Vitamin Angel Alliance, Inc.

(A Nonprofit Organization)

Financial Statements
Year Ended December 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Vitamin Angel Alliance, Inc.

Opinion
We have audited the accompanying financial statements of Vitamin Angel Alliance, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025, 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 Vitamin Angel Alliance, Inc. as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Vitamin Angel Alliance, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Vitamin Angel Alliance, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in 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 Vitamin Angel Alliance, 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 Vitamin Angel Alliance, 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 have previously audited Vitamin Angel Alliance’s 2024 financial statements, and our report dated June 24, 2025, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hutchinson and Bloodgood LLP

Hutchinson and Bloodgood LLP
Santa Barbara, California
June 13, 2026

Vitamin Angel Alliance, Inc.

Statement of Financial Position
December 31, 2025
(With Summarized Comparative Totals For December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
ASSETS				
CURRENT ASSETS				
Cash	$ 18,502,414	$ 11,788,505	**$ 30,290,919**	$ 23,289,057
Prepaid expenses and deposits	1,055,255	-	**1,055,255**	200,817
Pledges receivable	1,470,295	2,373,955	**3,844,250**	7,297,617
Inventory	110,591,994	-	**110,591,994**	92,570,935
TOTAL CURRENT ASSETS	131,619,958	14,162,460	**145,782,418**	123,358,426
OTHER ASSETS				
Pledges receivable, net of current portion	-	-	**-**	1,918,465
Investments	19,229,876	-	**19,229,876**	17,608,273
Accrued interest receivable	59,433	-	**59,433**	-
Office furniture, equipment, and leasehold improvements, net	99,785	-	**99,785**	90,519
Right-of-use assets	97,857	-	**97,857**	3,095,487
TOTAL OTHER ASSETS	19,486,951	-	**19,486,951**	22,712,744
TOTAL ASSETS	$ 151,106,909	$ 14,162,460	**$ 165,269,369**	$ 146,071,170
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	$ 1,048,137	$ -	**$ 1,048,137**	$ 952,144
Accrued payroll liabilities	674,222	-	**674,222**	774,975
Deferred grant income	-	1,409,579	**1,409,579**	-
Lease liabilities	232,690	-	**232,690**	239,130
TOTAL CURRENT LIABILITIES	1,955,049	1,409,579	**3,364,628**	1,966,249
OTHER LIABILITIES				
Lease liabilities, net of current portion	-	-	**-**	2,979,056
TOTAL OTHER LIABILITIES	-	-	**-**	2,979,056
TOTAL LIABILITIES	1,955,049	1,409,579	**3,364,628**	4,945,305
NET ASSETS				
Without donor restrictions				
Board designated	12,544,568	-	**12,544,568**	11,412,822
Other unrestricted net assets	136,607,292	-	**136,607,292**	113,631,119
With donor restrictions	-	12,752,881	**12,752,881**	16,081,924
TOTAL NET ASSETS	149,151,860	12,752,881	**161,904,741**	141,125,865
TOTAL LIABILITIES AND NET ASSETS	$ 151,106,909	$ 14,162,460	**$ 165,269,369**	$ 146,071,170

The Notes to Financial Statements are an integral part of this statement.

Vitamin Angel Alliance, Inc.

Statement of Activities
Year Ended December 31, 2025
(With Summarized Comparative Totals For The Year Ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
SUPPORT, REVENUES AND GAINS (LOSSES)				
In-kind contributions	$ 149,748,400	$ -	**$ 149,748,400**	$ 156,106,555
Contributions	9,759,544	23,538,029	**33,297,573**	40,094,765
Investment income, net	2,784,412	-	**2,784,412**	2,096,704
Sublease income	150,370	-	**150,370**	134,349
Net assets released from restrictions	26,867,072	(26,867,072)	**-**	-
TOTAL SUPPORT, REVENUES AND GAINS (LOSSES)	189,309,798	(3,329,043)	**185,980,755**	198,432,373
EXPENSES				
Nutrition and health projects	154,163,669	-	**154,163,669**	140,755,254
Management and general	3,894,940	-	**3,894,940**	3,400,295
Fundraising	7,143,270	-	**7,143,270**	6,643,618
TOTAL EXPENSES	165,201,879	-	**165,201,879**	150,799,167
INCREASE (DECREASE) IN NET ASSETS	24,107,919	(3,329,043)	**20,778,876**	47,633,206
NET ASSETS, BEGINNING OF YEAR	125,043,941	16,081,924	**141,125,865**	93,492,659
NET ASSETS, END OF YEAR	$ 149,151,860	$ 12,752,881	**$ 161,904,741**	$ 141,125,865

Vitamin Angel Alliance, Inc.

Statement of Functional Expenses
Year Ended December 31, 2025
(With Summarized Comparative Totals For The Year Ended December 31, 2024)

	Program Services	Supporting Services		Total	
	Nutrition and Health Projects	Management and General	Fundraising	2025	2024
SALARIES AND BENEFITS					
Salaries	$ 3,515,531	$ 2,745,843	$ 3,840,830	**$ 10,102,204**	$ 8,512,457
Payroll taxes and benefits	594,669	410,500	683,592	**1,688,761**	1,458,265
TOTAL SALARIES AND BENEFITS	4,110,200	3,156,343	4,524,422	**11,790,965**	9,970,722
OTHER OPERATING EXPENSES					
Consulting	3,234,761	349,034	1,145,277	**4,729,072**	4,647,973
Depreciation	15,920	3,538	5,812	**25,270**	45,116
Development events, donor recognition and marketing	2,360	217	646,244	**648,821**	715,958
Direct program	2,254,228	-	-	**2,254,228**	2,467,826
Information technology	357,935	79,541	130,674	**568,150**	574,064
Insurance	99,250	22,056	36,234	**157,540**	150,599
Legal and accounting	339,091	75,353	123,796	**538,240**	402,479
Loss on disposal of assets	-	7,445	-	**7,445**	3,212
Occupancy	226,871	62,550	82,826	**372,247**	381,555
Office	321,088	62,220	102,393	**485,701**	393,192
Postage and shipping	3,738,877	3,706	-	**3,742,583**	3,207,517
Products distributed - contributed	132,632,126	-	-	**132,632,126**	122,408,048
Products distributed - purchased	5,732,472	-	-	**5,732,472**	4,284,502
Travel	1,098,490	72,937	345,592	**1,517,019**	1,146,404
TOTAL OTHER OPERATING EXPENSES	150,053,469	738,597	2,618,848	**153,410,914**	140,828,445
TOTAL EXPENSES - 2025	$ 154,163,669	$ 3,894,940	$ 7,143,270	**$ 165,201,879**	
TOTAL EXPENSES - 2024	$ 140,755,254	$ 3,400,295	$ 6,643,618		$ 150,799,167

The Notes to Financial Statements are an integral part of this statement.

Vitamin Angel Alliance, Inc.

Statement of Cash Flows
Year Ended December 31, 2025
(With Summarized Comparative Totals For The Year Ended December 31, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	**$ 20,778,876**	$ 47,633,206
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	**25,270**	45,116
Amortization of right-of-use assets	**12,134**	32,606
Net realized gain on investments	**(1,452,137)**	(379,174)
Net unrealized (gain) loss on investments	**167,726**	(1,158,480)
Net realized loss on disposal of fixed assets	**7,445**	3,212
Decrease (increase) in:		
Inventory	**(18,021,059)**	(37,276,207)
Pledges receivable	**5,371,832**	7,922,444
Prepaid expenses and deposits	**(854,438)**	352,880
Accrued interest receivable	**(59,433)**	-
Increase (decrease) in:		
Accounts payable	**95,993**	(135,191)
Accrued payroll liabilities	**(100,753)**	185,587
Deferred grant income	**1,409,579**	-
Accrued deferred compensation	**-**	(575,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**7,381,035**	16,650,999
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	**(7,858,046)**	(3,886,938)
Proceeds from sales of investments	**7,520,854**	4,392,561
Purchase of office furniture and equipment	**(41,981)**	(51,604)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	**(379,173)**	454,019
NET INCREASE IN CASH	**7,001,862**	17,105,018
CASH, beginning of year	**23,289,057**	6,184,039
CASH, end of year	**$ 30,290,919**	$ 23,289,057

NOTE 1. ORGANIZATION

Vitamin Angel Alliance, Inc. (the "Organization"), a California nonprofit corporation, was incorporated in 1998 and is headquartered in Goleta, California. The Organization aims to improve nutrition and health outcomes in low resource settings worldwide. This is done by strengthening, extending, and amplifying the impact of local organizations that are working to reach the most nutritionally vulnerable groups who are underserved by existing systems.

Pregnant women, infants, and young children in underserved communities often experience multiple barriers to good nutrition. To address these barriers, the Organization works collaboratively with local organizations, including national and local governments, non-governmental organizations (NGOs), academic institutions, and others to help determine how to reduce barriers to access essential nutrition interventions. The Organization also provides resources and technical assistance, using an implementation science framework to plan, implement, monitor, and evaluate existing programs, and support advocacy efforts to create a supportive and sustainable environment for optimal nutrition outcomes.

Evidence-based nutrition interventions are a powerful way to support healthy pregnancies, improve birth outcomes, reduce infant and maternal mortality, and protect children under five against debilitating childhood infections. The Organization works to expand the availability of evidence-based nutrition interventions in communities that are underserved and nutritionally vulnerable with a focus on strengthening, sustaining, and expanding multiple micronutrient supplementation (MMS) for pregnant women, high-dose vitamin A supplementation for children under 5, deworming for children under 5, and infant and young child feeding programs.

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 accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements.

Net Assets: GAAP requires that the Organization report information regarding its financial position and activities according to two classes of net assets based on the existence and nature of donor imposed restrictions as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are permanent in nature, where by the donor has stipulated the funds be maintained in perpetuity. As of December 31, 2025 and 2024, there were no donor restricted funds that were permanent in nature.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prior-Year Summarized Information: The financial statements include certain prior-year summarized comparative information in total but are not presented by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2024 from which the summarized information was derived.

Cash: For purposes of the statement of cash flows, cash consists of cash in banks and excludes cash equivalents held for investment.

Investments: The Organization follows Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, issued by the Financial Accounting Standards Board (ASC 820). ASC 820 defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. Pursuant to ASC 820, assets and liabilities recorded and maintained at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure fair value. ASC 820 establishes a three-level fair value hierarchy that describes the inputs that are used to measure the fair values of respective assets and liabilities:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 – Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

The Organization has no liabilities measured at fair value. Following is a description of the valuation methodologies used for cash and investments measured at fair value:

Cash and money market funds: Valued at face value. (Level 1)

Equities and mutual funds: Valued utilizing quoted prices available in active markets for identical investments as of the reporting date. (Level 1)

Fixed income securities: Valued utilizing benchmark yields, reported trades or broker dealer quotes. (Level 2)

Detailed information about fair value of investments and the unrealized gains and losses are discussed in Note 4.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory: The Organization's policy is to distribute inventory at the earliest practical date, consistent with sound programmatic principles. While the distribution typically occurs in the same year of receipt, it may occur in the following year. The expense 'products distributed' is recorded when inventory is shipped. Inventory consists of the following as of December 31:

	2025	2024
MMS for pregnant women	**$ 56,263,018**	$ 39,801,725
Anti-parasitic tablets	**49,445,890**	49,505,840
High dose vitamin A	**4,883,086**	3,263,370
	$ 110,591,994	$ 92,570,935

Contributed inventory is recorded at fair value (See Note 2, Contributed Product). Purchased inventory is carried at cost, unless the purchase price has been discounted. If the Organization is able to purchase from a vendor at a price below the valuation price, the Organization records the discount as a gift in-kind (GIK) contribution. The discount is the difference between the amount that would be paid for the quantity of product purchased in an orderly transaction between market participants, and the purchase price paid by the Organization.

Pledges Receivable: Unconditional promises to give are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. Pledges receivable consist primarily of promises from corporate donors. The Organization uses the allowance method to determine uncollectible pledges. The allowance is based on prior years' experience and management's analysis of specific promises made. There was no allowance for uncollectible pledges at December 31, 2025 and 2024. The fair value is measured using an income approach which incorporates inputs including estimated credit risk, estimated timing of cash receipts, and an appropriate present value discount factor.

Office Furniture, Equipment, and Leasehold Improvements: Office furniture, equipment, and leasehold improvements are carried at cost, or if acquired by gift, at the estimated fair market value on the date of donation. Expenditures for major renewals that extend the useful lives of office furniture and equipment are capitalized if amounts are in excess of $500. Expenditures for maintenance and repairs are charged to operations as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of office furniture and equipment as follows:

	Years
Furniture and fixtures	5-7
Computers and office equipment	5
Leasehold improvements	7

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition: The Organization records contributions in the period received or promised as revenue without donor restrictions unless the donor stipulates any restrictions which are not met within the year the donation is received. Donor restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying financial statements. Donor restricted contributions whose restrictions are not met within the same year as received are recorded as an increase in net assets with donor restrictions. When a restriction expires due to purpose and/or time, net assets with donor restrictions are reclassified as net assets without donor restrictions.

Contributed Product: The Organization values gifts in-kind at fair value. ASC 820 defines fair value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”

The fair value is determined based on the principal market for each product. There is no commercial market for the products contributed to the Organization in the United States. Accordingly, the principal market for the products contributed are limited to the international commercial marketplace where non-governmental organizations, governments, and/or local pharmacies transact for the product. The Organization uses independent pricing guides to determine the fair value of each product based on each product’s specific formulation. The sources of such pricing information vary and may include IMS Health data, “Sources and Prices of Selected Medicines for Children”, the Organization’s own acquisition cost and/or the average wholesale price found in RedBook®.

IMS Health data comes from a company called IMS Health that provides market intelligence to pharmaceutical and healthcare industries and provides wholesale pricing data. The “Sources and Prices of Selected Medicines for Children” guide is published annually by UNICEF and the W.H.O. If the product formulations are not listed in IMS Health data or in the “Sources and Prices of Selected Medicines for Children” guide, the average wholesale price of the most similar products found in RedBook® is used as a suitable pricing reference. RedBook® is published by Thomson Reuters and is based on United States manufacturers’ suggested wholesale prices.

Valuations typically are substantially lower than published retail prices. Contributed products provided to the Organization’s partners around the world are recorded as an expense at the same fair value as they were recognized upon receipt as revenue.

Operating Leases: The Organization follows Financial Accounting Standard Board (FASB) Accounting Standard codification (ASC 842), *Leases*. For leases with a lease term greater than one year, the Organization recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation. The Organization determines whether an arrangement is or contains a lease at contract inception. Operating leases with a duration greater than one year are included in operating lease right-of-use assets, current portion operating lease liabilities, and operating lease liabilities, net of current portion in the Organization’s statement of financial position.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Leases (continued): Operating lease right-of-use assets and operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Organization uses a risk-free rate of a period comparable with that of the lease term. The Organization considers the lease term to be the noncancelable period that it has the right to use the underlying asset, including all periods covered by an option to (1) extend the lease if the Organization is reasonably certain to exercise the option, (2) terminate the lease if the Organization is reasonably certain not to exercise that option, and (3) extend, or not to terminate, the lease in which exercise of the option is controlled by the lessor.

The operating lease right-of-use assets also include any lease payments made and exclude lease incentives received or receivable. Lease expense is recognized on a straight-line basis over the expected lease term. Variable lease expenses are recorded when incurred.

Contributed Services: The Organization recognizes contribution revenue for specialized services that would otherwise be purchased by the Organization in an amount equal to the fair value of those services.

Service Donated	**2025 Fair Value**	2024 Fair Value
Legal Consulting	**$ 183,800**	$ 246,500
Accounting Services	**9,200**	17,800
	$ 193,000	$ 264,300

Functional Allocation of Expenses: The statement of functional expenses present the natural classification detail of expenses by function. Direct expenses are charged to the appropriate program or supporting services. Certain costs have been allocated among the programs and supporting services benefited. Expenses allocated on a square footage basis include occupancy, depreciation, utilities, and insurance. Expenses allocated on the basis of estimates of time and effort include salaries and wages, benefits, payroll taxes, professional services, office expenses, and information technology.

Tax Exempt Status: The Organization is an exempt organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code, and is considered a public charity.

Uncertain Tax Positions: The Organization's IRS Form 990 is subject to review and examination by Federal and state authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes. The Organization's tax returns from the year 2022 to the present remain subject to examination by the IRS for federal tax purposes, and the tax years from 2021 to the present remain subject to examination by the state of California.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates: Financial statements prepared in accordance with GAAP require management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant accounting estimates include valuation of contributed products and functional expense allocations. Actual results could differ from those estimates.

Subsequent Events: Management has evaluated subsequent events through June 13, 2026, the date that the financial statements were available to be issued.

NOTE 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, comprise the following as of December 31, 2025:

Cash	$ 18,502,414
Investments	19,229,876
Accrued interest receivable	59,433
Pledges receivable	1,470,295
Less board designated operating reserve	(12,544,568)
	$ 26,717,450

As part of the liquidity management plan, the Organization maintains an operating reserve. Based on the available liquidity as of December 31, 2025 and expected 2026 cash income, the Organization does not anticipate using the operating reserve during the fiscal year ending December 31, 2026.

NOTE 4. INVESTMENTS

At December 31, 2025, investments without donor restrictions consist of the following:

	Cost	Fair Value	Excess of Fair Value
Money market funds (Level 1)	$ 705,188	$ 705,188	$ -
Equities (Level 1)	4,935,845	6,413,769	1,477,924
Mutual and Exchange traded funds (Level 1)	4,361,158	5,061,421	700,263
Fixed income (Level 2)	6,825,187	7,049,498	224,311
	$ 16,827,378	$ 19,229,876	$ 2,402,498

NOTE 4. INVESTMENTS (CONTINUED)

At December 31, 2024, investments without donor restrictions consist of the following:

	Cost	Fair Value	Excess (Deficit) of Fair Value
Money market funds (Level 1)	$ 679,943	$ 679,943	$ -
Equities (Level 1)	4,920,316	7,025,632	2,105,316
Mutual and Exchange traded funds (Level 1)	2,886,716	3,370,282	483,566
Fixed income (Level 2)	6,551,074	6,532,416	(18,658)
	$ 15,038,049	$ 17,608,273	$ 2,570,224

Investment income (loss) for the years ending December 31, 2025 and 2024 consist of the following:

	2025	2024
Interest and dividends	**$ 1,618,349**	$ 670,811
Net realized gain	**1,452,137**	379,174
Net unrealized gain (loss)	**(167,726)**	1,158,480
	2,902,760	2,208,465
Less investment fees	**(118,348)**	(111,761)
Total investment income	**$ 2,784,412**	$ 2,096,704

NOTE 5. OFFICE FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Office furniture, equipment, and leasehold improvements are summarized by major classifications as follows at December 31:

	2025	2024
Leasehold improvements	**$ 145,126**	$ 145,126
Computers	**133,073**	125,724
Furniture and equipment	**59,145**	59,145
	337,344	329,995
Less accumulated depreciation	**(237,559)**	(239,476)
	$ 99,785	$ 90,519

Depreciation expense for the years ended December 31, 2025 and 2024 was approximately $25,270 and $45,100, respectively.

NOTE 6. OPERATING LEASES

On April 5, 2019, the Organization entered into a non-cancelable operating lease agreement with an expiration date of October 31, 2026, with two successive options of five years each to extend the lease following the expiration of the initial term. The initial monthly lease payment is approximately $19,500 with increases of approximately 3% annually. The Organization is also required to pay common area costs, including property taxes. In April 2026, the Organization made the determination to not exercise the option. The lease originally expired in October 2026. In May 2026 the Organization extended the lease to April 2027.

On June 1, 2020, the Organization entered into a non-cancellable operating lease agreement with an expiration date of June 30, 2023. The Organization renewed the contract beginning July 1, 2023, with an expiration date of June 30, 2025. On December 2, 2024, the Organization renewed the contract for an additional two years with an expiration date of June 30, 2027. The monthly lease payments are approximately $2,200, increasing approximately 3% annually. In February 2026, the Organization terminated the lease effective March 2026.

Lease expense for the year ended December 31, 2025 was $444,905, which included $84,792 of variable lease expenses for common area maintenance expenses.

Other information:

Operating cash flows used for operating leases	$	296,788
Weighted-average remaining lease term in years for operating lease		0.82
Weighted-average discount rate for operating lease		4.10%

Maturity analysis:

December 31,		
2026	$	236,223
Less present value discount		(3,533)
Total lease liability	$	232,690

NOTE 7. BOARD DESIGNATED NET ASSETS

As of December 31, 2025 and 2024, the board has designated net assets without donor restrictions in the amount of $12,544,568 and $11,412,822, respectively, as an operating reserve fund.

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets include net assets restricted for expenditure for specific purposes and pledges and grants receivable that are time restricted. Donor restricted net assets were as follows as of December 31:

	2025	2024
Unexpended funds	**$ 10,378,926**	$ 7,395,547
Time restricted receivables, net	**2,373,955**	8,686,377
Total funds restricted to expenditure	**$ 12,752,881**	$ 16,081,924

NOTE 9. CONCENTRATIONS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. As of December 31, 2025, substantially all of the Organization's cash was maintained in financial institutions. The cash balances held in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 for interest-bearing accounts. The Organization's uninsured cash balances by the FDIC totaled approximately $29,988,000 as of December 31, 2025.

Cash equivalent balances held in brokerage accounts are insured by the Securities Investor Protection Corporation (SIPC) up to $250,000 per institution. The Organization's uninsured cash balances by the SIPC totaled approximately $455,000 as of December 31, 2025.

For the year ended December 31, 2025, 83% of cash contributions were attributable to two donors and 71% of in-kind contributions were attributable to three donors. Including the in-kind contribution component, 80% of inventory acquisitions were from three vendors.

The Organization had four donors that accounted for approximately 93% of pledges receivable as of December 31, 2025.

NOTE 10. RELATED PARTY TRANSACTIONS

A board member provided consulting services to the Organization totaling $152,400, in each of the years ended December 31, 2025 and 2024.

NOTE 11. EMPLOYEE BENEFITS

Effective April 1, 2013, the Organization established a qualified profit sharing retirement plan with a 401(k) deferred compensation provision covering substantially all employees. Employees must meet the minimum hours of service requirement of one year and be 21 years old in order to qualify for inclusion in the plan. Under the plan, qualified employees may elect to defer up to 90% of their salaries, subject to the Internal Revenue Code (IRC) limits. The Organization makes safe harbor contributions equal to 3% of each participant's compensation, which are 100% vested as of the date of contribution. In addition, the Organization may elect to make discretionary contributions to the plan, subject to IRC limits, which are allocated to participants in accordance with the plan document. Expenses of the plan are paid by the Organization and are included in the financial statements as a component of general and administrative expenses.

The Organization's contribution to the plan, consisting of safe harbor and a discretionary contribution component, totaled approximately $271,000 and $253,000 and for the years ended December 31, 2025 and 2024, respectively.

The Organization established a non-qualified deferred compensation agreement under Section 457(f) of the IRC effective January 1, 2014. In September 2018, the agreement was amended to provide for deferred compensation of $75,000 annually for five years commencing with the year ending December 31, 2019. The agreement covered the past president of the Organization.

As of December 31, 2023, the Organization had fully funded the deferred compensation agreement. In March 2024, the Organization distributed the deferred compensation to the past president of the Organization. The payment totaled $827,512 consisting of $575,000 in contributions from the Organization and accumulated investment earnings of $252,512.