within a year as of December 31:

	2024	2023
Unpaid grants payable, beginning	\$ 472,500	\$ -
Grants appropriated	1,575,024	1,731,720
Grants paid	<u>(1,793,024)</u>	<u>(1,259,220)</u>
Unpaid grants payable, ending	<u>\$ 254,500</u>	<u>\$ 472,500</u>

7. Net Assets with Donor Restrictions

From time to time, the Foundation receives contributions subject to donor restrictions. Those contributions received with restrictions are released from restrictions when expenses relating to donor stipulated purposes have been incurred, or through passage of time. Net assets with donor restrictions were as follows as of December 31, 2024 and 2023:

	2024	2023
Time restricted net assets	\$ 150,000	\$ 200,000
Purpose restricted net assets	<u>-</u>	<u>2,181,987</u>
Total net assets with donor restrictions	<u>\$ 150,000</u>	<u>\$ 2,381,987</u>

For the years ended December 31, 2024 and 2023, net assets released from donor restrictions by satisfying the restricted purpose specified by donors or through passage of time were as follows for the years ended December 31:

	2024	2023
Purpose restrictions accomplished	\$ 2,181,987	\$ 2,375,000
Time restrictions expired	<u>50,000</u>	<u>50,000</u>
Total net assets released	<u>\$ 2,231,987</u>	<u>\$ 2,425,000</u>

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NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

8. Related-Party Transactions

Effective March 31, 2011, the Foundation licensed certain rights to Dame Elizabeth Taylor's name, image, likeness, marks and signature to affiliated for-profit entities in exchange for a 25% royalty on income earned by the affiliated for-profit entities, as set forth in the transfer of intellectual property rights and license agreement (the "Agreement"). Royalty income is recognized as unrestricted contributions. For the years ended December 31, 2024 and 2023, the Estate of Elizabeth Taylor incurred royalty expense of \$308,730 and \$576,436, respectively, to the Foundation pursuant to the Agreement. As of December 31, 2024 and 2023, the Foundation had a receivable from the Estate of Elizabeth Taylor of \$308,730 and \$576,437, respectively, and are included within contributions receivable on the statements of financial position.

The Foundation rents office space on a month-to-month basis from the Estate of Elizabeth Taylor. For the years ended December 31, 2024 and 2023, the Foundation incurred and accrued \$15,000 of rent to the Estate for the use of its facilities. The Foundation has a non-interest bearing balance due to the Estate of Elizabeth Taylor of \$56,027 and \$41,079 with no stated due date as of December 31, 2024 and 2023, respectively.

9. Pension Plan

The Foundation sponsors a defined contribution plan in accordance with Section 401(k) of the IRC under which substantially all full-time employees are covered. Participants can make salary reduction contributions, subject to IRS regulations. The Foundation made safe harbor nonelective contributions of \$21,190 and \$19,757 for the years ended December 31, 2024 and 2023, respectively.

10. In-Kind Contributions

In-kind contributions included in the financial statements were as follows for the years ended December 31:

<u>Non-financial Contributions Category</u>	<u>Utilization in Programs/Activities</u>	<u>Valuation Techniques and Inputs</u>	<u>2024</u>	<u>2023</u>
Accounting services	Professional accounting and bookkeeping services	Standard industry pricing for similar services	\$ 25,892	\$ 20,606
			<u>\$ 25,892</u>	<u>\$ 20,606</u>

11. Subsequent Events

Subsequent events have been evaluated through June 12, 2025, which is the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2024 that require recognition or disclosure in such financial statements.