



Elizabeth Dole Foundation

CARING FOR MILITARY FAMILIES

CARING FOR MILIARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the Years Ended December 31, 2023, and 2022

CARING FOR MILIARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Caring for Military Families: The Elizabeth Dole Foundation

Opinion

We have audited the accompanying financial statements of Caring for Military Families: The Elizabeth Dole Foundation (the Foundation), which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of 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 the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the Foundation as of and for the year ended December 31, 2022 were audited by other auditors, who expressed an unqualified opinion on those financial statements in their report dated September 6, 2023.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**HAN GROUP LLC**Washington, DC
October 4, 2024

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Statement of Financial Position

December 31, 2023, and 2022

ASSETS	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,964,064	\$ 3,784,471
Contributions and grants receivable	3,204,787	1,665,500
Prepaid expenses	47,048	30,570
Prepaid contractual services	-	520,021
Total current assets	<u>7,215,899</u>	<u>6,000,562</u>
PROPERTY AND EQUIPMENT, NET	<u>129,685</u>	<u>114,825</u>
OTHER ASSETS		
Contributions and grants receivable, net	1,884,061	2,831,334
Investments	2,132,062	1,193,142
Deposits	57,114	57,114
Right-of-use-asset – operating office lease, net	512,118	945,773
Other assets	244,942	-
Total other assets	<u>4,830,297</u>	<u>5,027,363</u>
Total assets	<u>\$ 12,175,881</u>	<u>\$ 11,142,750</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 300,313	\$ 449,932
Accrued expenses	494,423	348,161
Grants payable	150,000	75,000
Lease liability – operating office lease	482,914	463,105
Total current liabilities	<u>1,427,650</u>	<u>1,336,198</u>
NONCURRENT LIABILITIES		
Lease liability – operating office lease, net of current portion	<u>77,816</u>	<u>560,729</u>
Total liabilities	<u>1,505,466</u>	<u>1,896,927</u>
NET ASSETS		
Without donor restrictions	960,904	1,370,619
With donor restrictions	9,709,511	7,875,204
Total net assets	<u>10,670,415</u>	<u>9,245,823</u>
Total liabilities and net assets	<u>\$ 12,175,881</u>	<u>\$ 11,142,750</u>

See accompanying notes.

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CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Statement of Activities

Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, Gains and Losses			
Contributions and grants	\$ 2,863,211	\$ 7,236,029	\$ 10,099,240
Contributions of nonfinancial assets	148,284	354,200	502,484
Net investment return	195,850	-	195,850
Losses from uncollected receivables	(10,000)	-	(10,000)
Net assets released from restrictions	5,755,922	(5,755,922)	-
	<u>8,953,267</u>	<u>1,834,307</u>	<u>10,787,574</u>
Total revenue, support, gains and losses			
Expenses			
Program services	7,453,998	-	7,453,998
Supporting services:			
General and administrative	1,255,609	-	1,255,609
Fundraising	653,375	-	653,375
	<u>1,908,984</u>	<u>-</u>	<u>1,908,984</u>
Total supporting services			
Total expenses	<u>9,362,982</u>	<u>-</u>	<u>9,362,982</u>
Change in Net Assets	(409,715)	1,834,307	1,424,592
Net Assets , beginning of year	<u>1,370,619</u>	<u>7,875,204</u>	<u>9,245,823</u>
Net Assets , end of year	<u>\$ 960,904</u>	<u>\$ 9,709,511</u>	<u>\$ 10,670,415</u>

See accompanying notes.

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Statement of Activities

Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, Gains and Losses			
Contributions and grants	\$ 3,171,279	\$ 7,975,751	\$ 11,147,030
Losses from uncollected receivables	(72,659)	-	(72,659)
Net investment return	(214,458)	-	(214,458)
Net assets released from restrictions	4,647,280	(4,647,280)	-
	<u>7,531,442</u>	<u>3,328,471</u>	<u>10,859,913</u>
Total revenue, support, gains and losses			
Expenses			
Program services	7,498,406	-	7,498,406
Supporting services:			
General and administrative	1,373,727	-	1,373,727
Fundraising	626,530	-	626,530
	<u>2,000,257</u>	<u>-</u>	<u>2,000,257</u>
Total supporting services			
Total expenses	<u>9,498,663</u>	<u>-</u>	<u>9,498,663</u>
Change in Net Assets	(1,967,221)	3,328,471	1,361,250
Net Assets , beginning of year	<u>3,337,840</u>	<u>4,546,733</u>	<u>7,884,573</u>
Net Assets , end of year	<u>\$ 1,370,619</u>	<u>\$ 7,875,204</u>	<u>\$ 9,245,823</u>

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services					Supporting Services				
	Outreach and Awareness	Direct Support	Research and Innovation	Systemic Support	Community Engagement and Peer Support	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Salaries, benefits and taxes	\$ 1,265,080	\$ 380,795	\$ 9,329	\$ 296,659	\$ 526,527	\$ 2,478,390	\$ 209,837	\$ 267,176	\$ 477,013	\$ 2,955,403
Consulting	266,704	331,401	844,775	290,324	12,845	1,746,049	210,937	263,596	474,533	2,220,582
Meetings and conferences	835,806	742	-	116,673	63,161	1,016,382	18,281	268	18,549	1,034,931
Grants	-	617,041	-	-	42,642	659,683	365	-	365	660,048
Travel	263,708	3,771	-	8,986	42,875	319,340	149,772	719	150,491	469,831
Occupancy	169,123	9,600	15,773	46,005	64,406	304,907	108,436	32,860	141,296	446,203
Professional fees	3,765	-	-	-	-	3,765	323,263	-	323,263	327,028
Communication	196,906	12	-	-	1,025	197,943	89,284	7,663	96,947	294,890
Content creation	148,459	-	-	20,619	2,530	171,608	-	-	-	171,608
Advertising	112,346	6,671	-	-	-	119,017	-	32,825	32,825	151,842
Dues and subscriptions	67,275	2,918	-	21,884	2,414	94,491	49,675	2,617	52,292	146,783
Supplies	44,755	2,628	-	480	24,252	72,115	15,711	7,539	23,250	95,365
Internet and websites	73,492	-	-	-	1,519	75,011	7,023	-	7,023	82,034
Gifts	8,966	22,194	-	1,064	48,414	80,638	-	-	-	80,638
Printing	34,815	2,022	-	6,690	2,990	46,517	1,637	8,158	9,795	56,312
Seminars and training	499	2,246	-	38,775	1,026	42,546	2,415	-	2,415	44,961
Depreciation and amortization	-	-	-	-	-	-	39,920	-	39,920	39,920
Postage	6,156	1,173	-	455	7,520	15,304	52	9,841	9,893	25,197
Online donation fees	1,786	613	-	-	-	2,399	-	20,113	20,113	22,512
Payroll processing fees	-	-	-	-	-	-	18,776	-	18,776	18,776
Computer supplies	2,696	93	-	-	104	2,893	7,516	-	7,516	10,409
Special events	5,000	-	-	-	-	5,000	1,989	-	1,989	6,989
Bank fees	-	-	-	-	-	-	720	-	720	720
Total Expenses	\$ 3,507,337	\$ 1,383,920	\$ 869,877	\$ 848,614	\$ 844,250	\$ 7,453,998	\$ 1,255,609	\$ 653,375	\$ 1,908,984	\$ 9,362,982

See accompanying notes.

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services						Supporting Services				
	Campaign for Inclusive Care and Mental Health Pilot	Caregiver Fellows	Hidden Heroes and Respite	Heroes and History Makers Gala	Research and Innovation	Financial Wellness	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Salaries, benefits and taxes	\$ 364,926	\$ 270,282	\$ 1,459,757	\$ 71,844	\$ 46,022	\$ 141,332	\$ 2,354,163	\$ 259,759	\$ 233,930	\$ 493,689	\$ 2,847,852
Consulting	368,100	698	875,592	75,000	665,813	4,970	1,990,173	89,439	254,200	343,639	2,333,812
Grants	-	20,190	383,685	-	-	453,718	857,593	14,000	-	14,000	871,593
Occupancy	47,028	26,853	43,037	145,326	23,514	23,514	309,272	275,951	23,514	299,465	608,737
Communication	74,029	-	338,046	30,122	-	-	442,197	90,518	4,597	95,115	537,312
Content creation	-	3,414	316,845	116,934	-	-	437,193	30,100	81	30,181	467,374
Meetings and conferences	-	35,053	139,945	246,940	-	-	421,938	8,535	-	8,535	430,473
Professional fees	3,264	-	2,650	-	-	-	5,914	235,564	-	235,564	241,478
Travel	5,153	61,464	31,516	20,336	81	-	118,550	89,993	2,995	92,988	211,538
Advertising	863	3,188	136,073	8,281	-	-	148,405	2,043	52,391	54,434	202,839
Dues and subscriptions	11,075	155	27,340	-	-	-	38,570	75,836	12,360	88,196	126,766
Special events	-	-	-	116,569	-	-	116,569	-	-	-	116,569
Supplies	24	20,789	22,370	11,919	163	-	55,265	42,232	4,327	46,559	101,824
Gifts	991	22,169	12,525	44	-	-	35,729	62,974	1,957	64,931	100,660
Internet and websites	21	1,208	75,593	-	-	1,209	78,031	12,095	-	12,095	90,126
Printing	1,233	3,933	31,666	10	-	-	36,842	5,077	9,223	14,300	51,142
Seminars and training	31,725	-	3,271	-	-	-	34,996	10,975	-	10,975	45,971
Postage	527	3,984	6,242	4,644	-	-	15,397	11,821	4,387	16,208	31,605
Depreciation and amortization	-	-	-	-	-	-	-	28,213	-	28,213	28,213
Online donation fees	-	-	-	-	-	-	-	-	22,568	22,568	22,568
Payroll processing fees	-	-	-	-	-	-	-	19,576	-	19,576	19,576
Computer supplies	-	-	1,609	-	-	-	1,609	6,834	-	6,834	8,443
Bank fees	-	-	-	-	-	-	-	2,192	-	2,192	2,192
Total Expenses	\$ 908,959	\$ 473,380	\$ 3,907,762	\$ 847,969	\$ 735,593	\$ 624,743	\$ 7,498,406	\$ 1,373,727	\$ 626,530	\$ 2,000,257	9,498,663

See accompanying notes.

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Statement of Cash Flows

Year Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from Operating activities		
Change in net assets	\$ 1,424,592	\$ 1,361,250
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Non-cash activities:		
Depreciation and amortization	39,920	28,213
Bad debt	10,000	72,659
Non-cash contributions received	(21,074)	(571,379)
Realized and unrealized (gains) losses on investments	(162,466)	246,109
Change in discounts of contributions receivable	(52,727)	168,666
Amortization of right-of-use asset - operating	433,655	(164,361)
Decrease (increase) in assets:		
Contributions and grants receivable, net	(549,287)	(2,837,203)
Due from related party	-	102,889
Prepaid expenses	(16,478)	33,048
Prepaid contractual services	520,021	18,413
Other assets	(244,942)	-
Increase (decrease) in liabilities:		
Accounts payable	(149,619)	81,921
Accrued expenses	146,262	116,120
Grants payable	75,000	75,000
Payment on lease liability - operating	(463,104)	179,046
Net cash provided by (used in) operating activities	<u>989,753</u>	<u>(1,089,609)</u>
Cash flow from Investing activities:		
Proceeds from sale of investments	1,196,473	1,054,198
Purchases of investments	(1,951,853)	(339,740)
Purchases of property and equipment	(54,780)	(58,480)
Net cash (used in) provided by investing activities	<u>(810,160)</u>	<u>655,978</u>
Net increase (decrease) in cash and cash equivalents	179,593	(433,631)
Cash and cash equivalents, beginning of year	<u>3,784,471</u>	<u>4,218,102</u>
Cash and cash equivalents, end of year	<u>\$ 3,964,064</u>	<u>\$ 3,784,471</u>

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Notes to Financial Statements

December 31, 2023 and 2022

1. Nature of Organization and Programs

Caring for Military Families: The Elizabeth Dole Foundation (the Foundation) was formed on February 23, 2012 as a nonprofit organization incorporated in Virginia. The purpose of the Foundation is to uplift American military caregivers by strengthening the services afforded to them through innovation, evidence-based research, and collaboration.

The Foundation provides the following programs:

Outreach and Awareness

The Foundation's Outreach and Awareness initiatives help bring the stories, service, and sacrifice of America's military and veteran caregivers and their families to light. Too often, the family, loved ones, and friends of our nation's wounded and ill service members and veterans do not know that they have taken on a new role – that of caregiver. This can exacerbate the challenges caregivers face and often leaves caregivers feeling isolated, misunderstood, and alone. Our outreach and awareness efforts help caregivers recognize this new role that they have assumed. Self-identification is the first step to accessing programs and finding a community that understands and can offer support. The Hidden Helpers initiative supports children, youth, and young adults up to age 18 who are involved in caring for wounded, ill, or aging service members or veterans. Through collaboration with nonprofit, corporate, and government partners, the Hidden Helpers program aims to create a positive collective impact for military-connected youth caregivers and their families. The subject of military children - and the impact of caregiving on their development and growth - has revealed itself to be a pressing issue on the minds of support organizations, military leaders, policymakers, and military families themselves. The Foundation is working to fill this gap through research and programming on (1) how military children are affected by a family member with a combat injury or illness, (2) how military children are affected by taking on caregiving duties themselves, and (3) what interventions or programs can best support the children of caregivers.

The Foundation's annual Heroes and History Makers Gala focuses on the stories of nation's military and veteran caregivers. This national event also features successes from the broad scope of the Foundation's annual programming and creates opportunities for caregivers to build connections with one another.

The Face The Fight initiative is a coalition effort led by USAA and organized by the Foundation to raise awareness and support for veteran suicide prevention, aiming to halve the veteran suicide rate by 2030 through strategies such as safe firearm storage, equitable care access, and support for at-risk veterans.

The Elizabeth Dole Foundation National Cabinet is a donor initiative to bring change-makers with the experience, talent, and determination to solve the challenges facing America's military and veteran caregivers. Members of this National Cabinet have a deep sense of appreciation for the nation and feel a sense of duty and commitment to support the wounded and ill veterans, their caregivers, and their families.

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Notes to Financial Statements

December 31, 2023 and 2022

1. Nature of Organization and Programs (continued)

Community Engagement and Peer Support

The Foundation's Community Support Programs connect caregivers to a national network that supports and facilitates sharing of best practices and peer-based support.

The Dole Caregiver Fellows program was created to engage active military and veteran caregivers directly in the Foundation's initiatives. The caregivers provide real-time input and play a leading role in raising awareness for hidden heroes across the country.

The Hidden Heroes Cities and Communities program, alongside the Hidden Heroes Caregiver Community (virtual), connects military caregivers to quality programs, benefits information, and local supports. The Foundation provides personalized one on one resource navigation, and partners with organizations to ensure effective referrals, enhance response times, expand nonprofit partnerships, and address key community topics through webinars and in-person events.

Direct Support

The Foundation's Direct Support programs provide caregivers with a national network that supports and facilitates sharing of best practices and peer-based support.

The Financial Wellness Programming (specifically through The Hope Fund for Critical Financial Assistance) provides financial relief to all areas of military and veteran caregivers through grants that aim to put military families on the path to financial wellness. These grants provide high-impact financial assistance to prevent or address a significant crisis or to improve the quality of life of the caregiver family. This financial relief fills the gaps that other programs may not cover, such as medical bills, natural disaster assistance, emergency transportation for appointments, or loss of income.

The Hidden Heroes Fund was established in 2016 to award grants to non-profit organizations that serve military caregivers. This fund is dedicated to supporting innovative programs that make a direct impact in the lives of America's Hidden Heroes.

Through its Mental Wellness programming, the Foundation provides military caregivers with essential mental health resources, support and coping strategies and aims to enhance caregivers' emotional well-being and resilience by addressing the unique mental health challenges they face. The Foundation also began a caregiver mental wellness pilot program by creating a module within the Academy for Inclusive Care to equip healthcare providers with the skills they need to understand the signs of mental health distress.

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Notes to Financial Statements

December 31, 2023 and 2022

1. Nature of Organization and Programs (continued)

Systemic Support

The Foundation has made transforming and improving national systems of care through systemic change a pillar of its organizational priorities.

Campaign for Inclusive Care: The Foundation partnered with the Department of Veteran Affairs to create the Campaign for Inclusive Care program, a national initiative to integrate military and veteran caregivers into their veteran's care team from day one of the care process. Holistic, family-based, caregiver inclusive teams are essential for the health and recovery of our nation's service members and veterans. Health systems must recognize, affirm, understand, and acknowledge the unique value and skills of caregivers.

Since its founding, the Foundation has advocated for policy improvements to support caregivers, their veterans, and their children. Dole Caregiver Fellows engage with their legislators at the federal and local levels to ensure that the needs of caregivers are met through inclusive policy.

The National Convening is an annual event to unite government, nonprofits, corporate leaders, and caregivers around achieving policies and priorities that will create a better future for caregivers.

Research and Innovation

The Foundation developed the first comprehensive, evidence-based national study of military and veteran caregivers in 2014. A follow-up 2017 research blueprint, commissioned by the Foundation and conducted by the RAND Corporation, revealed a societal crisis requiring a national response. The RAND blueprint ranked research on the impact of caregiving on children as one of the highest priorities for improving military caregiver support going forward. This blueprint serves as a guide for the military caregiver support community to use in prioritizing and facilitating future research for America's hidden heroes. The Foundation is currently commissioning a second national study with the RAND Corporation to be released in September 2024.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenue is recognized when earned and expenses are recognized as obligations are incurred.

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Notes to Financial Statements

December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

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 revenue and expenses during the reporting period.

Cash and Cash Equivalents

The Foundation considers all bank accounts and highly liquid investments with original maturities of three months or less at acquisition to be cash equivalents.

Contributions and Grants Receivables

Contributions and grants receivable are reported at the amount management expects to collect from outstanding principal balances. In reviewing the receivables, management considers the knowledge of the accounts and historical activity in establishing an allowance for doubtful accounts. No allowance for doubtful accounts is provided as of December 31, 2023, and 2022.

Contributions and grants receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. The discount will be recognized as contribution revenue in future fiscal years as the discount is amortized over the duration of the contributions.

Property and Equipment

Property and equipment are recorded at cost, or if donated, the assets are capitalized at the estimated fair value at the date of receipt. Depreciation is calculated using the straight-line method over the estimated useful lives of 3 - 7 years for the office equipment, furniture and fixtures, and the website. The Foundation capitalizes all expenditures for property and equipment over \$2,500. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed from the accounts, and any remaining gain or loss is included in the statements of activities.

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Donated securities are recorded at fair value on the date the securities are received.

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Notes to Financial Statements

December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Investments (continued)

Interest income is recognized when received. Dividend income is recognized on the ex-dividend date. Realized gains and losses on sales of investments are recognized as specific investments sold. Unrealized gains and losses are recognized as there is a change in the investment value. Investment income, which includes the realized and unrealized gains and losses, capital gains, interest and dividends, is reported net of the investment fees in the statements of activities.

Fair Value Measurements

The FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value for assets subject to fair value measurement. The framework provides a fair value hierarchy that prioritizes 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 three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1: These are investments where values are based on unadjusted quoted prices for identical assets in an active market that the Foundation has the ability to access.
- Level 2: These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.
- Level 3: These are investments where values are based upon other unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability.

The asset'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 input and minimize the use of unobservable inputs.

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Notes to Financial Statements

December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Fair Value Measurements (continued)

A description of the valuation methodology used for assets measured at fair value is noted below. There have been no changes in the methodology used as of December 31, 2023, and 2022.

Common Stocks, Mutual Funds and Exchange-Traded Funds - Valued at quoted market prices in an exchange and active market.

Alternative Investments in Hedge Funds - These assets include hedge funds measured at fair value utilizing the net asset value (NAV) per unit multiplied by the total number of units held or its equivalent as a practical expedient. Investing in these funds involves a high degree of risk. These funds are valued on a continuous basis at the NAV plus any applicable sales loads. The Foundation reviews and evaluates the values provided by the external investment managers and agrees with the valuation methods and assumptions used in determining the NAV of those investments. In accordance with ASC 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation method is 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.

Long-lived Assets - The Foundation reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. As of December 31, 2023, and 2022, the Foundation has not identified any long-lived assets requiring impairment.

Cash held for Endowment

The Cash held for endowment includes a large donation that has been restricted by the donor that stipulates the resources be maintained in perpetuity which was reinvested in 2023. See Note 8 for more information.

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Notes to Financial Statements

December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Basis of Presentation

Net assets, revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation are classified in the following two classes:

- *Net assets without donor restrictions represent funds that are available to support the operations of the Foundation and are not subject to donor restrictions.*
- *Net Assets With Donor Restrictions* consist of contributions that have been restricted by the donor for specific purposes or are time restricted, including contributions that have been restricted by the donor that stipulate the resources be maintained in perpetuity, but permit the Foundation to use or expend a portion or all the income derived from the donated assets for either specified or unspecified purposes.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. See Note 7 and 8 for more information on the composition of net assets with donor restrictions.

Revenue Recognition

Contributions and Grants

Contributions and grants are recognized as revenue when they are received or unconditionally promised (pledged). The Foundation reports gifts of cash and other assets as donor restricted support if they are received with donor stipulations that limit the use of the donated assets as to a particular purpose or to future periods. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the accompanying statements of activities as net assets released from restrictions. Restrictions expire when a stipulated time restriction ends, or a purpose restriction is accomplished.

Conditional promises to give, that is, those contributions with a measurable performance barrier and right of return, are only recognized when the conditions on which they depend are substantially met. As of December 31, 2023, conditional promises to give totaled \$1,000,000.

Conditional contributions, for which the conditions have been substantially met or explicitly waived by the donor, are recorded as contribution revenue. Contributions that are restricted by the donor are reported as a refundable advance until all conditions are substantially met to remove the restriction.

Stock contributions are recognized as revenue when they are received or unconditionally promised.

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Notes to Financial Statements

December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Contributions of Nonfinancial Assets

Contributions of nonfinancial assets include donated travel expenses, lodging expenses, legal services, meals and event space. Contributions of nonfinancial assets are recognized as revenue and expenses on the accompanying statements of activities at their estimated fair value at the date of receipt. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. See note 9 for additional information on contributions of nonfinancial assets.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited on the basis of time records and other support, or by estimates made by management. The financial statements report certain categories of expenses that are attributable to one or more programs or supporting services of the Foundation.

Those expenses include salaries, benefits and taxes, communication, supplies, internet and website, depreciation and amortization and payroll processing fees. As such, costs are allocated based on estimates of time and specific utilization.

Advertising

The Foundation expenses advertising and promotional costs as they are incurred. Advertising expense for the years ended December 31, 2023, and 2022 totaled \$151,842 and \$202,839, respectively.

Income Taxes

The Foundation is a nonprofit organization and is exempt from the payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code. The Foundation has been determined by the Internal Revenue Service (IRS) not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code and is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. No provision for income taxes is required for the years ended December 31, 2023, and 2022, as the Foundation had no net unrelated business income.

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Notes to Financial Statements

December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Accounting for Uncertain Tax Positions

The income tax positions taken by the Foundation for any years open under the various statutes of limitations are that the Foundation continues to be exempt from income taxes. The Foundation believes that there are no tax positions taken or expected to be taken that would significantly increase unrecognized tax liabilities within 12 months of the reporting date. The Foundation evaluated its uncertainty in income taxes and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. None of the Foundation's federal tax returns are currently under examination.

3. Contributions and Grants Receivable

Contributions and grants receivable as of December 31, 2023, and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Receivable in less than one year	\$ 3,204,787	\$ 1,665,500
Receivable in one to five years	<u>2,000,000</u>	<u>3,000,000</u>
Total contributions and grants receivable	5,204,787	4,665,500
Less: unamortized discount	<u>(115,939)</u>	<u>(168,666)</u>
Contributions and grants receivable, net	<u>\$ 5,088,848</u>	<u>\$ 4,496,834</u>

Contributions and grants receivable as of December 31, 2023, and 2022 are reported in the statements of financial position as follows:

	<u>2023</u>	<u>2022</u>
Contributions and receivable - current	\$ 3,204,787	\$ 1,665,500
Contributions and receivable - non-current	<u>1,884,061</u>	<u>2,831,334</u>
Total contributions and grants receivable, net	<u>\$ 5,088,848</u>	<u>\$ 4,496,834</u>

Contributions and grants due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 4.35% and 5.62% as of December 31, 2023, and 2022.

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Notes to Financial Statements

December 31, 2023 and 2022

4. Investments and Fair Value Measurement

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2023:

	Level 1	Level 2	Level 3	NAV	Total
Investments by level:					
Common stocks	\$ 16,303	\$ -	\$ -	\$ -	\$ 16,303
Mutual funds	640,538	-	-	-	640,538
Exchange-traded funds	528,126	-	-	-	528,126
Cash and cash equivalents	369,806	-	-	-	369,806
Accrued interest	2,754	-	-	-	2,754
Treasury bill	516,797				516,797
Alternative investments:					
Hedge funds (a)	-	-	-	57,738	57,738
Total investments	<u>\$ 2,074,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,738</u>	<u>\$ 2,132,062</u>

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2022:

	Level 1	Level 2	Level 3	NAV	Total
Investments by level:					
Common stocks	\$ 4,419	\$ -	\$ -	\$ -	\$ 4,419
Mutual funds	588,201	-	-	-	588,201
Exchange-traded funds	406,118	-	-	-	406,118
Cash and cash equivalents	140,329	-	-	-	140,329
Accrued interest	1,086	-	-	-	1,086
Alternative investments:					
Hedge funds	-	-	-	52,989	52,989
Total investments	<u>\$ 1,140,153</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,989</u>	<u>\$ 1,193,142</u>

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Notes to Financial Statements

December 31, 2023 and 2022

4. Investments and Fair Value Measurement (continued)

Information with respect to redemption terms, strategies, risks and funding commitments for alternative investments based on NAV, are as follows:

	2023	2022	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Redemption Restrictions
Hedge funds:						
American Beacon AHL Mgd Futs						
Strat R5	\$ 5,849	\$ -	\$ -	Daily (T+1 liquidity)	Same Day	N/A
Blackrock Large Cap Srs Fds	-	10,753	-	Daily (T+1 liquidity)	Same Day	N/A
Blackstone Alt Multi-Strategy Fund	22,806	21,868	-	Daily (T+1 liquidity)	Same Day	N/A
Neuberger Berman Long Short Fund	11,315	10,103	-	Daily (T+1 liquidity)	Same Day	N/A
PIMCO Mortgage Opportunities			-			
and Bond Fund	17,768	10,265	-	Daily (T+1 liquidity)	Same Day	N/A
	<u>\$ 57,738</u>	<u>\$ 52,989</u>				

For the years ended December 31, 2023, and 2022, net investment return included the following:

	2023	2022
Interest and dividends	\$ 40,484	\$ 39,186
Unrealized gains (losses)	168,919	(234,802)
Realized losses	(6,453)	(11,307)
Less, management fees	(7,100)	(7,535)
Total investment income, net	<u>\$ 195,850</u>	<u>\$ (214,458)</u>

5. Property and Equipment

The Foundation held the following property and equipment as of December 31, 2023, and 2022:

	2023	2022
Office equipment	\$ 43,695	\$ 36,026
Furniture and fixtures	206,517	166,905
Website	321,102	313,602
Less: accumulated depreciation and amortization	<u>(441,629)</u>	<u>(401,708)</u>
Property and equipment, net	<u>\$ 129,685</u>	<u>\$ 114,825</u>

For the years ended December 31, 2023, and 2022, depreciation and amortization related to property and equipment totaled \$39,920 and \$28,213, respectively.

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Notes to Financial Statements

December 31, 2023 and 2022

6. Concentration Risks

Financial Institutions and Market Risk

The Foundation maintains its cash and investment balances at financial institutions and at times, these balances may exceed federally insured limits. Non-interest and interest-bearing accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Foundation has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk.

Investments are exposed to various risks, such as changes in interest rates or credit ratings and market fluctuations. The Foundation is exposed to equity securities price risk in quoted shares classified at fair value. The Foundation diversifies its portfolio for the purpose of minimizing exposure in this area. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near-term and that such changes could materially affect the amounts reported on the accompanying statements of financial position.

Major Contributors

During the year ended December 31, 2023, the Foundation received 86% of its total pledges' receivable from three contributors. Approximately 61% of revenue and support was received from four contributors. For the year ended December 31, 2022, approximately 89% of its total pledges' receivable was due from one donor. The Foundation relies on the support of contributors to ensure the continuing programs and operations of the Foundation. Any significant reduction in funding from contributors may impact on the Foundation's ability to carry out its programs and other activities.

7. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following on December 31, 2023:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Released from restrictions</u>	<u>Ending balance</u>
Purpose restrictions:				
Outreach and Awareness	\$ -	\$ 1,016,426	\$ -	\$ 1,016,426
Community Engagement and Peer Support	485,400	1,428,250	(844,251)	1,069,399
Systemic Support	925,675	975,460	(848,614)	1,052,521
Research and Innovation	760,859	425,000	(869,878)	315,981
Direct Support	95,754	1,288,166	(1,383,920)	-
Time restricted	<u>4,531,334</u>	<u>2,456,927</u>	<u>(1,809,259)</u>	<u>5,179,002</u>
Total purpose and time restricted	<u>6,799,022</u>	<u>7,590,229</u>	<u>(5,,755,922)</u>	<u>8,633,329</u>
Endowments to be invested in perpetuity	<u>1,076,182</u>	<u>-</u>	<u>-</u>	<u>1,076,182</u>
Total	<u>\$ 7,875,204</u>	<u>\$ 7,590,229</u>	<u>\$ (5,755,922)</u>	<u>\$ 9,709,511</u>

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Notes to Financial Statements

December 31, 2023 and 2022

7. Net Assets with Donor Restrictions (continued)

Net assets with donor restrictions consist of the following on December 31, 2022:

	Beginning balance	Additions	Released from restrictions	Ending balance
Purpose restrictions:				
Hidden Heroes and Respite	\$ 119,297	\$ 150,000	\$ (269,297)	\$ -
Campaign for Inclusive Care and Mental Health Pilot	984,034	850,000	(908,359)	925,675
Caregiver Fellows Professional Development Training Program	83,779	875,000	(473,379)	485,400
Research and innovation	1,194,688	301,764	(735,593)	760,859
Financial Wellness	495,497	225,000	(624,743)	95,754
Time restricted	<u>593,256</u>	<u>5,573,987</u>	<u>(1,635,909)</u>	<u>4,531,334</u>
Total purpose and time restricted	<u>3,470,551</u>	<u>7,975,751</u>	<u>(4,647,280)</u>	<u>6,799,022</u>
Endowments to be invested in perpetuity	<u>1,076,182</u>	<u>-</u>	<u>-</u>	<u>1,076,182</u>
Total	<u>\$ 4,546,733</u>	<u>\$ 7,975,751</u>	<u>\$ (4,647,280)</u>	<u>\$ 7,875,204</u>

8. Endowment

The Foundation's endowment consists of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has interpreted the District of Columbia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Notes to Financial Statements

December 31, 2023 and 2022

8. Endowment (continued)

The Foundation's endowment fund was donor-created to provide income to support the Foundation's mission and purposes. The board chairperson and board treasurer are endowment trustees responsible for the management of the funds and for regular reporting to the board. The trustees evaluate any potential investments based on return, risk, liquidity and the Foundation's mission. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the Foundation and the donor-restricted endowment fund;
- General economic conditions and the possible effect on inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the Foundation.

The use of income generated from such funds is subject to board approval through the normal budgeting process. The Foundation has adopted investment and spending policies that seek to maintain the purchasing power of the endowment assets. The spending rate is up to 7% of the endowment annually. As of December 31, 2023, and 2022, the donor-restricted endowment net asset balance was \$1,076,182. The interest earned was immaterial and was classified as net assets without donor restrictions. There were no distributions or releases from restriction during the years ended December 31, 2023 or 2022.

In accordance with the Foundation's objective to maintain the purchasing power of the endowment assets, spending from donor-restricted funds is suspended when the fair market value of the endowment is less than the original gift until the asset market value exceeds the value of the original gift.

9. Contributions of Nonfinancial Assets

The following table summarizes the Foundation's contributed nonfinancial assets received by major category for the year ended December 31, 2023:

	Revenue	Usage in		
	Recognized	Program	Donor Restrictions	Fair Value Techniques and Inputs
		Activities		
Travel expenses	\$ 354,200	\$ -	None	Estimated fair market value
Lodging expenses	73,984	73,984	Heroes and History Makers Gala	Estimated fair market value
Legal Services	44,000	-	None	Firm's current hourly rate
Meals	29,300	29,300	Heroes and History Makers Gala	Estimated fair market value
Events space	<u>1,000</u>	<u>1,000</u>	Heroes and History Makers Gala	Estimated fair market value
Total	<u>\$ 502,484</u>	<u>\$ 104,284</u>		

The were no contributed nonfinancial assets received for the year ended December 31, 2022.

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Notes to Financial Statements

December 31, 2023 and 2022

10. Operating Lease Commitments

On October 12, 2018, the Foundation entered into an agreement to rent office space in Washington, D.C. The lease commenced on April 1, 2019, and the lease agreement calls for monthly rent payments of \$17,543. The lease provides for annual rent escalations. On October 21, 2021, the lease agreement was amended for additional office space adjacent to the existing premises, starting June 1, 2022, through February 28, 2025. The amended lease includes additional monthly rent payments of \$16,401.

The amendment also provides for annual rent escalations.

The weighted-average remaining lease term for the operating lease as of December 31, 2023, was 1.17 years. The Foundation used the weighted-average borrowing rate, which was 1.04%, as the discount rate to calculate the present value of future lease payments. The Foundation amortizes the ROU asset on a straight-line basis over the individual lease terms.

The following table summarizes the classification of the ROU lease asset and the related lease liability as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Right-of -use asset – operating:		
Cost	\$ 1,344,007	\$ 1,344,007
Less: accumulated amortization	<u>(831,889)</u>	<u>(398,234)</u>
Right-of-use asset, net	<u>\$ 512,118</u>	<u>\$ 945,773</u>
	<u>2023</u>	<u>2022</u>
Lease liability – operating:		
Lease liability – operating – current portion	\$ 482,914	\$ 463,105
Lease liability – operating – noncurrent portion	<u>77,816</u>	<u>560,729</u>
Lease liability - operating	<u>\$ 560,730</u>	<u>\$ 1,023,834</u>

Future minimum payments are as follows for the office lease for the years ending December 31:

2024	\$ 482,914
2025	<u>80,980</u>
Total undiscounted cash flows	563,894
Less: present value discount	<u>(3,164)</u>
Total undiscounted cash flows	<u>\$ 560,730</u>

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Notes to Financial Statements

December 31, 2023 and 2022

10. Operating Lease Commitments (continued)

The Foundation records occupancy expense on the straight-line method over the term of the lease and includes cash paid for rent plus amortization of the operating lease liability. During the years ended December 31, 2023, and 2022, occupancy expenses totaled \$442,470 and \$411,498, respectively.

11. Retirement Plan

The Foundation sponsors a 401(k) plan for eligible employees who have completed one month of service. Employees are fully vested in salary deferrals and employer nonelective contributions. The Foundation's contributions for the years ended December 31, 2023, and 2022 totaled \$73,115 and \$71,798, respectively.

12. Hotel Commitments

The Foundation holds conferences, events, and meetings at hotels and other venues throughout the United States and has entered into several agreements for its future events. These agreements state that the Foundation will be liable for certain cancellation fees and liquidated damages in the event of cancellation. Such expenses are recorded at the time there is a decision to cancel. Management does not expect any hotel agreement cancellations in the near future.

13. Liquidity and Availability of Resources

The following reflects the Foundation's financial assets available within one year for general operations from December 31:

	2023	2022
Financial Assets:		
Cash and cash equivalents	\$ 3,964,064	\$ 3,784,471
Contributions and grants receivable, net	5,088,848	4,496,834
Investments	2,132,062	1,193,142
Total financial assets	11,184,974	9,474,447
Less those for unavailable for general expenditure within one year due to:		
Donor purpose and time restrictions	(8,633,329)	(6,799,022)
Restricted by donor in perpetuity	(1,076,182)	(1,076,182)
Financial assets available (needed) to meet cash needs general expenditure within one year	<u>\$ 1,475,463</u>	<u>\$ 1,599,243</u>

As part of the Foundation's liquidity management, the Foundation has a policy to structure its financial assets to be available and liquid as its obligations become due. The Foundation typically pays its obligations using cash.

CARING FOR MILITARY FAMILIES: THE ELIZABETH DOLE FOUNDATION

Notes to Financial Statements

December 31, 2023 and 2022

14. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 4, 2024, the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, the financial statements.