



FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023



Leaf & Cole, LLP
Certified Public Accountants
A Partnership of Professional Corporations

**LUCKY DUCK FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

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Independent Auditor's Report

To the Board of Directors
Lucky Duck Foundation

Opinion

We have audited the accompanying financial statements of Lucky Duck Foundation (a nonprofit organization), 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 financial statements referred to above present fairly, in all material respects, the financial position of Lucky Duck 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.

Basis for Opinion

We conducted our audits 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 Lucky Duck 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 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 Lucky Duck 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, 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 Lucky Duck 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 Lucky Duck 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.

Leaf & Cole LLP

San Diego, California
July 15, 2025

LUCKY DUCK FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

ASSETS

	<u>2024</u>	<u>2023</u>
<u>Current Assets:</u> (Notes 2, 4, and 5)		
Cash and cash equivalents	\$ 1,710,815	\$ 1,890,288
Investments	9,014,449	6,514,177
Contributions receivable	79,225	39,170
Prepaid expenses	68,625	127,277
Total Current Assets	<u>10,873,114</u>	<u>8,570,912</u>
<u>Noncurrent Assets:</u> (Notes 2 and 6)		
Property and equipment, net	<u>689,514</u>	<u>750,638</u>
Total Noncurrent Assets	<u>689,514</u>	<u>750,638</u>
TOTAL ASSETS	<u><u>\$ 11,562,628</u></u>	<u><u>\$ 9,321,550</u></u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities:</u> (Note 2)		
Accounts payable and accrued expenses	\$ <u>98,255</u>	\$ <u>80,143</u>
Total Current Liabilities	<u>98,255</u>	<u>80,143</u>
Total Liabilities	<u>98,255</u>	<u>80,143</u>
<u>Commitments</u> (Note 10)		
<u>Net Assets:</u> (Notes 2, 7 and 8)		
Without donor restrictions:		
Undesignated	5,943,682	5,498,720
Board designated	4,976,088	3,446,373
Total Net Assets Without Donor Restrictions	<u>10,919,770</u>	<u>8,945,093</u>
With donor restrictions:		
Purpose restriction	544,603	296,314
Total Net Assets With Donor Restrictions	<u>544,603</u>	<u>296,314</u>
Total Net Assets	<u>11,464,373</u>	<u>9,241,407</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 11,562,628</u></u>	<u><u>\$ 9,321,550</u></u>

The accompanying notes are an integral part of the financial statements.

**LUCKY DUCK FOUNDATION
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
<u>Revenue and Support:</u>						
Contributions	\$ 3,212,310	\$ 1,010,760	\$ 4,223,070	\$ 2,122,354	\$ 520,244	\$ 2,642,598
Special events, net of direct donor costs of \$119,205 and \$90,552, respectively	1,629,020	-	1,629,020	1,609,723	-	1,609,723
Investment income	446,009	-	446,009	330,146	-	330,146
In-kind contributions	394,010	-	394,010	424,039	-	424,039
Miscellaneous revenue	1,000	-	1,000	1,000	-	1,000
Net assets released from restrictions	762,471	(762,471)	-	577,726	(577,726)	-
Total Revenue and Support	<u>6,444,820</u>	<u>248,289</u>	<u>6,693,109</u>	<u>5,064,988</u>	<u>(57,482)</u>	<u>5,007,506</u>
<u>Expenses:</u>						
<u>Program Services:</u>						
Homeless initiative	<u>3,930,402</u>	<u>-</u>	<u>3,930,402</u>	<u>3,946,407</u>	<u>-</u>	<u>3,946,407</u>
<u>Supporting Services:</u>						
Management and general	214,390	-	214,390	145,420	-	145,420
Fundraising	<u>325,351</u>	<u>-</u>	<u>325,351</u>	<u>384,857</u>	<u>-</u>	<u>384,857</u>
Total Supporting Services	<u>539,741</u>	<u>-</u>	<u>539,741</u>	<u>530,277</u>	<u>-</u>	<u>530,277</u>
Total Expenses	<u>4,470,143</u>	<u>-</u>	<u>4,470,143</u>	<u>4,476,684</u>	<u>-</u>	<u>4,476,684</u>
Change in Net Assets	1,974,677	248,289	2,222,966	588,304	(57,482)	530,822
Net Assets at Beginning of Year	<u>8,945,093</u>	<u>296,314</u>	<u>9,241,407</u>	<u>8,356,789</u>	<u>353,796</u>	<u>8,710,585</u>
NET ASSETS AT END OF YEAR	<u>\$ 10,919,770</u>	<u>\$ 544,603</u>	<u>\$ 11,464,373</u>	<u>\$ 8,945,093</u>	<u>\$ 296,314</u>	<u>\$ 9,241,407</u>

The accompanying notes are an integral part of the financial statements.

LUCKY DUCK FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024				2023			
	Program Services	Supporting Services			Program Services	Supporting Services		
	Homeless Initiative	Management and General	Fundraising	Total	Homeless Initiative	Management and General	Fundraising	Total
Advertising	\$ 167,962	\$ 66,590	\$ -	\$ 234,552	\$ 31,245	\$ -	\$ 140,071	\$ 171,316
Bad debt	-	-	-	-	-	3,280	-	3,280
Community support	2,574,606	-	-	2,574,606	2,429,380	-	12,861	2,442,241
Depreciation	61,124	-	-	61,124	61,674	-	-	61,674
Dues and subscriptions	-	6,130	2,192	8,322	50	4,644	-	4,694
Fees and other	-	797	9,080	9,877	-	937	4,752	5,689
Fundraising expense	250	-	12,825	13,075	-	-	-	-
Insurance	-	9,857	-	9,857	-	9,855	-	9,855
Meetings and meals	-	8,123	559	8,682	27	5,959	-	5,986
Office expense	-	380	-	380	-	3,101	-	3,101
Postage and mailing service	-	4,729	-	4,729	-	3,170	-	3,170
Professional development	-	1,523	-	1,523	-	609	-	609
Professional fees	28,610	7,152	35,125	70,887	26,462	6,616	32,842	65,920
Program supplies, food and equipment	815,588	-	60,770	876,358	1,138,630	-	12,285	1,150,915
Rent	14,880	3,720	6,200	24,800	14,880	3,720	6,200	24,800
Salaries and payroll related expenses	267,382	101,780	76,283	445,445	244,059	100,306	66,010	410,375
Special event	-	-	121,457	121,457	-	-	109,556	109,556
Taxes	-	200	-	200	-	200	-	200
Telephone	-	1,172	-	1,172	-	1,131	-	1,131
Travel	-	2,237	860	3,097	-	1,892	280	2,172
	<u>\$ 3,930,402</u>	<u>\$ 214,390</u>	<u>\$ 325,351</u>	<u>\$ 4,470,143</u>	<u>\$ 3,946,407</u>	<u>\$ 145,420</u>	<u>\$ 384,857</u>	<u>\$ 4,476,684</u>

The accompanying notes are an integral part of the financial statements.

**LUCKY DUCK FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ 2,222,966	\$ 530,822
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	61,124	61,674
Realized and unrealized gain on investments	(444,711)	(326,701)
(Increase) Decrease in:		
Contributions receivable	(40,055)	3,690
Prepaid expenses	58,652	76,936
Increase (Decrease) in:		
Accounts payable and accrued expenses	18,112	(38,061)
Net Cash Provided by Operating Activities	<u>1,876,088</u>	<u>308,360</u>
<u>Cash Flows From Investing Activities:</u>		
Investment purchases	(2,655,561)	(1,520,934)
Investment sales	600,000	1,300,000
Purchase of property and equipment	-	(5,200)
Net Cash Used in Investing Activities	<u>(2,055,561)</u>	<u>(226,134)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(179,473)	82,226
Cash and Cash Equivalents at Beginning of Year	<u>1,890,288</u>	<u>1,808,062</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 1,710,815</u></u>	<u><u>\$ 1,890,288</u></u>

The accompanying notes are an integral part of the financial statements.

LUCKY DUCK FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

Note 1 - Organization:

The Lucky Duck Foundation (the “Foundation”) was founded in 2005 in San Diego, California, to raise funds and awareness for various charitable causes. As the goals and achievements of the Foundation grew, the Board recognized an opportunity to concentrate the Foundation’s focus. In 2017, the growing homelessness epidemic in San Diego County led the Foundation to focus solely on providing aid and relief for homeless individuals and families of San Diego County. With funds raised through charitable events and year-round donations, the Foundation funds, activates, and leads high-impact programs designed to alleviate the suffering of homelessness. This includes, but is not limited to, shelters, employment and job training, sleeping bag coats, food and water, cost-effective housing, and more.

Our Mission

To prevent and alleviate the suffering of homelessness throughout San Diego County.

Our Vision

To have San Diego County be a national model for addressing homelessness by applying leadership, expertise, accountability, and sound business principles.

Our Approach

We study the issue daily, meet to strategize weekly, and convene key stakeholders and political leaders regularly to instigate progress, collaboration, and change. We employ sound, principled business practices to ensure that every donation makes a difference. By diligently following the facts, we thoroughly vet every effort in order to fund, activate, and lead high-impact programs. Then, by collaborating with the best-in class organizations, we coordinate and focus local efforts to rally the community and call on elected leaders to act. We endeavor to lead San Diego to best practices in all areas of homelessness.

To confront homelessness, the Foundation engages in creative fundraising and effective collaborations with service providers, business experts, community leaders, educators, philanthropists, politicians, and other stakeholders. These efforts are designed to lead San Diego to best practices in all areas of homelessness. The Foundation studies the issue daily, meets weekly, hosts homeless symposiums regularly to instigate meaningful collaboration and progress, and raises money to fund and activate high-impact programs that are fact-based and best-in-class.

The Lucky Duck Foundation was formed in 2005 by Pat & Stephanie Kilkenny, to raise funds and awareness for numerous charitable causes in San Diego, including Fr. Joe’s Villages, Challenged Athletes Foundation, and the Helen Woodward Animal Center.

In 2016, when Pat & Stephanie noticed a growing and urgent need for leadership and action to address San Diego’s homeless crisis, the late San Diego Padres owner Peter Seidler and business and civic leader Dan Shea were simultaneously calling upon business leaders, community members, philanthropists, politicians, and other stakeholders to join them in taking action to address the issue in a best-in-class, fact-based manner.

After closely studying homelessness and collaborating with Peter & Dan, Pat & Stephanie knew the Lucky Duck Foundation could have an even greater impact if they focused the Foundation’s efforts squarely on homelessness. They decided to do so, and shortly after pivoting in 2017, the Lucky Duck Foundation purchased several large industrial tent structures to provide shelter and critical services for more than 650 individuals.

**LUCKY DUCK FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

Note 1 - Organization: (Continued)

Our Approach (Continued)

And ever since, the Lucky Duck Foundation has funded, activated, and led numerous high-impact initiatives that alleviate the suffering of homelessness throughout San Diego County. Such initiatives include:

- Funding region-wide employment and job training programs across a multitude of industries, including culinary, community beautification, food rescue, trash cleanup, certificate programs, and more. All are designed to give individuals experiencing homelessness an opportunity to improve their earning power, employability, and housing.
- Providing food and water to unsheltered homeless individuals due to COVID-19 eliminating faith-based and congregate meal services. Since launching, more than 2,000,000 meals have been distributed, and anywhere from 250 to 500 people per day receive food and water.
- Purchasing and distributing more than 17,000 winter coats that fold out into sleeping bags, which are made by formerly homeless individuals who are hired to do the manufacturing.
- Removing more than 200 tons of trash from downtown San Diego via “cash for trash,” which pays homeless individuals \$2 for every bag of trash they remove from city streets.
- Supporting the “Lucky Ducklings,” a youth-led movement of 125+ local high school students focused on advancing the mission of the Lucky Duck Foundation through volunteerism, giving back, and fundraising.
- And countless other tangible, best-in-class programs that are based on facts, cost-effective, and help people experiencing homelessness end their homelessness.

Originally called the AGIA Foundation (Arrowhead General Insurance Agency), where Pat was the principal, the name was changed to the Lucky Duck Foundation to honor the Kilkenny family’s Irish heritage, and as a nod to their love for the University of Oregon.

The premise is simple: if you have had some good luck and fortune in your life, share your luck with those less fortunate.

In memory of Faisal Badani, whose family is a longtime supporter of the Lucky Duck Foundation and whose favorite charitable cause was the Lucky Duck Foundation, the Lucky Duck Foundation created the “Faisal Badani Lucky Ducklings Impact Initiative,” where each year the Lucky Duck Foundation sets aside at least \$25,000 to fund a difference-making program or programs which is selected in part by the Lucky Ducklings.

The Foundation provided community support to the following organizations for the years ended December 31:

	<u>2024</u>	<u>2023</u>
San Diego Rescue Mission	\$ 500,000	\$ -
Food & Water Programs	440,965	36,106
San Diego Continuing Education Foundation	285,173	285,173
Shoreline Community Services	120,000	20,000
Serving Seniors Safe at Home	114,550	71,500
Urban Street Angels	110,000	228,013
Humble Design, Inc.	101,154	-
San Diego Housing Commission	100,000	-
Salvation Army	98,733	76,386
Youth Assistance Coalition	69,000	102,500
Church of Salvation	65,000	75,000

(Continued)

LUCKY DUCK FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

Note 1 - Organization: (Continued)

Our Approach (Continued)

	<u>2024</u>	<u>2023</u>
Doors of Change	\$ 55,000	\$ 42,000
Housing for the Homeless	50,000	-
Cura Smiles	50,000	-
Veterans Village of San Diego	50,000	-
Home Start	43,667	20,666
29 Eleven Maternity Home	40,000	-
Rise Up Industries	35,000	38,333
YMCA of San Diego	35,000	-
Fallbrook Apostolic Assembly	35,000	-
Convicted4Christ	30,000	-
East County Transitional Living	25,000	75,000
Genesis Recovery, Inc.	13,650	-
Teaching & Learning Collaborative	12,500	-
SD HC Building Opportunities	12,000	-
St. Gabriel Church	10,000	11,000
San Diego Youth Services	10,000	5,000
Regional Task Force for Homeless	10,000	110,000
Mission Beach Women's Club Foundation	10,000	-
San Diego Foundation	10,000	-
National Conflict Resolution Center	5,000	41,666
North County Veterans Stand Down	5,000	-
Voice of San Diego	5,000	-
Mission Edge San Diego	3,500	-
Cierra Slaughter	2,500	-
We See You San Diego	2,500	100,000
Friends of Downtown	2,500	-
CBM Fundraising Services	2,000	-
Leo at Third Ave Charitable Organization	1,530	-
Lucky Ducklings	1,434	12,861
Rolf Benirschke Legacy Foundation	1,250	-
Susan Graham	1,000	-
San Diego HC Seniors Safe at Home	-	428,500
San Diego County Sheriff Food & Water Outreach Initiative	-	281,657
Community Through Hope	-	80,000
Community Resource Center	-	50,000
SD Canyonlands	-	50,000
Third Ave Charitable	-	40,000
Salvation Army	-	35,354
McAlister Institute	-	34,083
Solutions for Change	-	33,690

(Continued)

**LUCKY DUCK FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

Note 1 - Organization: (Continued)

Our Approach (Continued)

	<u>2024</u>	<u>2023</u>
Dreams for Change	\$ -	\$ 25,000
Home Aid	-	23,166
Computers 2 Kids, San Diego	-	5,050
Specific Assistance to Individuals	-	4,537
Total Community Support	\$ <u>2,574,606</u>	\$ <u>2,442,241</u>

Note 2 - Significant Accounting Policies:

Accounting Method

The financial statements of the Foundation have been prepared on the accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), and, accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

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

- Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) 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 that resources 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.

Estimates

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

Risks and Uncertainties

The Foundation invests in various types of investment securities which 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 such changes could materially affect the amounts reported in the statements of financial position.

**LUCKY DUCK FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

Note 2 - Significant Accounting Policies:

Fair Value Measurements

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value, and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

- Level 1 inputs are quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the investment.

The Foundation's statements of financial position includes the following financial instruments that are required to be measured at fair value on a recurring basis:

- Investments in U.S. Treasury Bills and Treasury Notes are considered Level 2 assets, and are reported at fair market value based on quoted market prices in active markets for similar assets at the measurement date.

Allowance for Uncollectable Contributions Receivable

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding contributions receivable. Management believes that all contributions receivable were fully collectible; therefore, no allowance for uncollectible contributions receivable was recorded at December 31, 2024.

Capitalization and Depreciation

The Foundation capitalizes all expenditures in excess of \$5,000 for property and equipment at cost, while donations of property and equipment are recorded at their estimated fair values. Such donations are reported as support without donor restrictions, unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as support with donor restrictions. Absent donor stipulations regarding how those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over the estimated useful asset lives, as follows:

Tent structures	20 years
Website	3 years

Depreciation totaled \$61,124 and \$61,674 for the years ended December 31, 2024 and 2023, respectively.

Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of property or equipment, the asset account is reduced by the cost and the accumulated depreciation account is reduced by the depreciation taken prior to the sale or disposition. Any resultant gain or loss is recorded as income or expense.

LUCKY DUCK FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

Note 2 - Significant Accounting Policies: (Continued)

Compensated Absences

Accumulated unpaid vacation totaling \$14,453 and \$16,091 at December 31, 2024 and 2023, respectively, is accrued when incurred, and included in accounts payable and accrued expenses.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give in writing to the Foundation that is in substance, unconditional. Conditional promises to give are not recognized until they become unconditional—that is, when the conditions on which they depend are substantially met. Contributions that are restricted by the donor are recorded as without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When the stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions.

Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Special event revenue is recognized in the period the event occurs.

Donated Services and Support

The Foundation received the following in-kind contributions for the year ending December 31:

	<u>2024</u>	<u>2023</u>
Professional services	\$ 296,800	\$ 264,039
Program supplies	50,210	140,000
Advertising	27,000	-
Rent	20,000	20,000
Total Contributed Nonfinancial Assets	\$ <u>394,010</u>	\$ <u>424,039</u>

The Foundation received program supplies utilized in the Foundation's programs and have been recorded as in-kind contributions and program supplies expense in the statements of activities. Program supplies are valued at the retail price of the supplies received.

Contributed professional services of the executive director are recorded at fair value of the services received and have been recorded in in-kind contributions and salaries expenses in the statements of activities.

The Foundation received donated office space used for both program and supporting services which is valued at the amount for similar spaces. Rent is recorded as in-kind contributions and rent expenses in the statement of activities.

The Foundation utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the financial statements, unless the services received (a) create or enhance nonfinancial assets, or (b) require specialized skills which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The donated services by volunteers for the years ended December 31, 2024 and 2023 did not meet the requirements above; therefore, no amounts were recognized in the financial statements for volunteer time.

**LUCKY DUCK FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

Note 2 - Significant Accounting Policies: (Continued)

Functional Allocation of Expenses

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to the operation of the programs of the Foundation are reported as program expenses, and all remaining expenses are reported as supporting services expenses.

Income Taxes

The Foundation is a public charity, and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Foundation believes that it has appropriate support for any tax positions taken, and, as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation is not a private foundation.

The Foundation's Return of Organization Exempt from Income Tax for the years ended December 31, 2024, 2023, 2022 and 2021 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three-to-four years after the returns were filed.

Concentration of Credit Risk

The Foundation maintains its cash and investments in bank deposit accounts and brokerage accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on cash and cash equivalents.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through July 15, 2025, the date the financial statements were available to be issued, and concluded that there were no events or transactions that needed to be disclosed.

Note 3 - Liquidity and Availability:

The Foundation regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. The Foundation considers contributions without donor restrictions, and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations, to be available to meet cash needs for general expenditures. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing programs, as well as the conduct of services undertaken to support those activities, to be general expenditures.

Financial assets available for general expenditure within one year, are comprised of the following at December 31:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,710,815	\$ 1,890,288
Investments	9,014,449	6,514,177
Contributions receivable	79,225	39,170
Financial assets available for general expenditures within one year	<u>\$ 10,804,489</u>	<u>\$ 8,443,635</u>

LUCKY DUCK FOUNDATION
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Note 3 - Liquidity and Availability: (Continued)

In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

Note 4 - Investments and Fair Value Measurements:

The following table summarizes assets measured at fair value by classification within the fair value hierarchy at December 31:

		2024		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
				Balance at December 31, 2024
U.S. Treasury bills and notes	\$	-	\$ 9,014,449	\$ -
Total Investments	\$	-	\$ 9,014,449	\$ 9,014,449

		2023		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
				Balance at December 31, 2023
U.S. Treasury bills and notes	\$	-	\$ 6,514,177	\$ -
Total Investments	\$	-	\$ 6,514,177	\$ 6,514,177

The following schedule summarizes investment income for the years ended December 31:

	2024	2023
Interest and dividend income	\$ 1,298	\$ 3,445
Net realized and unrealized gain	444,711	326,701
Total Investment Income	\$ 446,009	\$ 330,146

Note 5 - Contributions Receivable:

Contributions receivable totaling \$79,225 and \$39,170 at December 31, 2024 and 2023, respectively, and are due in less than one year.

LUCKY DUCK FOUNDATION
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Note 6 - Property and Equipment:

Property and equipment consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Tent structures	\$ 1,035,027	\$ 1,035,027
Website	30,200	30,200
Subtotal	1,065,227	1,065,227
Less: Accumulated depreciation	(375,713)	(314,589)
Property and Equipment, Net	<u>\$ 689,514</u>	<u>\$ 750,638</u>

Note 7 - Board-Designated Net Assets:

The Foundation's Board of Directors has designated a portion of its resources without donor restrictions as restricted for specific program-related purposes, as follows, at December 31:

	<u>2024</u>	<u>2023</u>
Bridge Shelter	\$ 1,000,000	\$ 1,000,000
Youth & Seniors	872,265	-
Pallet Homes	750,000	750,000
Employment & Job Training	707,800	-
Father Joe "Hustler of the Year" Award	500,000	-
East County Transitional Living	311,349	-
Foster Youth Prevention	200,000	-
Salvation Army	142,200	38,193
Job and Work Opportunity	130,047	173,714
Cash for Trash	92,457	92,457
Youth & Assistance Coalition	89,000	-
Townspeople	75,000	-
Rise Up Industries	36,667	-
Convicted4Christ	30,000	-
Church of Salvation	25,500	25,000
Lucky Duckling	13,803	15,238
SD Rescue Mission – Shelter Beds	-	500,000
Food & Water Program	-	343,128
Father Joe	-	250,000
SDCE Jobs	-	134,827
Street Corner Medical Care	-	57,300
Shoreline Community Services	-	40,000
Women & Children – SD Foundation	-	26,516
Total Board-Designated Net Assets	<u>\$ 4,976,088</u>	<u>\$ 3,446,373</u>

LUCKY DUCK FOUNDATION
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Note 8 - Net Assets With Donor Restrictions:

Net assets with donor restrictions represent contributions received or receivable by the Foundation, which are limited in their use by time or donor-imposed restrictions. Net assets with donor restrictions consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Subject to Expenditure for Specified Purpose:		
Prebys Foster Initiative #1	\$ 250,000	\$ -
Youth & Seniors	100,500	-
Food Rescue	59,460	100,000
Urban Street Angels	37,049	37,049
Youth Assistance Coalition	25,000	-
Lucky Ducklings	25,000	-
SDRM Walk With Me	16,335	29,395
Job Funds	16,259	28,870
Employment & Job Training	15,000	-
Women & Children – SD Foundation	-	51,000
Jobs and Work Opportunity	-	50,000
Total Net Assets with Donor Restrictions	<u>\$ 544,603</u>	<u>\$ 296,314</u>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose, or by the occurrence of the passage of time or other events specified by the donors, are as follows for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Purpose Restrictions Fulfilled:		
EMPWR Coats	\$ 345,979	\$ 99,315
Job and Work Opportunity	150,000	56,256
Seniors Safe at Home	70,100	-
Food Rescue	60,540	-
Women & Children – SD Foundation	51,000	-
Youth Assistance Coalition	25,000	-
Job Funds	21,491	-
Food & Water Program	20,301	11,972
SDRM Walk With Me	18,060	52,485
Seniors Safe at Home	-	263,831
Urban Street Angels	-	92,951
University Collaboration	-	916
Total	<u>\$ 762,471</u>	<u>\$ 577,726</u>

Note 9 - Related Party Transaction:

The services of the executive director were paid for by a company owned by the Chairman of the Board, and donated to the Foundation, totaling \$296,800 and \$264,039 for the years ended December 31, 2024 and 2023, respectively.

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Note 10 - Commitments:

403(b) Pension Plan

The Foundation sponsors a 403(b) pension plan (the “Plan”) covering all of its employees. Each employee’s total contribution may not exceed the maximum allowable under current regulations. Each participant of the Plan is responsible for their own plan investment decisions and fees incurred for the administration of the Plan. The Foundation does not match employee contributions or make any contributions to the Plan.

Office Space

The Foundation receives donated office space on a month-to-month basis, which has been recorded as in-kind contributions and rent expense. Rent expense totaled \$20,000, of which \$20,000 is recorded as in-kind contributions, for each of the years ended December 31, 2024 and 2023.