



2023 ANNUAL REPORT

Prepared by
Hunter's Fund Team

"We invite you to become part of our team that values innovative thinking and the well-being and safety of our community."

The Annual Report of Hunter's Fund.

Inspired by the life and accomplishments of Hunter Watson, a remarkably talented and compassionate individual, who lost his life in a distracted driving accident while a college student, our Fund is dedicated to continuing his legacy by supporting the passions and ideas of young people in the areas in which Hunter excelled - technology, music, and entrepreneurship.

At Hunter's Fund, we seek out young people of diverse interests and talents who dream of something they are deeply curious and passionate about, and we support their promising ideas with grants and awards, providing them with financial support and mentorship to achieve success.



Secondly, each year on dozens of college campuses, Hunter's Fund supports efforts to ensure the safety of young drivers, with a goal to significantly reduce deaths and injuries caused by distracted driving by promoting safe driving practices and contributing to a safer and more responsible community.

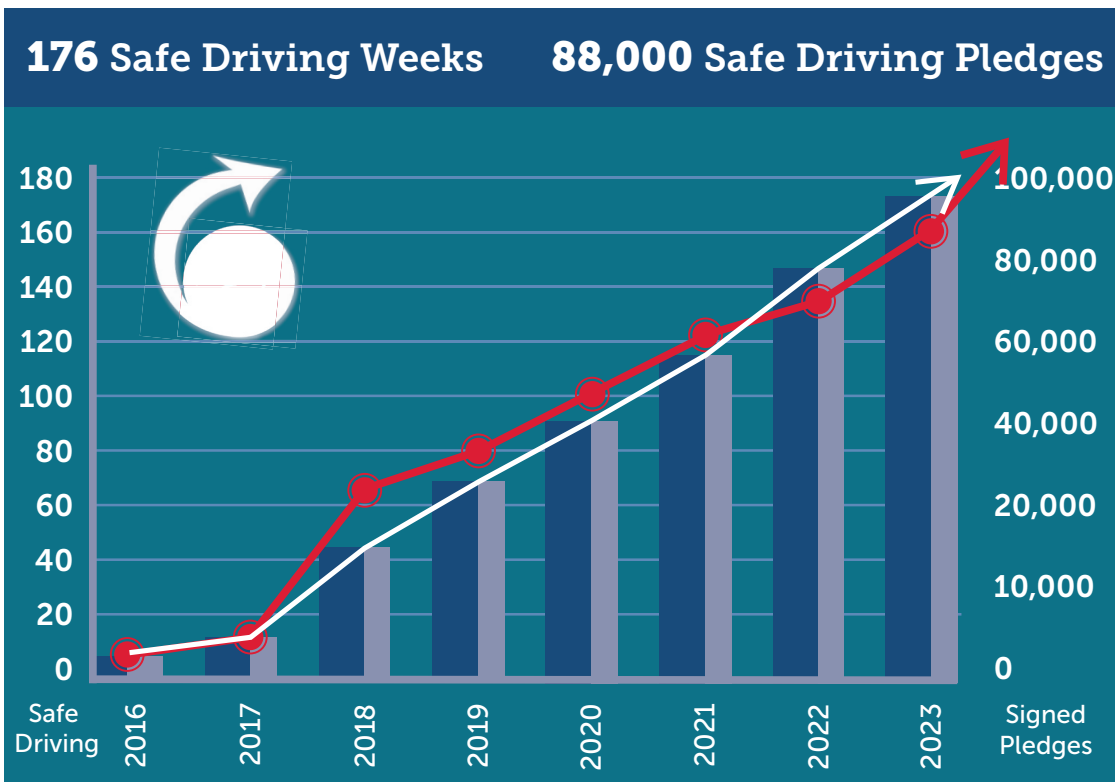
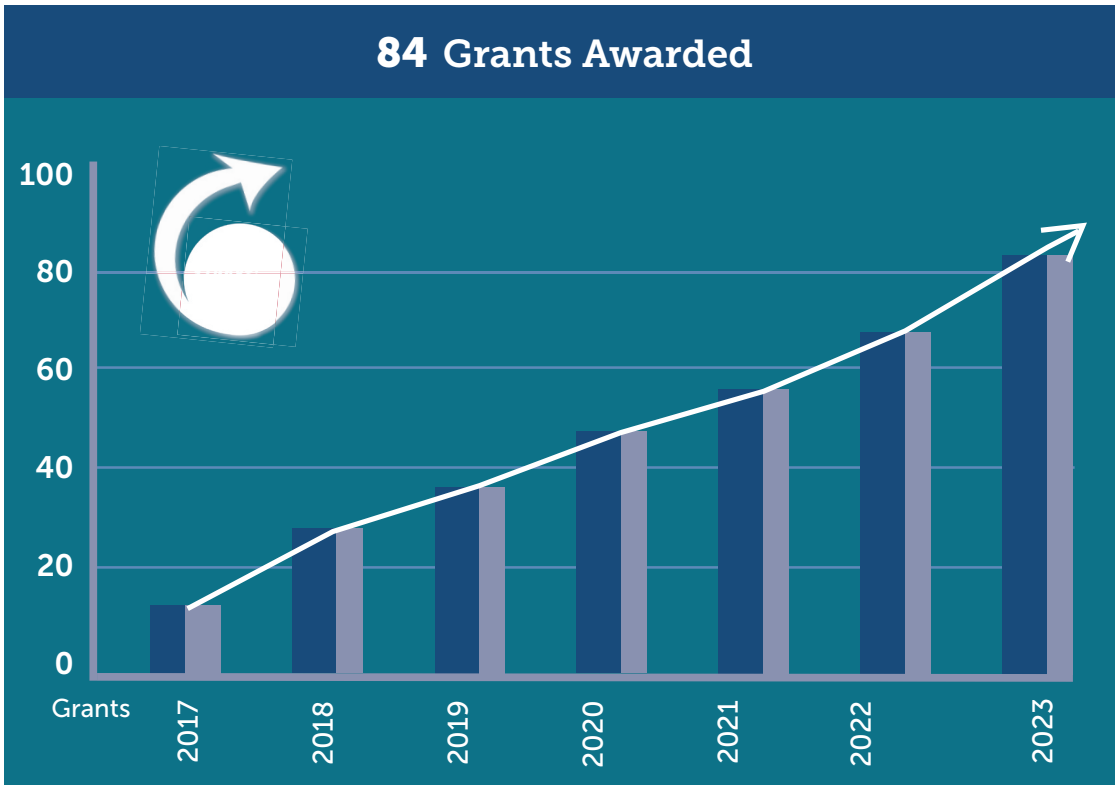
In this report, we proudly reflect on our achievements, share inspiring stories, and chart the course for future endeavors, all while keeping Hunter's memory and dreams at the heart of our mission.

"Join us in this journey to nurture the next generation of young innovators and ensuring their safety on the roads."

Year in Review:

- **We funded 13 promising grant applications**, making the innovative ideas of these young people possible.
- Our **Safe Driving Weeks** reached over **450,000 college students across 30 campuses**. **More than 1,500 student volunteers** staffed tables to encourage their classmates to sign pledges not to drive distracted.
- **We honored five students** who tragically lost their lives to driving accidents by renaming their campus campaigns in their memory: **Connor Thompson, Levi Ward, Paul Troupe, Hunter Watson, and Vinny Maugeri**.
- **Parental Involvement** - We invited parents to witness firsthand the community involvement of their students in the philanthropic effort.
- **Red Book** - We published a book describing the **80 grants and awards** made possible due to donations from our friends.
- **Blackstone Partnership** - We began cooperating with Blackstone LaunchPad to reach students in their campus entrepreneurial educational programs to make them aware of the Hunters Fund grants programs.
- **Mentors** - Five supporters became **volunteer mentors** to our grant winners, offering invaluable assistance to these young people.
- We **partnered with student-athletes** physically impacted by driving incidents to **spread awareness during Safe Driving Weeks**.
- **Broadening Outreach** - We partnered with local businesses to spread awareness of distracted driving to their customers.

Evolving for Good: Annual Growth in Our Programs



Grants 2023



Hunter's Fund believes young people hold the answers to where the next great ideas come from and will provide insight, inspiration, and hard work to create a better tomorrow.

Young people are using their talents and passions to find ways to improve the world. Their dreams are of things yet to be seen. While we don't know what tomorrow will bring, we do know that today's youth and their ideas will be propelling the changes to come.

Hunter's Fund invests in young people (ages 16 to 25) who have demonstrated talent, experience, and passion. These grants reward innovation and provide support for young people who approach life with powerful ideas. Preference is given to applications in the areas of music, performing arts, computer science, and entrepreneurship.

Grant Winners are selected by an independent grants review committee consisting of young people similar in age to the generation of the applicants and with experience in the types of grants funded.



A sampling of the 13 Projects funded in 2023 include:

- **Frank Marin** - Development of an experimental model to collect space debris in the earth's orbit
- **Norah Al-Azzam** - Mental health solution to monitor mental health biomarkers for improving the treatment of those with mental health problems
- **Sasha Stoppi** - Creation of special dolls to meet the needs of neurodiverse kids
- **Jacob O'Connor** - Tools for expanding podcasting business
- **Louisa Hygate** - Creation of musical audiobooks to fill a need for mental health content for younger audiences
- **Will Devito** - Helping small businesses connect with new audiences by temporarily transforming them into pop-up comedy clubs
- **Oshakie Gittens** - Creation of a gaming studio to provide young creators with the opportunity to bring their ideas to life through electronic art
- **Louis Cardozo** - Has a novel concept of creating a groundbreaking music video to connect more people to his music
- **Justin Gluska** - School bus tracking software to support school districts and parents wanting to keep up with their children

Safe Driving Weeks on College Campuses



The loss of someone in a driving accident at such a young age can change the lives of their friends and families forever.

Research shows that per-mile-driven, 16 to 19-year-olds die in fatal car crashes at nearly three times the rate of drivers 20 years and older. Government statistics show more traffic accidents last year than in the past 15 years.

Distracted driving accidents are preventable, and changing behavior is one of the most promising ways of reducing accidents caused by distraction. Studies have shown that signing a written pledge can effectively change behavior.

To help make our roads safer, Hunter's Fund uses a grassroots approach that targets the most at-risk population. By providing student volunteers with campaign kits and training, we can reach the greatest number of this at-risk population to build awareness of the dangers of distracted driving and encourage them to sign pledges to drive safely.

A sample of a Hunter's Pledge pledge card. It features three pledge options: "I Pledge to avoid texting or talking on the phone while driving.", "I Pledge to speak out if the driver in my car is distracted.", and "I Pledge to encourage others to drive phone-free." The card includes a photo of Hunter Watson (1995-2016) and a memorial message. It also has fields for NAME, HOME ZIP, SIGN HERE, PARENT EMAIL, and YOUR EMAIL. At the bottom, it says "Venmo @Pledge" and "Hunter's Fund Registered Charity EIN 03-0574041".

**88,000+ pledges signed
Not to Drive Distracted**

Campaign Kits contain educational posters, table banners, scheduling rosters, pledge cards, wristbands for students signing pledges to remind them of their commitment, bumper stickers to spread awareness, and "I pledged" stickers to demonstrate commitment.

Over 1,500 student volunteers staffed tables in 2023 to encourage their classmates to sign a pledge not to drive distracted, bringing the total number of campaigns funded to date to 176 and more than 80,000 students signing pledges not to drive distracted.



Safe Driving Week volunteers shared with us:

"A number of people who signed the pledge said, 'Yes, I lost a family member to distracted driving.' When I hear this, I understand the importance of what we are doing." **Rick Donilick, Syracuse University**

"We held the event in the high school cafeteria. We staffed tables with volunteers from our Optimist Club and from the school's Junior Optimist Club. A lot of the kids who came by told us they don't use their phones while driving, and most signed the pledge." **Dan Armstrong, Optimist Club for Elberta and Foley High Schools**

"I was surprised to learn that people are actually far more likely to stop their distracted behaviors after signing a pledge like this. My friends are telling me that now, whenever they think about getting their phone out while driving, they remember signing the pledge and not doing it anymore." **Max Rotter, California State University Northridge**

"One student who signed the pledge returned a few hours later with six of his classmates who also signed. That was memorable. And our guest police speaker was also very impactful." **Zachary Hailing, University of Minnesota Duluth**

"I always have my 'I Pledged' wristband on when I drive. It's a constant reminder to be a safe driver. Additionally, it has made me become a more vigilant passenger. This campaign has given me the courage to speak up for safe driving." **Joshua Levine, Cornell University**



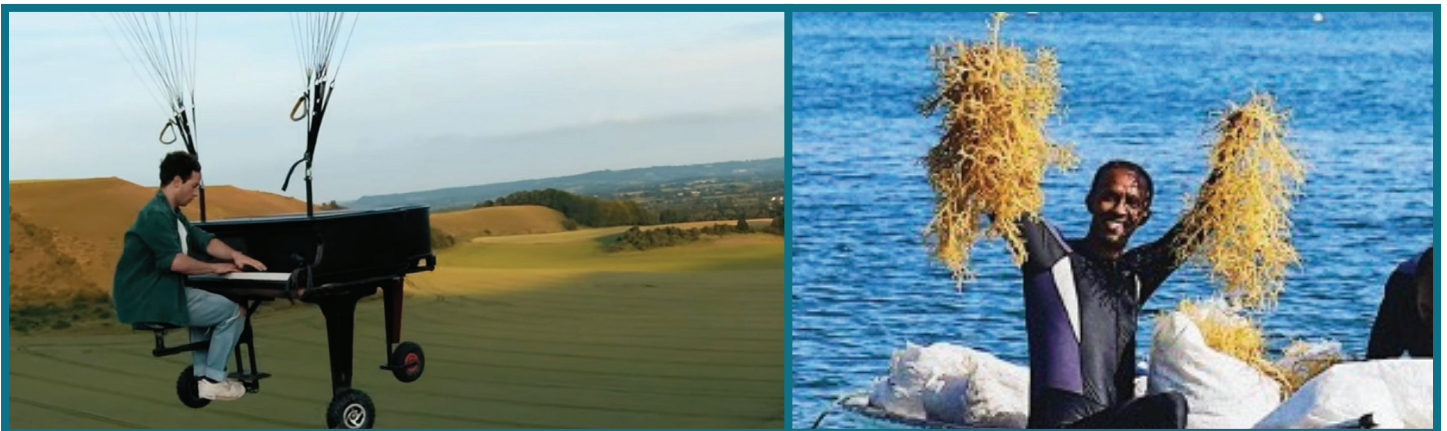
Global Impact

Donations from outside the US have allowed Hunter Fund's programs to extend beyond the United States to developing regions and the United Kingdom.

In St Vincent & the Grenadines, our seed grants have empowered young entrepreneurs, fueling ventures in diverse fields such as music, tourism, med-tech, delivery services, and sea moss harvesting. Partnering with the Girl Scouts, we introduced a Safe Driving Week, enhancing road safety awareness on the island.

In the UK, our contributions have spurred groundbreaking projects, like a music video capturing a pianist performing live while suspended from a kite parachute. This audacious endeavor has captured global attention, showcasing the fusion of art and adventure. Furthermore, we've supported innovative mental health initiatives and a dance project synthesizing the movements on stage with the accompanying music, demonstrating our commitment to creativity and well-being.

"Through these examples, the Hunter Fund illustrates its dedication to fostering innovation and reflecting our broader mission to effect positive change."



Hunter's Fund Uniqueness

Hunter's Fund is the only funding organization supporting young people's promising ideas without considering their academic and student involvement activities. The Fund is also the only organization that has been able to develop a nationwide grass-roots volunteer corp to spread the message of safe driving directly to students, one pledge at a time.

Our Board of Directors is comprised of young adults ages 25 to 31 who bring a fresh perspective and insight to the needs of our target audience and the impact that our programs can have on their lives while also gaining valuable experience in philanthropy and corporate governance not available to many.

For the past two years, Hunter's Fund has been awarded Candid's (formerly GuideStar) Platinum Seal, the highest recognition of a charity's transparency.



Platinum
Transparency
2023
Candid.

"While our cause may not always make the headlines, it is no less critical and requires support from people like you who see our youth's potential and understand the importance of their safety."

Success Stories and Testimonials

Grant Winners wrote:

- *“The support I received from Hunter’s Fund was more than financial - it gave me the confidence to pursue my dreams and has changed my life.”* **Jackson Hirsh, Seattle, WA**
- *“Your grant has transformed my journey as a video game developer, evolving from a solitary struggle to a well-supported endeavor. It’s more than just financial aid; it’s the encouragement I needed to bring my creative visions to life.”* **Oshakie Gittens, St. Vincent**
- *“Your support is pivotal in enhancing our SeaMoss harvesting operations, directly improving our community’s livelihood. We are deeply thankful for this significant impact.”* **Tavio Simmons, St. Vincent**
- *“Hunter’s Grant is a crucial step towards achieving my dream of an independent, self-sustaining business. Your support is instrumental in helping me reach this goal of complete autonomy.”* **Emily Yancey, Wentzville, MO**
- *“Your funding is key in advancing my school bus tracking app, significantly enhancing the safety and peace of mind for parents and school administrators. I’m deeply grateful for this opportunity to improve our community’s well-being.”* **Justin Gluska, Hollywood, FL**

Financial Overview \$\$\$

The Fund's financial performance this year demonstrated a strong commitment to fiscal responsibility and maximizing the impact of every dollar. Key highlights include:

1. **Income Sources:** The Fund received generous support from individual donors, corporate sponsorships, and fundraising events. These contributions have been instrumental in driving our initiatives forward. **\$222,979**
2. **Major Expenses:** Most of our expenses went towards grant disbursements, directly supporting young talents in their endeavors. Administrative and operational costs were minimal, ensuring that most funds directly benefit our mission. **\$259,488**
3. **Expenses Exceeded Income: \$36,509**
4. **Funds Dedicated to Program: Grants and Safe Driving Weeks- \$201,471**
Overhead: Administrative and Salaries- \$58,017
5. **Financial Health:** Although we continue to work to balance our annual budget, the Fund maintains a solid financial foundation with a reserve fund of **\$365,228**, made possible by the original funding of our dedicated donors and founders, and with prudent management, we are striving to ensure stability and the capacity to grow our impact in the years ahead.

"Our major challenge is overcoming the deficits we experience each year so we can do more for the lives of the young people we try to serve."

HUNTER BROOKS WATSON MEMORIAL FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2022 (REVIEWED) AND 2021 (AUDITED)



Certified Public Accountants



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Certified Public Accountants

Independent Accountant's Review Report

To the Board of Directors
Hunter Brooks Watson Memorial Fund

We have reviewed the accompanying financial statements of **Hunter Brooks Watson Memorial Fund** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of **Hunter Brooks Watson Memorial Fund** and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on 2021 Financial Statements

The 2021 financial statements were audited by us and we expressed an unmodified opinion on them in our reported dated August 31, 2022. We have not performed any auditing procedures since that date.

Kositzka, Wicks and Company

Alexandria, Virginia
September 28, 2023

Hunter Brooks Watson Memorial Fund

Statements of Financial Position December 31,

(Reviewed)
2022

(Audited)
2021

Assets

Current assets

| | | |
|-----------------------------------|-------------------|----------------|
| Cash and cash equivalents | \$ 138,453 | \$ 389,005 |
| Contribution and other receivable | 626 | 25,626 |
| Investments | 248,825 | 146,191 |
| Total assets | <u>\$ 387,904</u> | <u>560,822</u> |

Liabilities and net assets

Current liabilities

| | | |
|--|-----------|-----------|
| Accrued expenses and total liabilities | \$ 22,676 | \$ 11,719 |
|--|-----------|-----------|

Net assets

| | | |
|----------------------------------|-------------------|-------------------|
| Without donor restrictions | 365,228 | 549,103 |
| Total net assets | <u>365,228</u> | <u>549,103</u> |
| Total liabilities and net assets | <u>\$ 387,904</u> | <u>\$ 560,822</u> |

See accompanying notes and independent accountant's review report.

Hunter Brooks Watson Memorial Fund

Statement of Activities for the year ended December 31, 2022 (Reviewed)

| | Without donor restrictions | With donor restrictions | Total |
|--|-------------------------------|----------------------------|-------------------|
| Contributions and support | | | |
| Contributions | \$ 214,161 | \$ 8,818 | \$ 222,979 |
| Net assets released from restrictions | 8,818 | (8,818) | - |
| | <u>222,979</u> | <u>-</u> | <u>222,979</u> |
| Expenses | | | |
| Program services | | | |
| Education | 64,699 | - | 64,699 |
| Safe Driving Education | 75,932 | - | 75,932 |
| Grants | 60,840 | - | 60,840 |
| | <u>201,471</u> | <u>-</u> | <u>201,471</u> |
| Supporting services | | | |
| Administrative | 51,916 | - | 51,916 |
| Fundraising | 6,101 | - | 6,101 |
| | <u>259,488</u> | <u>-</u> | <u>259,488</u> |
| Change in net assets before net investment income | (36,509) | - | (36,509) |
| Investment loss, net | <u>(147,366)</u> | <u>-</u> | <u>(147,366)</u> |
| Change in net assets | (183,875) | - | (183,875) |
| Net assets, beginning of year | 549,103 | - | 549,103 |
| Net assets, end of year | <u>\$ 365,228</u> | <u>\$ -</u> | <u>\$ 365,228</u> |

See accompanying notes and independent accountant's review report.

Hunter Brooks Watson Memorial Fund

Statement of Activities for the year ended December 31, 2021 (Audited)

| | Without donor restrictions | With donor restrictions | Total |
|--|-------------------------------|----------------------------|-------------------|
| Contributions and support | | | |
| Contributions | \$ 486,865 | \$ 6,150 | \$ 493,015 |
| Net assets released from restrictions | 6,150 | (6,150) | - |
| | <u>493,015</u> | <u>-</u> | <u>493,015</u> |
| Expenses | | | |
| Program services | | | |
| Education | 64,798 | - | 64,798 |
| Safe Driving Education | 56,140 | - | 56,140 |
| Grants | 59,546 | - | 59,546 |
| | <u>180,484</u> | <u>-</u> | <u>180,484</u> |
| Supporting services | | | |
| Administrative | 33,198 | - | 33,198 |
| Fundraising | 23,934 | - | 23,934 |
| | <u>237,616</u> | <u>-</u> | <u>237,616</u> |
| Change in net assets before net investment income | 255,399 | - | 255,399 |
| Investment loss, net | (21,340) | - | (21,340) |
| | <u>234,059</u> | <u>-</u> | <u>234,059</u> |
| Change in net assets | 234,059 | - | 234,059 |
| Net assets, beginning of year | 315,044 | - | 315,044 |
| Net assets, end of year | <u>\$ 549,103</u> | <u>\$ -</u> | <u>\$ 549,103</u> |

See accompanying notes and independent accountant's review report.

Hunter Brooks Watson Memorial Fund

Statement of Functional Expenses for the year ended December 31, 2022 (Reviewed)

| | Program services | | | | Supporting services | | | Total expenses |
|------------------------------|------------------|------------------------|------------------|-------------------|---------------------|-----------------|------------------------|-------------------|
| | Education | Safe Driving Education | | Grants | Administrative | Fundraising | Total program services | |
| | | - | - | | | | | |
| Accounting fees | \$ - | - | - | - | \$ 15,289 | - | - | \$ 15,289 |
| Administrative expenses | 159 | 220 | 97 | 476 | 6,427 | 207 | - | 7,110 |
| Advertising | 4,408 | 2,261 | 1,402 | 8,071 | 3,998 | 1,228 | - | 13,297 |
| Bank charges | - | 5 | - | 5 | 6,142 | 16 | - | 6,163 |
| Grants | - | 29,384 | 38,370 | 67,754 | - | - | - | 67,754 |
| Graphic design & copywriting | 9,918 | 6,818 | 1,882 | 18,618 | 72 | 754 | - | 19,444 |
| Information technology | 811 | 1,397 | 144 | 2,352 | 811 | 318 | - | 3,481 |
| Program supplies | 305 | 20,278 | 965 | 21,548 | 277 | 68 | - | 21,893 |
| Payroll taxes | 1,661 | 69 | 750 | 2,480 | 940 | - | - | 3,420 |
| Printing & postage | 18,996 | 13,257 | 3,248 | 35,501 | 693 | 3,510 | - | 39,704 |
| Professional services | 53 | - | - | 53 | 195 | - | - | 248 |
| Staff costs | 28,388 | - | 13,982 | 42,370 | 16,894 | - | - | 59,264 |
| Travel | - | 2,243 | - | 2,243 | 178 | - | - | 2,421 |
| Total expenses | \$ 64,699 | \$ 75,932 | \$ 60,840 | \$ 201,471 | \$ 51,916 | \$ 6,101 | \$ - | \$ 259,488 |

See accompanying notes and independent accountant's review report.

Hunter Brooks Watson Memorial Fund

Statement of Functional Expenses for the year ended December 31, 2021 (Audited)

| | Program services | | | | Supporting services | | | Total expenses |
|------------------------------|------------------|------------------------|------------------|-------------------|------------------------|------------------|-------------------|----------------|
| | Education | Safe Driving Education | | Grants | Total program services | | Fundraising | |
| | | - | - | | - | Administrative | | |
| Accounting fees | \$ - | - | - | - | - | - | - | \$ 8,431 |
| Administrative expenses | 169 | 118 | 13 | 300 | - | 162 | - | 2,421 |
| Advertising | 3,219 | 1,640 | 492 | 5,351 | - | 1,172 | - | 7,712 |
| Bank charges | - | - | - | - | - | - | - | 1,997 |
| Grants | - | 20,393 | 41,599 | 61,992 | - | 10,000 | - | 71,992 |
| Graphic design & copywriting | 4,395 | 6,354 | 1,270 | 12,019 | - | 1,136 | - | 13,155 |
| Information technology | - | 504 | 168 | 672 | - | 835 | - | 1,507 |
| Legal fees | - | - | - | - | - | - | - | 3,401 |
| Other supplies | 1,519 | 18,647 | 730 | 20,896 | - | 210 | - | 21,909 |
| Payroll taxes | 2,385 | - | 999 | 3,384 | - | - | - | 4,572 |
| Printing & postage | 26,942 | 8,224 | 2,891 | 38,057 | - | 10,333 | - | 48,711 |
| Professional services | - | 210 | - | 210 | - | - | - | 328 |
| Staff costs | 26,169 | 50 | 11,384 | 37,603 | - | - | - | 50,756 |
| Travel | - | - | - | - | - | 86 | - | 724 |
| Total expenses | \$ 64,798 | \$ 56,140 | \$ 59,546 | \$ 180,484 | \$ 33,198 | \$ 23,934 | \$ 237,616 | |

See accompanying notes and independent accountant's review report.

Hunter Brooks Watson Memorial Fund

| Statements of Cash Flows for the years ended December 31, | (Reviewed) 2022 | (Audited) 2021 |
|--|--------------------|-------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ (183,875) | \$ 234,059 |
| Adjustments to reconcile change in net assets to net cash from operating activities | | |
| Unrealized and realized loss on investments | 147,366 | 22,471 |
| Decrease in operating activities | | |
| Contribution and other receivable | 25,000 | (25,626) |
| Increase in operating liabilities | | |
| Accrued expenses and total liabilities | 10,957 | 4,575 |
| Net cash provided by (used in) operating activities | <u>(552)</u> | <u>235,479</u> |
| Cash flows from investing activities | | |
| Purchase of investments and reinvestments | (250,000) | (25,000) |
| Proceeds from sale of investments | <u>-</u> | <u>84,424</u> |
| Net cash provided by investing activities | (250,000) | 59,424 |
| Net change in cash | (250,552) | 294,903 |
| Cash and cash equivalents, beginning of year | <u>389,005</u> | <u>94,102</u> |
| Cash and cash equivalents, end of year | <u>\$ 138,453</u> | <u>\$ 389,005</u> |
| Supplemental disclosures of cash flow information | | |
| Cash paid for interest | <u>\$ -</u> | <u>\$ -</u> |
| Income taxes paid | <u>\$ -</u> | <u>\$ -</u> |

See accompanying notes and independent accountant's review report.

Hunter Brooks Watson Memorial Fund

Notes to Financial Statements December 31, 2022 (Reviewed) and 2021 (Audited)

1. Organization

The Hunter Brooks Watson Memorial Fund (Hunter's Fund) is a non-profit organization, incorporated in 2018 in the Commonwealth of Virginia. On June 18, 2016, Hunter Brooks Watson's promising life was abruptly and tragically ended when he was fatally injured as a passenger in an automobile collision. In the months following Hunter's death, his family and friends and the communities in which he was nurtured, including The Potomac School, Syracuse University and Mustique Island, among others, all searched for a way to continue his presence and ideals.

The Hunter Brooks Watson Memorial Fund (Hunter's Fund) was founded as a result and is the realization of his family's and his communities' desire to celebrate his life and interests. The Fund aims to keep Hunter's insatiable energy and optimism alive by giving grants to help young people's involvement in the fields of performing arts, music, computer science and entrepreneurship, those areas that inspired Hunter, and the fund is unique in that it provides financial assistance for projects of their own choosing. And just as important the Fund works to raise awareness about distracted driving and ensure the safety of young drivers behind the wheel!

Hunter's Fund is supported through individual donors and foundations.

2. Significant accounting policies

Basis of accounting

The accompanying financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Net assets, revenues, gains, and losses are classified based on the existence or absence of restrictions imposed by donors or grantors. Accordingly, net assets and changes therein are classified and reported in two categories as described below.

Net assets without donor restrictions are net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates 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.

Investments

Investments consist of equity securities that are carried at their fair values, which are based on publicly available market data obtained from services independent of Hunter Brooks Watson Memorial Fund. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect amounts reported in future statements of activities. Management believes that Hunter's Fund's investments do not represent significant concentrations of market risk as the investment portfolios are adequately diversified among issuers.

See independent accountant's review report.

Hunter Brooks Watson Memorial Fund

Notes to Financial Statements December 31, 2022 (Reviewed) and 2021 (Audited)

Contributions and support recognition

Contributions and grants are recognized as contributions which can be unconditional or conditional. Unconditional promises to give are recognized when notification of the promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Cash and cash equivalents

For purposes of the statements of cash flows, Hunter Brooks Watson Memorial Fund considers all cash and unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. FDIC insurance is \$250,000 per depositor, per insured bank. At December 31, 2022 and 2021, Hunter Brooks Watson Memorial Fund's cash was held at one financial institution and the amount in excess of FDIC coverage was \$0 and \$138,708, respectively. Hunter Brooks Watson Memorial Fund has not experienced any losses in such accounts and does not believe it is exposed to any significant risk. Management performs periodic evaluations of the relative credit standing of these institutions.

Contribution and other receivable

Contribution and other receivable includes a contribution and a reimbursement receivable. All receivables were expected to be received within one year; as such, management determined that an allowance was not required.

Income tax status

Hunter's Fund is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Income from certain activities not directly related to Hunter's Fund's exempt purpose is subject to taxation as unrelated business income. Hunter's Fund had no unrelated business income for the years ended December 31, 2022 and 2021.

The material jurisdictions subject to potential examination by taxing authorities are the United States, and Virginia. The Board does not believe that the ultimate outcome of any future examinations of open tax years will have a material impact on Hunter's Fund's results of operations. Tax years that remain subject to examination by the IRS are years 2019 through 2022.

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities and the reported amounts of revenues and expenses. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Other financial assets and liabilities

Financial assets with carrying values approximating fair value include cash and cash equivalents and receivables. Financial liabilities with carrying values approximating fair value include accrued expenses. The carrying value of these financial assets and liabilities approximates fair value due to their short maturities.

Functional classification of expenses

The costs of program and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Expenses are charged to programs and supporting services based on a combination of specific identification and allocation by management. Certain categories of expenses are attributed to more than one function and have been allocated on a reasonable basis that is consistently applied. Expenses that are allocated on a time-and-effort basis include administrative expenses, advertising, graphic design & copywriting, information technology, other supplies, payroll taxes, and staff costs.

See independent accountant's review report.

Hunter Brooks Watson Memorial Fund

Notes to Financial Statements December 31, 2022 (Reviewed) and 2021 (Audited)

3. Liquidity and availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, include the following assets at December 31, 2022:

| | <u>2022</u> | <u>2021</u> |
|--|-------------------|-------------------|
| Cash and cash equivalents | \$ 138,453 | \$ 389,005 |
| Accounts receivable | 626 | 25,626 |
| Investments | 248,825 | 146,191 |
| Total financial assets available within one year | <u>\$ 387,904</u> | <u>\$ 560,822</u> |

4. Investments and fair value

Hunter Brooks Watson Memorial Fund maintains its investments at fair market value, based on quoted prices in active markets and accordingly recognizes the gains or losses that result from market fluctuations for the period in which fluctuations occur. Purchased investments are initially recorded at cost and donated investments at fair value on date of receipt. Unrealized gains and losses are included in the statements of activities.

Hunter's Fund classifies its investments into Level 1, Level 2, and Level 3, which refers to securities valued based on significant unobservable inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable as follows:

Level 1 – Valuation based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 – Valuation based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly.

Level 3 – Valuation based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

Hunter's Fund's investments for the years ended December 31, 2022 and 2021 are managed by a broker in a financial institution. As a result, Hunter's Fund classifies its investments into Level 1, which refers to securities valued using quoted prices from active markets for identical assets.

The following are the major categories of investments measured at fair value on recurring basis as of December 31, 2022, using quoted prices in active markets for identical assets (Level 1):

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---------------|-------------------|----------------|----------------|-------------------|
| Money market | \$ 39,456 | \$ - | \$ - | \$ 39,456 |
| Stocks & ETFs | 209,369 | - | - | 209,369 |
| | <u>\$ 248,825</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 248,825</u> |

See independent accountant's review report.

Hunter Brooks Watson Memorial Fund

Notes to Financial Statements December 31, 2022 (Reviewed) and 2021 (Audited)

The following are the major categories of investments measured at fair value on recurring basis as of December 31, 2021, using quoted prices in active markets for identical assets (Level 1):

| | Level 1 | Level 2 | Level 3 | Total |
|---------------|-------------------|-------------|-------------|-------------------|
| Money market | \$ 15,052 | \$ - | \$ - | \$ 15,052 |
| Stocks & ETFs | 131,139 | - | - | 131,139 |
| | <u>\$ 146,191</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 146,191</u> |

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

5. Donor-restricted net assets

Hunter's Fund received contributions in support of specific scholarships and grants for the years ended December 31, 2022 and 2021. These contributions have been reflected in the statement of activities as purpose-restriction contributions. To the extent those funds have been disbursed in support of these programs, amounts have been recorded as net assets released from restrictions. All funds received have been expended and there are no net assets with donor restrictions as of December 31, 2022 and 2021.

6. Concentrations

Hunter's Fund had one large donor contributing 30 percent of total revenue for the year ended December 31, 2022 and 70 percent of total revenue for the year ended December 31, 2021.

7. SBA Paycheck Protection Program

Under the "Coronavirus Aid, Relief, and Economic Security (CARES) Act" funds were appropriated for the SBA Paycheck Protection Program (PPP) loans that are forgivable in certain situations to promote continued employment. The Organization has obtained a loan through the SBA Paycheck Protection Program of \$3,712 as of March 2021. The proceeds were fully expended prior to December 31, 2021 and are included with grants on the statement of activities for the year ended December 31, 2021.

8. Subsequent events

Hunter Brooks Watson Memorial Fund assessed events occurring subsequent to December 31, 2022 through September 28, 2023, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. No other events have occurred that would require adjustment to or disclosure in the financial statements.

See independent accountant's review report.

Future Outlook and Goals

Grants - Plans are to increase the number of grants awarded to the level of funds available.

Safe Driving Weeks - To save on external costs, plans are to create two versions of our campaign kit, one for schools with large student enrollment and one for schools with smaller enrollment.

Sponsorships - We hope to increase the number of local Safe Driving Week sponsorships and seek out at least two National sponsors.

Commercial Partnerships - Building on the success of partnering with national chains, we hope to expand this to other communities to build awareness and raise donations for our programs.

Hunter's Ambassadors - Plans are underway to create and Ambassadors Circle to identify the most committed among our volunteer corps and supporters to continue working with our programs.



Will you support Hunter's Fund?

Would you help us make 2024 our biggest year yet? We hope to increase the number of grants and safe driving campaigns to help ensure the future of more young people. You will be recognizing the talent and ideas and giving young people the chance to launch their dreams.

Donate online at:

www.hunterwatson.org/donate

Mail: *Send your donation to:*

Hunter's Fund

P.O. Box 326

McLean, VA 22101

IRA: From an IRA;

Contact your IRA manager for their charity donation form.

DAF: Donor Advised Funds: Select: **Hunter Brooks Watson Memorial Fund**, Charity Number: **EIN 83-0574041**

Wills: Through a gift in your Will, Trust or IRA:

Our details may help:

The Hunter Brooks Watson Memorial Fund

P.O. Box 326, McLean, VA 22101

(703) 448-0436

Hunter's Fund tax-exempt number:

EIN 83-0574041

Thank you for your support!

Appreciation



The Hunter Brooks Watson Memorial Fund deeply appreciates the unwavering support and contributions of our donors, volunteers, and partners.

Your generosity and dedication have been pivotal to our success and the realization of our mission.

We extend our heartfelt gratitude to each individual, organization, and community member who has joined us in honoring Hunter's legacy and supporting young talents.

Your involvement is not just a contribution but a vital part of our journey toward making a meaningful difference in our communities and beyond.

We hope that the support of those who have been touched by our mission, will continue to help us reach our goal of balancing our annual budgets so that more young lives can be saved and their dreams can be achieved.

Contact Information:

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