SWEET DREAM MAKERS, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2025 AND 2024

(With Independent Auditors' Report Theron)

Divine Blalock Martin Sellari LLC
Est. in 1932

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GARY B. SELLARI, CPA*/PFS, MSM
SCOTT A. STEIN, CPA**
B. CHARLES SELLARI, CPA*, MTAX
TOM KEYS, CPA*, CGMA
ANTHONY J. SELLARI, EA
DUSTAN J. BROWN, CPA****

MARY L. CONTESSA, CPA*, CVA, MAFF, PA
STEVE A. GOINDOO, CPA**/PFS, MTAX, CFP®
NICHOLAS J. FRONTERA, CPA*
CANDACE ANTEZANA KLOTZBIER, CPA*
JAMIE M. RUSSO, CPA*
JANET LEE SCALZITTI, CPA**
APRIL M. SINNOTT, CPA*
ARTHUR J. SINNOTT, CPA**

BARBARA AHEARN-DUNN, EA
JACQUELINE CARTIER, EA
BENJAMIN CROMER, EA

Divine Blalock Martin Sellari LLC
Est. in 1932

Certified Public Accountants and Consultants
580 Village Boulevard, Suite 110
West Palm Beach, FL 33409
Phone: (561) 686-1110 Fax: (561) 686-1330
info@dbmscpa.com

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

WILBUR F. DIVINE, III, CPA (1896-1964)
WILBUR F. DIVINE, IV, CPA (1925-1989)
JAMES A. BLALOCK, CPA (1914-1996)
G. MICHAEL MARTIN, CPA (1945-2014)

*REGULATED BY THE STATE OF FL
**REGULATED BY THE STATE OF FL AND THE STATE OF NY
****REGULATED BY THE STATE OF FL AND THE STATE OF NJ
****REGULATED BY THE STATE OF NY
*****REGULATED BY THE STATE OF FL

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Sweet Dream Makers, Inc.
Boca Raton, Florida

Opinion

We have audited the accompanying financial statements of Sweet Dream Makers, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2025 and 2024 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sweet Dream Makers, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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 Sweet Dream Makers Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sweet Dream Makers, 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 Sweet Dream Makers, 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.

Divine, Blalock, Martin & Sellari, LLC

DIVINE, BLALOCK, MARTIN & SELLARI, LLC
West Palm Beach, Florida
April 24, 2026

SWEET DREAM MAKERS, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 300,599	$ 486,692
Investments	1,128,139	784,177
Pledges and grants receivable	51,725	78,135
Prepaid expenses	4,525	7,992
Total Current Assets	1,484,988	1,356,996
Other Assets		
Endowment - restricted in perpetuity	191,327	161,445
Deposits	1,500	1,500
Total Other Assets	192,827	162,945
Total Assets	$ 1,677,815	$ 1,519,941
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 94,000	$ 26,360
Credit cards payable	155,063	170,075
Accrued expenses	-	6,350
Deferred contributions	111,945	72,305
Total Liabilities	361,008	275,090
Net Assets		
Without donor restrictions	1,078,130	1,005,271
With donor restrictions	238,677	239,580
Total Net Assets	1,316,807	1,244,851
Total Liabilities and Net Assets	$ 1,677,815	$ 1,519,941

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

SWEET DREAM MAKERS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Contributions	$ 386,433	$ -	$ 386,433
Events	1,150,582	51,725	1,202,307
Grants revenue	1,319,553	-	1,319,553
Nonfinancial assets contribution	91,536	-	91,536
Interest and dividend income	40,333	2,812	43,145
Realized and unrealized loss on investments, net	1,182	27,070	28,252
Net assets released from restrictions	82,510	(82,510)	-
Total Revenue and Support	3,072,129	(903)	3,071,226
Expenses:			
Program expenses	2,389,788	-	2,389,788
Fundraising	588,769	-	588,769
Management and general	20,713	-	20,713
Total Expenses	2,999,270	-	2,999,270
Increase in net assets	72,859	(903)	71,956
Net assets at beginning of the year	1,005,271	239,580	1,244,851
Net assets at end of year	$ 1,078,130	$ 238,677	$ 1,316,807

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

SWEET DREAM MAKERS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Contributions	$ 228,639	$ -	$ 228,639
Events	944,271	78,135	1,022,406
Grants revenue	1,164,669	-	1,164,669
Nonfinancial assets contributions	96,851	-	96,851
Interest income	50,563	-	50,563
Realized and unrealized loss on investments, net	(478)	26,743	26,265
Net assets released from restrictions	216,950	(216,950)	-
Total Revenue and Support	2,701,465	(112,072)	2,589,393
Expenses:			
Program expenses	2,269,715	-	2,269,715
Fundraising	463,497	-	463,497
Management and general	26,569	-	26,569
Total Expenses	2,759,781	-	2,759,781
Decrease in net assets	(58,316)	(112,072)	(170,388)
Net assets at beginning of the year	1,063,587	351,652	1,415,239
Net assets at end of year	$ 1,005,271	$ 239,580	$ 1,244,851

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

SWEET DREAM MAKERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Program Expenses	Fundraising	General and Administrative	Total
Credit card fees	$ -	$ 22,086	$ -	$ 22,086
Depreciation expense	-	-	-	-
Development expense	-	17,510	-	17,510
Event expenses	-	413,252	-	413,252
Grant writing	33,991	33,992	-	67,983
In-Kind furniture	91,536	-	-	91,536
Insurance	2,197	512	2,191	4,900
Miscellaneous	367	688	1,119	2,174
Beds and bedding	1,881,598	-	-	1,881,598
Fundraising expenses	-	6,971	-	6,971
Payroll & taxes	272,884	79,704	10,399	362,987
Postage and printing	4,530	6,524	-	11,054
Professional services	1,825	675	6,500	9,000
Rent - office	11,226	2,070	504	13,800
Software expense	6,406	4,785	-	11,191
Supplies	894	-	-	894
Truck expenses	7,690	-	-	7,690
Warehouse expenses	74,644	-	-	74,644
	$ 2,389,788	$ 588,769	$ 20,713	$ 2,999,270

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

SWEET DREAM MAKERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Expenses	Fundraising	General and Administrative	Total
Credit card fees	$ -	$ 20,275	$ -	$ 20,275
Depreciation expense	4,930	-	-	4,930
Development expense	-	14,096	-	14,096
Event expenses	-	312,396	-	312,396
Grant writing	21,785	23,520	-	45,305
In-Kind furniture	96,851	-	-	96,851
Insurance	2,198	512	1,790	4,500
Miscellaneous	395	252	696	1,343
Beds and bedding	1,806,879	-	-	1,806,879
Fundraising expenses	-	11,615	-	11,615
Payroll & taxes	232,750	68,098	16,809	317,657
Postage and printing	5,392	5,370	614	11,376
Professional services	1,825	675	6,000	8,500
Rent - office	10,560	1,980	660	13,200
Software expense	3,381	4,708	-	8,089
Supplies	169	-	-	169
Truck expenses	9,340	-	-	9,340
Warehouse expenses	73,260	-	-	73,260
	$ 2,269,715	$ 463,497	$ 26,569	$ 2,759,781

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

SWEET DREAM MAKERS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash flows from operating activities		
Change in net assets without donor restrictions	$ 72,859	$ (58,316)
Change in net assets with donor restrictions	(903)	(112,072)
Total change in net assets	71,956	(170,388)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	4,930
Realized and unrealized loss on investments	(28,252)	(26,265)
Changes in operating non-cash assets & liabilities:		
Pledges and grants receivable	26,410	138,815
Prepaid expenses	3,467	6,538
Accounts payable	67,640	(14,026)
Credit cards payable	(15,012)	28,609
Accrued expenses	(6,350)	(1,500)
Deferred Contributions	39,640	11,828
Net cash (used in) provided by operating activities	159,499	(21,459)
Cash flows from investing activities		
Purchase of investments	(845,592)	(622,281)
Proceeds from sale of investments	500,000	225,437
Net cash provided by (used) in investing activities	(345,592)	(396,844)
Net increase (decrease) in cash and cash equivalents	(186,093)	(418,303)
Cash and cash equivalents, beginning of the year	486,692	904,995
Cash and cash equivalents, end of the year	$ 300,599	$ 486,692

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Organization is organized as a 501(c)(3) nonprofit corporation located in Boca Raton, FL established in 2016 in accordance with the laws of the State of Florida. The Organization's is community based and their mission is to promote the health and wellness of children and families by providing, beds, bedding, and essential furniture.

Basis of Accounting

The Organization's financial statements presented herein have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Sweet Dream Makers records unconditional promises to give (pledges) as contributions at fair value at the date the promises are received or made and distinguishes between promises received for each net asset category in accordance with donor restrictions, if any.

Net assets and revenue, expenses, gains, and losses are classified as net assets with donor restrictions and net assets without donor restrictions based on the existence or absence, respectively, of donor-imposed restrictions. Accordingly, net assets of the Sweet Dream Makers and changes therein are classified as follows:

> **Net assets without donor restrictions** – Net assets either not restricted by donors or the donor-imposed restrictions have expired.
>
> **Net assets with donor restrictions** – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization or the passage of time and net assets subject to donor-imposed stipulations to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the earnings on related investments for general or specific purposes.

The amounts for each class of net assets are required to be displayed in a statement of financial position and the amount of the change in each class of net assets are required to be displayed in a statement of activities.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year's presentation. The reclassifications had no effect on previously reported net assets or increase in net assets.

Cash and Cash Equivalents

Cash and cash equivalents consist of non-interest-bearing demand deposit accounts and interest-Cash includes amounts on deposit in checking accounts and money market accounts. For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Organization maintains cash deposits at South State Bank, located in Palm Beach County, Florida, as well as with brokerage firms.

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents, continued

At December 31, 2025, the cash and cash equivalents balance was $300,524, which exceeded Federal Deposit Insurance Corporation (FDIC) coverage by approximately $50,524. The Organization periodically evaluates the financial condition of its banking institutions and has not experienced any loss on such accounts. Management believes the Organization is not exposed to any significant credit risk arising from such balances.

Investments

Investments are presented in the financial statements at fair value, using quoted market prices for publicly traded securities and other relevant information generated by market transactions. Investments consist of funds invested in mutual funds, exchange traded funds (ETF's), and US Treasury bonds. The mutual funds and exchange traded funds are held by Fidelity Investments for the benefit of the Organization, but are not insured or collateralized. The US Treasury Bonds are issued by Fidelity Investments and is insured up to $500,000 by the SIPC and is recorded at cost plus accrued interest income. Investment transactions are recorded on a trade date basis. Investment income is recorded on the accrual basis and dividend income is recorded on the ex-dividend date. Investment earnings and realized and unrealized gains and losses are included in the Statement of Activities. Investment expenses are netted against investment income.

Pledges and Grant Receivable

Pledges receivable represent unconditional promises to give support over a period of time. Unconditional promises to give are reported as an increase in net assets with or without donor restrictions, depending on the nature of the donor-imposed restriction, if any. The Organization recognizes pledges receivable at estimated net realizable value for pledges due within one year. Pledges receivable that are expected to be collected in future years are recorded at the present value of their net realizable value. No allowance was deemed necessary for pledges receivable as they were deemed fully collectible by management.

Allowance for Credit Losses

The Organization operated in the education sector and its accounts receivables, which are unsecured, are primarily derived from contributions revenue. Receivables are deemed delinquent based on management's determination. Delinquent receivables are written off when management has determined that the amount will not be collected based on consideration of the credit evaluation and specific circumstances of the donor. At each balance sheet date, the Organization recognizes an expected allowance for credit losses based on the requirement of ASU 2016-13 (see New Accounting Pronouncements). In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. The estimate is calculated on a polled basis where similar risk characteristics exist. Accounts receivable are also evaluated individually when they do not share similar risk characteristics which could exist in circumstances where amounts are considered at risk or uncollectible.

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Credit Losses, continued

The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. The estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization, The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Company's accounts receivable have remained constant since inception.

The Organization writes off a receivable when there is information that indicates that debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or offset to credit loss expense in the year of recovery, in accordance with the Organization's accounting policy election. The total amount of write-offs was immaterial to the financial statements as a whole for the years ended December 31, 2025 and 2024, respectively.

Property and Equipment

Property and equipment are stated at cost, if purchased, or if acquired by contribution, at estimated fair value on the date of contribution. Depreciation is provided for using the straight-line method over the five to ten year estimated useful lives of the assets. Office, computers, and medical equipment are generally assigned an estimated useful life of 5-years; office furniture is assigned a useful life of 7-years; and leasehold improvements are generally amortized over a 10-year period. Expenditures for furniture and equipment costing $5,000 or more are capitalized; lesser amounts are expensed.

Leases

The Company calculates its operating lease right-of-use asset and operating lease liability using its incremental borrowing rate and terms under the lease agreements. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized. The Company amortizes the operating lease right-of-use asset over the lease term.

Revenue and Support Recognition

Financial support is provided by private sector grants, public donations, and gifts. Private grants and public contributions are recognized when received or when a donor or grantor makes an unconditional promise to give. Donor pledges are considered intent to give rather than an unconditional promise to give. Accordingly, pledges are not recognized as support at the time of the pledge. Donations that contain donor stipulations that limit the use of an asset for specific purposes or designates the support for future periods, are reported as an increase in net assets with donor restrictions and net assets without donor restrictions depending upon the nature of the restriction. When a donor restriction expires, that is, when a stipulation time restriction ends or a purpose restriction is accomplished; net assets with donor restrictions are reclassified and reported in the statements of activities as nets assets released from restrictions. Donor contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Support Recognition, continued

Contributions of long-lived assets (e.g., property and equipment) or contributions that the donor requires to be used to acquire long-lived assets are reported as net assets with donor restrictions. Sweet Dream Makers reflects the expiration of the donor-imposed restriction when long-lived assets have been placed in service, at which time 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 Nonfinancial Assets

The Organization regularly receives contributions of Beds and bedding, household items and gently used furniture from the public. Items are assigned values using the goodwill average. During the year ended December 31, 2025, the Organization received approximately 1910 items valued at $91,537.

Donated Services

Donated services are recognized as contributions if the services (1) create or enhance non-financial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Compensated Absences

Employees of the Organization are entitled to paid vacations, paid sick days, and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

Income Taxes

The Organization qualifies as a tax-exempt Organization, other than a private foundation, under Section 501(c) (3) of the Internal Revenue Code and therefore, has no provision for federal income taxes. The Organization qualifies as a public charity under the Internal Revenue Code.

The Organization files required income tax returns in the U.S. federal jurisdiction. With few exceptions, the Organization is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2019. The Organization has concluded that no material uncertain tax positions have been taken on any open tax returns. For the current year, the Organization believes all tax positions are fully supportable by existing Federal law and related interpretations and there are no uncertain tax positions to consider.

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Credit and Market Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of cash and cash equivalents. The Organization maintains its cash and cash equivalents in SouthState bank accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. As of December 31, 2025, the Organization had approximately $50,524 in excess of insured limits.

The Organization considers pledges and grants receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If the amounts become uncollectible, they will be charged to operations when that determination is made.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain 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. The use of estimates includes, but is not limited to, amounts earned in the reporting period under grant contracts, the estimated value of in-kind services, the allocation of expenses among program and support categories, and useful lives of depreciable assets. Actual results could differ from those estimates.

Recently adopted accounting pronouncements

On January 1, 2024, the Organization adopted FASB ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and all related subsequent amendments thereto. This ASU replaced the incurred loss method of measuring financial assets with an expected loss method, which is referred to as the current expected credit loss (CECL) method. CECL requires an estimate of credit losses over the life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts. For the Organization, the ASU applies to the measurement of its accounts receivable. Accounts receivable are now presented by using an allowance for credit losses to reduce the receivables balance to the net amount expected to be collected over the lives of the receivables. The Organization adopted the new standard using the modified retrospective approach. For the Organization, there was no transition adjustment related to the adoption of CECL.

NOTE B – INVESTMENTS

All investments are stated at estimated fair value based upon current market quotes and are available to support current operations. The Organization currently has investments in US Treasury bonds, mutual funds, and stocks. Total investments at December 31, 2025 and 2024 were $1,128,139 and $784,177, respectively and the carrying amount approximates the fair value.

NOTE B – INVESTMENTS (CONTINUED)

Investments as of December 31 are classified as follows:

	2025	2024
US Treasury bonds	$ -	$ 784,177
Mutual funds	1,125,441	-
Stocks	2,698	-
	$ 1,128,139	$ 784,177

NOTE C – PLEDGES AND GRANTS RECEIVABLE

Pledges are recorded as receivables and support when received or promised. These pledges are considered unconditional promises to give, which is a promise to give that depends only on the passage of time or demand by the promise for performance. Unconditional promises to give that are due beyond one year have been measured using the net present value of estimated future cash flows.

Pledges and grants receivable are as follows as of December 31:

	2025	2024
Pledges and grants receivable	$ 47,350	$ 78,135

Management has determined that neither a present value discount nor an allowance for doubtful accounts is necessary as of December 30, 2025 and 2024.

NOTE D – ENDOWMENTS

The Organization's endowments consist of a donor-restricted endowment fund that was established to support its annual operating expenses. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

FASB ASC 958, Not-for-Profit Entities, provides guidance on the net asset classification of endowment funds with donor restrictions for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and requires disclosures about an organization's endowment funds (both donor-restricted endowment funds and board designated endowment funds), whether or not the organization is subject to UPMIFA. The State of Florida enacted a version of UPMIFA, known as the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) that governs the investment, management, and spending of donor- restricted endowment funds by Florida not-for-profit organizations. Absent explicit donor stipulations, FUPMIFA generally requires prudent care in investing, managing, and developing spending plans for donor-restricted endowment funds.

NOTE D – ENDOWMENTS (CONTINUED)

The Organization classifies as perpetually restricted net assets the following items: (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument (if applicable) at the time the accumulation is added to the fund, and (d) the portion of investment return added to the perpetual endowment to maintain its purchasing power, if donor-restricted. The Organization classifies as time or purpose restricted net assets: (a) the portion of donor-restricted term endowment funds that is deemed to be restricted over a donor-specified period, and (b) the portion of donor-restricted endowment funds with donor-imposed purpose restrictions that have not yet been met.

The Organization considers the following factors in making a determination to expend donor-restricted endowment funds:

- *The duration and preservation of the fund*
- *The purposes of the Organization and the donor-restricted endowment fund*
- *General economic conditions*
- *The possible effect of inflation and deflation*
- *The expected total return from income and the appreciation of investments*
- *Other resources of the Organization*
- *The investment policies of the Organization*

In 2021 the organization received a gift of $100,000 from the H. F. Lenfest Fund and $10,000 from Larry Geller to establish an endowment. The principal amount of the endowment shall be kept in perpetuity and the investment income generated by the fund can be used for general operating costs and expenses. For the year ended December 31, 2025 the endowment funds were held by Fidelity Investments and had earnings of $27,070 and a fair market value of $191,327.

The endowment composition by type of fund as of December 31, 2025 and 2024 was as follows:

	2025	2024
Mutual funds	$ -	$ 134,243
US Treasury bonds	-	21,097
Exchange-traded funds	184,978	-
Cash reserve	6,349	6,105
Total endowment fund balance	$ 191,327	$ 161,445

NOTE E – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment and related accumulated depreciation as of December 31, 2025 and 2024:

	2025	2024
Vehicles	$ 49,300	$ 49,300
Less: accumulated depreciation	(49,300)	(49,300)
Property and equipment, net	$ -	$ -

For the years ended December 31, 2025 and 2024 depreciation expense was $0 and $4,390, respectively.

NOTE F – DEFERRED CONTRIBUTIONS

During 2025 and 2024 contributions were received in advance for fundraising events. The contributions were deferred at December 31, 2025 & 2024 and recognized as income in 2026 & 2025, when the events occurred, respectively. The amounts deferred as of December 31, 2025 and 2024 were $111,945 and $72,305, respectively.

NOTE G – RESTRICTIONS ON NET ASSETS

In 2021 the organization received a gift of $100,000 from the H. F. Lenfest Fund and in 2022, a gift from Larry Geller of $10,000 to establish an endowment. The principal amount of the endowment shall be kept in perpetuity and the investment income generated by the fund can be used for general operating costs and expenses.

In addition, during 2025, the Organization received pledges from the Altman family Foundation in the amount of $18,500, the Deluca Foundation in the amount of $13,350 and various other pledges totaling $15,500. These pledges are time restricted and are due in 2025. The Organization had net assets with donor restrictions consisting of the following at December 31:

	2025	2024
Endowment held in perpetuity:		
H.F. Lenfest Endowment Fund	$ 191,327	$ 161,445
Subject to the passage of time:		
Gillman Family Foundation	-	75,000
Altman family Foundation	18,500	-
Jim Moran Foundation	13,350	-
Various other pledges	19,375	3,135
Total net assets with donor restrictions	$ 242,552	$ 239,580

NOTE H – FAIR VALUE MEASUREMENTS

The Organization uses a three-tier hierarchy established by the FASB ASC to prioritize the assumptions, referred to as inputs, used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1: *quoted prices in active markets for identical investments.*

Level 2: *other significant observable inputs (including quoted prices for similar investments in active markets, interest rates and yield curves, prepayment speeds, credit risks, etc.)*

Level 3: *significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).*

The fair value measurement of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the methodologies during the year ended December 31, 2025.

Fair Value of Assets: The following table sets forth, by level within the fair value hierarchy, the fair value of the Organization's financial assets measured at fair value on a recurring basis at December 31, 2025:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level1)
Assets		
Mutual funds - Unrestricted	$ 1,125,441	$ 1,125,441
Stocks - Unrestricted	2,698	2,698
ETF's - Restricted in Perpetuity	184,978	184,978
Cash reserve - Restricted in Perpetuity	6,349	6,349
Total	$ 1,319,466	$ 1,319,466

NOTE I – SPECIAL EVENTS

The Organization conducts special events for the purpose of raising money for operations. For the years ended December 31, 2025 and 2024 the Organization had revenues of $1,202,307 and $1,022,406 less related expenses of $413,252 and $312,396, respectively.

NOTE J – LEASE COMMITMENTS

The Organization has commitments related to operating lease agreements for the rental of office and warehouse space at December 31, 2025 and 2024. Up to December 31, 2019 the rent for the administrative offices had been contributed to the organization as a donation in kind by a board member. Commencing January 1, 2020, the organization has agreed to an operating lease agreement with the board member for these same administrative offices. The lease is month to month and requires monthly payments of $1,000 with no expiration date, but either party may terminate the lease by giving at least ninety (90) days prior written notice. The Organization also has a lease agreement with a third party for warehouse space. This lease requires monthly payments of $814 on a month-to-month basis; as such, there were no future annual lease payments. The lease payments for the years ended December 31, 2025 and 2024 were $23,568 and $22,968, respectively.

NOTE K – LIQUIDITY

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general expenditures within one year of the statement of financial position date ended December 31:

	2025	2024
Financial assets:		
Cash and cash equivalents	$ 300,599	$ 486,692
Pledges and other receivable, net	51,725	78,135
Investments	1,128,139	784,177
Total Financial assets, at year end	1,480,463	1,349,004
Less those unavailable for general expenditures within one year due to:		
Donor restricted	191,327	161,445
Financial assets available to meet cash needs for general expenditures within one year	$ 1,289,136	$ 1,187,559

As part of the Organization’s liquidity management, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE L – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 24, 2026, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.