




Front Porch Communities Foundation

Independent Auditor's Report and Financial Statements

March 31, 2024



Front Porch Communities Foundation
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Independent Auditor's Report

Board of Directors
Front Porch Communities Foundation
Glendale, California

Opinion

We have audited the financial statements of Front Porch Communities Foundation (Foundation), which comprise the statement of financial position as of March 31, 2024 and the related statements of activities and cash flows for the year 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 Foundation as of March 31, 2024 and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that these 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 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 GAAS, we:

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

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

Forvis Mazars, LLP

**Tulsa, Oklahoma
September 11, 2024**

Front Porch Communities Foundation
Statement of Financial Position
March 31, 2024

ASSETS

Current Assets

Cash and cash equivalents	\$ 2,418,484
Short-term investments	332,059
Prepaid expenses and other	102,094
Contributions receivable	<u>491,119</u>

Total Current Assets 3,343,756

Investments

Assets limited as to use, net of current portion	41,978,140
Long-term investments	<u>13,941,420</u>

Total Investments 55,919,560

Property and Equipment, Net 12,000

Other Assets

Beneficial interest in perpetual trust	1,092,853
Contributions receivable	<u>747,591</u>

Total Other Assets 1,840,444

Total Assets \$ 61,115,760

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 53
Amounts due to affiliates and other related parties	<u>1,410,201</u>

Total Current Liabilities 1,410,254

Other Liabilities

Annuities and trusts payable	<u>4,411,328</u>
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Total Other Liabilities 5,821,582

Net Assets

Without donor restrictions	18,575,855
With donor restrictions	<u>36,718,323</u>

Total Net Assets 55,294,178

Total Liabilities and Net Assets \$ 61,115,760

Front Porch Communities Foundation
Statement of Activities
Year Ended March 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Contributions	\$ 40,330	\$ 4,036,375	\$ 4,076,705
Investment return, net	5,380,553	2,612,143	7,992,696
Change in annuity and trust obligations	(313,547)	48,788	(264,759)
Change in beneficial interest in perpetual trust	-	125,194	125,194
Net assets released from restrictions	3,968,049	(3,968,049)	-
Total Revenues, Gains, and Other Support	9,075,385	2,854,451	11,929,836
Expenses			
Program services			
Contributions to communities	3,034,783	-	3,034,783
Contributions to affiliates and others	1,894,250	-	1,894,250
Total program services	4,929,033	-	4,929,033
Support services			
Management and general	16,812	-	16,812
Total support services	16,812	-	16,812
Total Expenses	4,945,845	-	4,945,845
Change in Net Assets	4,129,540	2,854,451	6,983,991
Net Assets, Beginning of Year	14,446,315	33,863,872	48,310,187
Net Assets, End of Year	\$ 18,575,855	\$ 36,718,323	\$ 55,294,178

Front Porch Communities Foundation
Statement of Cash Flows
Year Ended March 31, 2024

Operating Activities	
Change in net assets	\$ 6,983,991
Items not requiring (providing) operating cash	
Gain on perpetual trust	(125,194)
Net realized and unrealized (gains) losses on investments	(6,800,703)
Actuarial loss on annuities and trusts	264,759
Changes in	
Accounts payable and accrued expenses	(63,833)
Contributions receivable	54,511
Due to affiliates	(1,398,858)
Other assets	(27,455)
Net Cash Used in Operating Activities	<u>(1,112,782)</u>
Investing Activities	
Purchases of investments	(18,132,176)
Proceeds from sales of investments	17,249,601
Net Cash Used in Investing Activities	<u>(882,575)</u>
Financing Activities	
Proceeds from issuance of annuities and trusts	201,000
Payments on annuities and trusts	(500,762)
Net Cash Used in Financing Activities	<u>(299,762)</u>
Decrease in Cash and Cash Equivalents	(2,295,119)
Cash and Cash Equivalents, Beginning of Year	<u>4,713,603</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,418,484</u>

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Front Porch Communities Foundation (Foundation) is a California nonprofit public benefit corporation. The Foundation was established to raise, administer, and distribute funds for the capital, benevolence, and assistance needs of Front Porch Communities and Services (Front Porch), a California nonprofit public benefit corporation, the sole corporate member of the Foundation. In addition to programs of direct assistance to residents who experience financial hardship, the Foundation also raises and distributes funds for the purchase of equipment to improve the residents' quality of life and the renovation and replacement of existing capital assets at the resident community facilities. The Foundation's revenues and other support are derived principally from contributions. Front Porch contributes certain administrative services at no cost to the Foundation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Cash and Cash Equivalents

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts, including endowment accounts and assets limited as to use, are considered to be cash and cash equivalents. At March 31, 2024, cash equivalents consisted primarily of money market accounts held with brokers. At March 31, 2024, the Foundation's cash accounts exceeded federally insured limits by approximately \$439,000.

Investments and Net Investment Return

The Foundation measures securities, other than investments that qualify for the equity method of accounting, at fair value. The Foundation measures equity securities without a readily determinable fair value at cost, minus impairment, if any, plus or minus changes resulting from observable price changes for the identical or similar investment.

Net investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Net investment return is reflected in the accompanying statements of activities as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Foundation maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Externally Restricted Investments

Externally restricted investments include: 1) assets with donor restrictions, 2) annuities and trusts payable, and 3) amounts designated by donors for Front Porch and other beneficiaries.

Front Porch Communities Foundation
Notes to Financial Statements
March 31, 2024

Board-Designated Investments

Board-designated investments consist of investments that the Board of Directors has designated primarily for use in residence assistance programs; however, the funds may subsequently be used for other purposes.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets primarily for resident assistance.

Net assets with donor restrictions are those whose use by the Foundation has been limited by donors to a specific time period or purpose or have been restricted by donors to be maintained by the Foundation in perpetuity.

Contributions

Contributions are provided to the Foundation either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<p><i>Conditional gifts, with or without restriction</i> Gifts that depend on the Foundation overcoming a donor-imposed barrier to be entitled to the funds</p>	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<p><i>Unconditional gifts, with or without restriction</i> Received at date of gift – cash and other assets</p>	Fair value
<p>Received at date of gift – property, equipment, and long-lived assets</p>	Estimated fair value
<p>Expected to be collected within one year</p>	Net realizable value
<p>Collected in future years</p>	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts and investment income having donor stipulations that are satisfied in the period the gift is received are recorded as revenue and net assets with donor restrictions and then released from restriction.

Conditional contributions having donor stipulations that are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Front Porch Communities Foundation
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Contributions received for the benefit of other organizations that are not financially interrelated, as defined, are recognized as a liability unless the donor has explicitly granted the Foundation variance power, that is, the unilateral power to redirect the use of the assets.

Income Taxes

The Foundation is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income. The Foundation files tax returns within the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Note 8 presents the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general, and fundraising activities based on estimates of employee time spent with each function and other methods.

Subsequent Events

Subsequent events have been evaluated through September 11, 2024, which is the date the financial statements were available to be issued.

Note 2. Contributions Receivable

Contributions receivable consisted of the following:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Due within one year	\$ -	\$ 451,119	\$ 451,119
Due within one to five years	-	787,591	787,591
	<u>\$ -</u>	<u>\$ 1,238,710</u>	<u>\$ 1,238,710</u>

Note 3. Beneficial Interest in Perpetual Trust

The Foundation is the beneficiary under a perpetual trust administered by an outside party. Under the terms of the trust, the Foundation has the irrevocable right to receive income earned on the trust assets in perpetuity but never receives the assets held in trust. The estimated value of the expected future cash flows at March 31, 2024 was \$1,092,853, which represents the fair value of the Foundation's portion of the trust assets. The gain from this trust for 2024 was approximately \$124,000.

Note 4. Annuities and Trusts Payable

Gift Annuities

The Foundation has been the recipient of several gift annuities which require future payments to the donors or their named beneficiaries. The assets received from the donor are recorded at fair value. The Foundation has

Front Porch Communities Foundation
Notes to Financial Statements
March 31, 2024

recorded a liability at March 31, 2024 of \$1,891,725, which represents the present value of the future annuity obligations. The liability has been determined using discount rates ranging from 0.60% to 7.19%.

Charitable Remainder Trusts

The Foundation administers various charitable remainder trusts. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the Foundation's use. Assets held in charitable remainder trusts are recorded at fair value of \$6,588,372 as of March 31, 2024 and are included in assets limited as to use in the accompanying statement of financial position.

The Foundation has recorded a liability at March 31, 2024 of \$2,519,601, which represents the present value of the future obligations to make distributions to the designated beneficiaries. On an annual basis, the Foundation revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments is calculated using discount rates ranging from 2.40% to 5.0% and applicable mortality tables.

The portion of the trust attributable to the future interest of the Foundation is recorded in the statement of activities as contributions with donor restrictions in the period the trust is established. No contribution revenue was recognized under such agreements for the year ended March 31, 2024.

Note 5. Net Assets

Net Assets with Donor Restrictions

Net assets with donor restrictions at March 31, 2024 are restricted for the following purposes or periods:

Net assets with donor restrictions	
Subject to expenditure for specified purpose	
Capital expenditures and special projects	\$ 3,877,323
Resident assistance	2,869,851
Scholarships	415,754
Other	<u>7,264,806</u>
	<u>14,427,734</u>
Subject to the passage of time	
Beneficial interest in charitable trusts and annuities	<u>3,892,863</u>
Endowments	
Subject to appropriation and expenditure when a specified event occurs	
Restricted by donors for	
Capital expenditures and special projects	190,249
Resident assistance	3,496,342
Scholarships	330,390
Other	<u>29,703</u>
	<u>4,046,684</u>

Front Porch Communities Foundation
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Investment in perpetuity, the income of which is expendable to support	
Capital expenditures and special projects	\$ 2,000,277
Resident assistance	6,994,544
Scholarships	1,417,860
Other	2,845,508
Perpetual trust	<u>1,092,853</u>
	<u>14,351,042</u>
Total endowments	<u>18,397,726</u>
	<u><u>\$ 36,718,323</u></u>

Net Assets Without Donor Restrictions

Net assets without donor restrictions at March 31, 2024 have been designated for the following purposes:

Net assets without donor restrictions	
Undesignated	\$ 5,508,014
Designated by the Board for specific purposes	
Capital expenditures and special projects	13,022,909
Scholarships	29,932
Other	<u>15,000</u>
	<u>\$ 18,575,855</u>

Net Assets Released from Restrictions

Net assets were released from donor restrictions during the year ended March 31, 2024 by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

Net assets released from restrictions	
Satisfaction of purpose restrictions	
Resident assistance	\$ 3,573,888
Scholarships	106,038
Other	<u>288,123</u>
	<u>\$ 3,968,049</u>

Note 6. Endowment

The Foundation's endowment consists of numerous individual funds established for a variety of purposes. The endowment only includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including

Front Porch Communities Foundation
Notes to Financial Statements
March 31, 2024

board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's governing body has interpreted the State of California's Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets are also subject to purpose restrictions that must be met before being reclassified as net assets without donor restrictions.

In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Foundation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Foundation
7. Investment policies of the Foundation

The endowment funds at March 31, 2024 were entirely donor-restricted endowment funds and are reflected in the accompanying statement of financial position as net assets with donor restrictions of \$15,072,259.

Changes in endowment net assets for the year ended March 31, 2024 were:

Endowment net assets, April 1, 2023	\$ 15,882,188
Investment return	2,737,338
Contributions	-
Appropriation of endowment assets for expenditure	<u>(221,800)</u>
Endowment net assets, March 31, 2024	<u>\$ 18,397,726</u>

Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the Foundation must hold in perpetuity or for donor-specified periods as well as those of board-designated endowment funds, if any. Under the Foundation's policies, endowment assets are invested in a manner that is intended to produce results over time that provide for sufficient growth of principal to endow the long-term operations of the Foundation. Actual results in any given year may vary from these amounts.

Front Porch Communities Foundation
Notes to Financial Statements
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To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both current yield (investment income, such as dividends and interest) and capital appreciation (both realized and unrealized). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation has not adopted a specific spending policy related to appropriating expenditures each year from its endowment funds. However, the Foundation does appropriate expenditures on an as-needed basis to meet its objective to maintain the purchasing power of endowment assets to support the programs and other items supported by its endowment.

Note 7. Liquidity and Availability

Financial assets available to meet general expenditure, that is, without donor or other restrictions limiting their use, within one year of March 31, 2024 are:

Total financial assets	
Cash and cash equivalents	\$ 2,418,484
Investments	56,251,619
Beneficial interest in perpetual trust	1,092,853
Contributions receivable	<u>1,238,710</u>
Total financial assets	<u>61,001,666</u>
Donor-imposed restrictions	36,718,323
Internal designations	<u>18,575,855</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 5,707,488</u></u>

The Foundation's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Foundation does not have a specific liquidity policy.

Note 8. Functional Expenses

The following schedule presents the natural classification of expenses by function for the year ended March 31, 2024.

Front Porch Communities Foundation
Notes to Financial Statements
March 31, 2024

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Professional services	\$ -	\$ 14,133	\$ 14,133
Supplies and other	-	2,679	2,679
Contributions to affiliates and communities	4,929,033	-	4,929,033
	<u>\$ 4,929,033</u>	<u>\$ 16,812</u>	<u>\$ 4,945,845</u>

Note 9. Related-Party Transactions

The Foundation recognizes the fair value of contributions received for the benefit of Front Porch as contribution revenue in accordance with Accounting Standards Codification 605, *Transfer of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*, as the Foundation and Front Porch are considered financially inter-related, as defined.

For the year ended March 31, 2024, the Foundation transferred contributions received of \$4,929,033 to Front Porch. At March 31, 2024, \$1,410,201 was payable to Front Porch and its affiliates.

Note 10. Disclosures About Fair Value of Assets

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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at March 31, 2024.

Front Porch Communities Foundation
Notes to Financial Statements
March 31, 2024

	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Quotes Prices in Active Markets for Identical Assets</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Equities – domestic	\$ 25,462,743	\$ 25,462,743	\$ -	\$ -
Equities – international	11,542,503	11,542,503	-	-
Corporate bonds	8,390,403	6,373,398	2,017,005	-
Municipal securities	199,624	-	199,624	-
U.S. Treasury and U.S. agency securities	4,097,573	4,097,573	-	-
Mutual funds	5,870,568	5,870,568	-	-
Beneficial interest in perpetual trust	<u>1,092,853</u>	<u>-</u>	<u>-</u>	<u>1,092,853</u>
Total investments	56,656,267	<u>\$ 53,346,785</u>	<u>\$ 2,216,629</u>	<u>\$ 1,092,853</u>
Cash and cash equivalents (at cost)	<u>688,205</u>			
	<u>\$ 57,344,472</u>			

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended March 31, 2024. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

Investments

Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of investments with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such investments are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy.

Beneficial Interest in Perpetual Trust

Fair value is estimated at the Foundation's percentage of the fair value of the underlying assets held in trust. Due to the perpetual existence of the trust, the beneficial interest is classified within Level 3 of the hierarchy.

There were no transfers to or from Level 3 assets during the year ended March 31, 2024.

Note 11. Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following.

Front Porch Communities Foundation
Notes to Financial Statements
March 31, 2024

General Litigation

The Foundation may be subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition and ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, results of operations, and cash flows of the Foundation. Events could occur that would change this estimate materially in the near term.

Investments

The Foundation invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statement of financial position.

Contributions

Approximately 30% of all contributions were received from two donors in 2024.