

Richard M. Walden
President & CEO



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*Denotes Managing Board Member

OPERATION CALIFORNIA, INC.
DBA OPERATION USA, INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2023)

IN MEMORIAM

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Blake Edwards
Shelly List
Stanley Frileck, M.D.
Tom Moore, Jr.
Paul O'Rourke, M.D.
Leonard Vernon
Marjorie Vernon

f / OperationUSA

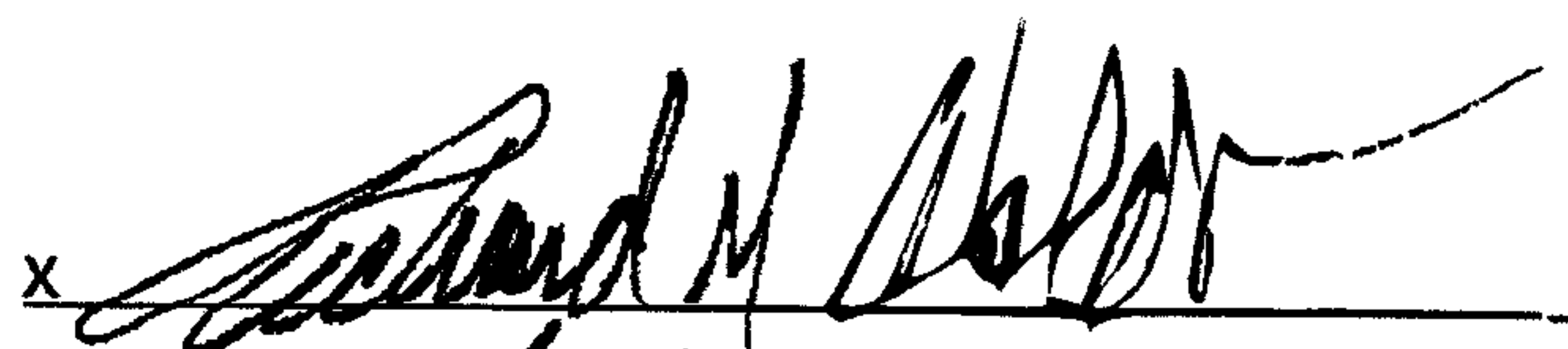
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x 

Date: 10/18/2024

Richard Walden, President & CEO

All contributions are tax deductible to the extent allowed by law through Operation California, Inc.
(Operation USA is a d.b.a. of Operation California) Federal Tax I.D. #95-3504080
IRS Form 990 and annual audit is available upon request.

www.opusa.org

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 – 3
FINANCIAL STATEMENTS	
Statement of financial position	4
Statement of activities	5
Statement of functional expenses	6
Statement of cash flows	7
Notes to financial statements	8 – 15



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INDEPENDENT AUDITOR'S REPORT

Board of Directors of
Operation California, Inc.
dba Operation USA, Inc.
Los Angeles, California

Opinion

We have audited the accompanying financial statements of Operation California, Inc., dba Operation USA, Inc., which comprise the statement of financial position as of June 30, 2024, 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 Operation California, Inc. as of June 30, 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 Operation California, Inc. 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 these combined 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 combined 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 Operation California, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 Operation California, Inc.'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 Operation California, Inc.'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.

Report on Summarized Comparative Information

We previously audited Operation California, Inc.'s June 30, 2023 financial statements, and expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Ozurovich & Associates

Ozurovich & Associates

Rancho Santa Margarita, California
October 17, 2024

**OPERATION CALIFORNIA, INC.
dba OPERATION USA, INC.
STATEMENT OF FINANCIAL POSITION**

JUNE 30, 2024

(WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2023)

	2024		2023	
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	
ASSETS				
<i>Current assets</i>				
Cash and cash equivalents	\$ 1,025,021	\$ 1,193,359	\$ 2,218,380	\$ 2,197,549
Inventory	435,389	-	435,389	624,371
Total current assets	<u>1,460,410</u>	<u>1,193,359</u>	<u>2,653,769</u>	<u>2,821,920</u>
Operating lease right of use assets (Note 3)	105,843	-	105,843	106,871
Deposits	6,931	-	6,931	6,931
TOTAL ASSETS	<u>\$ 1,573,184</u>	<u>\$ 1,193,359</u>	<u>\$ 2,766,543</u>	<u>\$ 2,935,722</u>
LIABILITIES				
<i>Current liabilities</i>				
Accounts payable	\$ 18,113	-	\$ 18,113	\$ 32,285
Operating lease obligations - current (Note 3)	92,572	-	92,572	92,273
Total current liabilities	<u>110,685</u>	<u>-</u>	<u>110,685</u>	<u>124,558</u>
Operating lease obligations (Note 3)	16,288	-	16,288	15,888
TOTAL LIABILITIES	<u>126,973</u>	<u>-</u>	<u>126,973</u>	<u>140,446</u>
NET ASSETS				
Without donor restrictions	1,446,211	-	1,446,211	1,488,425
With donor restrictions (Note 5)	-	1,193,359	1,193,359	1,306,851
Total net assets	<u>1,446,211</u>	<u>1,193,359</u>	<u>2,639,570</u>	<u>2,795,276</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,573,184</u>	<u>\$ 1,193,359</u>	<u>\$ 2,766,543</u>	<u>\$ 2,935,722</u>

OPERATION CALIFORNIA, INC.
dba OPERATION USA, INC.
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

(WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2023)

	2024		2023
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	
SUPPORT AND REVENUES	TOTAL		TOTAL
<i>Support</i>			
Contributions	\$ 1,085,425	\$ 208,599	\$ 1,363,459
In-kind donations	60,000	1,369,190	5,726,725
Other	92,270	-	-
<i>Total support</i>	<u>1,237,695</u>	<u>1,577,789</u>	<u>7,090,184</u>
<i>Investment return</i>	20,872	-	21,327
<i>Net assets released from donor restrictions (Note 6)</i>			
Satisfaction of program restrictions	1,691,281	(1,691,281)	-
<i>Total net assets released from donor restrictions</i>	<u>1,691,281</u>	<u>(1,691,281)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	<u>2,949,848</u>	<u>(113,492)</u>	<u>7,111,511</u>
OPERATING EXPENSES			
<i>Program Services</i>			
Philanthropy	2,664,194	-	10,422,206
<i>Supporting Services</i>			
Management and general	174,857	-	192,437
Fund raising	153,011	-	95,026
<i>Total supporting services</i>	<u>327,868</u>	<u>-</u>	<u>287,463</u>
TOTAL EXPENSES	<u>2,992,062</u>	<u>-</u>	<u>10,709,669</u>
CHANGE IN NET ASSETS	<u>(42,214)</u>	<u>(113,492)</u>	<u>(3,598,158)</u>
NET ASSETS, Beginning of year	<u>1,488,425</u>	<u>1,306,851</u>	<u>6,393,434</u>
NET ASSETS, End of year	<u>\$ 1,446,211</u>	<u>\$ 1,193,359</u>	<u>\$ 2,795,276</u>

See accompanying notes and independent auditor's report.

OPERATION CALIFORNIA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2023)

	2024				2023
	<i>Program Services</i>	<i>Supporting Services</i>			TOTAL
		Philanthropy	Management and General	Fund Raising	
Salaries	\$ 316,337	\$ 95,403	\$ 90,382	\$ 502,122	\$ 531,370
Payroll taxes	28,443	8,578	8,126	45,147	54,477
Employee benefits	36,195	10,916	10,341	57,452	55,766
Total salaries, payroll taxes and benefits	380,975	114,897	108,849	604,721	641,613
Accounting and legal	20,007	6,034	5,716	31,757	33,056
Advertising	491	148	141	780	2,476
Bank fees	-	6,873	-	6,873	9,519
Contributions	383,520	-	-	383,520	778,000
Conferences and meetings	382	115	110	607	3,374
Dues and subscriptions	13,001	3,921	3,714	20,636	20,353
Equipment and supplies	3,070	926	877	4,873	5,406
Freight and transportation	2,863	-	-	2,863	28,513
In-kind contributions	1,558,172	-	-	1,558,172	8,495,877
Insurance	21,098	6,363	6,028	33,489	33,986
Miscellaneous	26,748	8,067	7,642	42,457	5,823
Office	6,849	2,066	1,957	10,872	13,489
Outside services	-	5,960	-	5,960	3,000
Postage and delivery	664	200	190	1,054	549
Printing	11,303	3,409	3,229	17,941	18,471
Professional fees and consultants	2,079	627	594	3,300	2,700
Rent-space and equipment	153,658	4,044	4,043	161,745	457,238
Security	-	734	-	734	1,299
Taxes and licenses	4,871	1,469	1,392	7,732	3,130
Telephone	7,064	2,130	2,018	11,212	13,323
Travel and auto	20,613	6,217	5,889	32,719	34,810
Utilities	2,178	657	622	3,457	3,380
Warehouse expenses	44,588	-	-	44,588	100,284
TOTAL EXPENSES	\$ 2,664,194	\$ 174,857	\$ 153,011	\$ 2,992,062	\$ 10,709,669

See independent auditor's report and accompanying notes

OPERATION CALIFORNIA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (155,706)	\$ (3,598,158)
Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities		
Depreciation and amortization	1,727	1,290
Donated inventory	1,558,172	8,495,877
In-kind contributions	(1,369,190)	(5,366,725)
(Increase) decrease in assets		
Other assets	-	(36)
Increase (decrease) in liabilities		
Accounts payable	(14,172)	18,765
Net cash provided/(used) by operating activities	20,831	(448,987)
NET INCREASE/(DECREASE) IN CASH	20,831	(448,987)
CASH AND CASH EQUIVALENTS, beginning of year	2,197,549	2,646,536
CASH AND CASH EQUIVALENTS, end of year	\$ 2,218,380	\$ 2,197,549

See independent auditor's report and accompanying notes.

**OPERATION CALIFORNIA, INC.
DBA OPERATION USA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)**

NOTE 1 – ORGANIZATION

Operation California, Inc. (the “Organization”) is a California nonprofit public benefit corporation exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, which was founded on May 5, 1980. Its principal activities are to solicit, collect, and distribute donated supplies and make cash grants for relief to the victims of natural disasters in the United States and throughout the world. The cash donations collected by the Organization are spent primarily on their programs to carry out relief and development activities and to pay for the distribution of goods; for the cost of transportation of supplies; for field visits required to monitor the distribution of such supplies; and, for domestic and international grants and training programs in the relief and development field. The Organization also uses its dba: Operation USA, by which it is primarily known to the public.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization’s financial statements. The financial statements and notes are representations of the Organization’s management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, the financial statements reflect all significant receivables, payables, and other liabilities.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(Note 2 continued on the following page)

**OPERATION CALIFORNIA, INC.
DBA OPERATION USA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Include contributions, fundraising, fees and other forms of unrestricted revenue and expenditures related to the general operations and fundraising efforts of the Organization.

Net Assets With Donor Restrictions – Include gifts and grants received that are restricted with respect to time or use by the donor or grantor. When the restrictions expire, the net assets of this fund are reclassified to unrestricted net assets. Restricted gifts and grants received are reported as unrestricted revenue if the restriction is met in the same reporting period.

Tax Status

The Organization is a nonprofit benefit organization organized under the laws of California and, as such, is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. However, the Organization is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption.

The Organization's federal income tax and informational returns for tax years ending June 30, 2021 and subsequent remain subject to examination by the Internal Revenue Service. The returns for California, the Organization's most significant jurisdiction, remain subject to examination by the California Franchise Tax Board for tax years ending June 30, 2020 and subsequent.

The Organization has adopted the provisions of Accounting Standards Codification ("ASC") 740-10-05 relating to accounting and reporting for uncertainty in income taxes. For the Organization, these provisions could be applicable to the incurrence of any unrelated business income attributable to the Organization. Because of the Organization's general tax-exempt status, the provisions of ASC 740-10-05 are not anticipated to have a material impact on the Organization's financial statements.

(Note 2 continued on the following page)

**OPERATION CALIFORNIA, INC.
DBA OPERATION USA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For the purpose of the financial statements, the Organization considers all investments purchased with a maturity date of three months or less to be cash equivalents. Commercial banks have FDIC coverage up to \$250,000 per depositor per bank. At June 30, 2024 and 2023 the uninsured amount was \$1,978,060 and \$1,937,967, respectively.

Inventory

The Organization's inventory is valued at its fair value on the date it is donated to the Organization or net realizable value using the first-in, first-out (FIFO) method. Inventory consists of various medical and disaster relief supplies. During the years ended June 30, 2024 and 2023, the Organization recognized none and \$447,262, respectively, in losses resulting from valuing the Company's inventory at its net realizable value, which was the fair value of donated items expected to be contributed by the Organization at year end.

Restricted and Unrestricted Revenue and Support

Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions even if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reported period in which the revenue is recognized. When a restriction expires, 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.

Contributed Services and Gifts In-Kind

Contributed services are recognized if the services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of volunteers have donated significant amounts of their time and services in the Organization's core activities. Only those amounts that meet the criteria above are recorded in the accompanying financial statements. The Organization recognized \$60,000 and \$360,000 as in-kind rental income during the years ended June 30, 2024 and 2023, respectively, for free use of warehouse space.

(Note 2 continued on the following page)

**OPERATION CALIFORNIA, INC.
DBA OPERATION USA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grant Revenues

The Organization receives funding through private and Government grants. Grant revenue includes conditional contributions under which revenue is recognized when earned and expenses are recognized when incurred. Grant receipts from conditional contributions not earned are reported as deferred income, if any.

Vacation and Sick Leave Benefits

Neither vacation pay nor sick pay accumulates or vests. Therefore, no accrual has been recorded.

Advertising

The Organization uses advertising to promote its programs among the communities it serves. The production costs of advertising are expensed as incurred. During the years ended June 30, 2024 and 2023, advertising costs totaled \$780 and \$1,872, respectively.

Risks and Uncertainties

Overall economic conditions such as high rates of inflation could contribute to potential reductions in private donations as the disposable incomes of potential donors are affected by these economic factors. The Organization's Board of Directors has discussed these risks and uncertainties and has formulated alternative strategic plans to mitigate the effects of these concerns.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and employee benefits which are allocated based on estimates of time and effort for the Organization's personnel. The Organization's following expenses are allocated using the same percentages as the personnel costs described above because they are incurred in support of the day-to-day job functions of the Organization's employees: accounting and legal, advertising, conferences and meetings, dues and subscriptions, equipment and supplies, insurance, miscellaneous, payroll service fees, postage and delivery, printing, professional fees and consultants, taxes and licenses, telephone, travel and auto, and utilities. The following expenses are allocated using the estimated square footage of facilities used for program and supporting functions: rent-space and equipment.

(Note 2 continued on the following page)

**OPERATION CALIFORNIA, INC.
DBA OPERATION USA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net assets class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statement for the year ended June 30, 2023, from which the summarized information was derived.

Leases as Lessee

The Organization categorizes leases with contractual terms longer than twelve months as with operating or finance. Finance leases are generally those leases that allow the Organization to substantially utilize or pay for the entire asset of its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the statement of financial position.

Certain lease contracts include obligations to pay for other services, such as operations, property taxes, and maintenance. For lease of property, the Organization accounts for these other services as a component of the lease.

Lease liabilities are recognized at the present value of the fixed lease payments, using a discount rate based on the risk-free rate. Right-of-use ("ROU") assets are recognized based on the initial present value of the fixed lease payments plus any costs from executing the lease. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date, or purchase of the leased assets are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease. Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease.

**OPERATION CALIFORNIA, INC.
DBA OPERATION USA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)**

NOTE 3 – OPERATING LEASE

The Organization is committed under a noncancelable operating leases for facilities used in day-to-day operations. The current lease is currently scheduled to expire in August 2025. The monthly minimum lease payment range from \$7,991 to \$8,231 over the life of the lease.

Supplemental cash flow information for the years ended June 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ <u>95,428</u>	\$ <u>93,100</u>
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ <u>83,018</u>	\$ <u>193,901</u>
	<u>2024</u>	<u>2023</u>
Weighted Average Remaining Lease Term		
Operating leases	1.2 years	1.2 years
Weighted Average Discount Rate		
Operating leases	8.50%	4.75%

The discount rate for calculating operating leases was the US Prime Rate upon the execution of the lease or the adoption of ASC 842 on July 1, 2022, if the lease was executed before July 1, 2022, and still had more than one year left in the agreement from that date.

The future minimum lease payments under these leases are as follows at June 30:

2025	\$ 98,291
2026	<u>16,462</u>
	<u>\$ 114,753</u>

Rent expense for the years ended June 30, 2024 and 2023 was \$101,745 and \$97,238, respectively.

**OPERATION CALIFORNIA, INC.
DBA OPERATION USA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)**

NOTE 4 – RETIREMENT PLAN

The Organization has a defined matching contribution plan as established under Internal Revenue Code Section 401(k) (the Plan). Under the plan, eligible employees may elect to defer a portion of their compensation, subject to the Internal Revenue Service limits. The assets of the plan vest immediately as they are accrued. For each Plan year, the Organization matches each employee's contribution to the plan up to 4% of each employee's salary. Retirement plan expense for the years ended June 30, 2024 and 2023 was \$7,682 and \$7,682, respectively.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods, as of June 30:

	<u>2024</u>	<u>2023</u>
<i>Subject to expenditure for a specified purpose:</i>		
Disaster response relief	\$ 1,193,359	\$ 1,306,851

NOTE 6 – NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets released from donor restrictions during the year ended June 30, 2024 are as follows:

	<u>2024</u>	<u>2023</u>
<i>Expenditure for a specified purpose:</i>		
Disaster response relief	\$ 1,691,281	\$ 7,194,679

NOTE 7 – AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of June 30, 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include amounts set aside for long-term investing in board designated funds that could be drawn upon if the governing board approves that action. However, amounts already appropriated from a board designated fund for general expenditure within one year of June 30, 2024 have not been subtracted as unavailable. There were no such board designated funds as of June 30, 2024.

(Note 7 continued on the following page)

**OPERATION CALIFORNIA, INC.
DBA OPERATION USA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)**

NOTE 7 – AVAILABILITY OF FINANCIAL ASSETS (Continued)

The Organization's financial assets available within one year of June 30, 2024 for general expenditure are as follows:

<i>Financial assets, at year end</i>	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 2,218,380	\$ 2,197,549
<i>Less those unavailable for general expenditures within one year due to:</i>		
<i>Contractual or donor-imposed restrictions:</i>		
Restricted by donor with time or purpose restrictions	<u>(1,193,359)</u>	<u>(1,306,851)</u>
Total	<u>\$ 1,025,021</u>	<u>\$ 890,698</u>

As part of The Organization's liquidity management practices, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, The Organization invests cash in excess of daily requirements in short-term investments.

NOTE 8 – LITIGATION

The Organization may be subject to certain outside claims and litigation arising in the ordinary course of business. In the opinion of the Organization's management and its counsel, there are no matters which could have a material effect on the accompanying financial statements.

NOTE 9 – SUBSEQUENT EVENTS

Events subsequent to June 30, 2024 have been evaluated through October 17, 2024, the date at which the Organization's audited financial statements were to be issued. No events requiring disclosures have occurred through this date.