Audited Financial Statements

December 31, 2025

Independent Auditor's Report

To the Board of Directors of Meals on Wheels of Long Beach, Inc.:

Opinion

I have audited the financial statements of Meals on Wheels of Long Beach, Inc. (the "Organization") which comprise the statement 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Meals on Wheels of Long Beach, 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Meals on Wheels of Long Beach, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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, 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 Meals on Wheels of Long Beach, 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

My 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 my 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, I:

- 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 Meals on Wheels of Long Beach, 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Meals on Wheels of Long Beach, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Katherine Gluck

Hermosa Beach, CA
June 4, 2026

MEALS ON WHEELS OF LONG BEACH

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2025

	2025
Assets	
Cash	$ 399,967
Accounts receivable, net	197,193
Promises to give, net	50,000
Prepaid expenses	3,370
Investments	1,242,385
Fixed assets, net	1,114
Total assets	1,894,029
Liabilities	
Accounts payable	84,829
Accrued liabilities	30,041
Deferred revenue	16,775
Total liabilities	131,645
Net Assets	
Without restrictions	1,637,006
With restrictions	125,378
Total net assets	1,762,384
Total liabilities and net assets	1,894,029

See accompanying notes to the financial statements.

MEALS ON WHEELS OF LONG BEACH

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025

	Without Restrictions	With Restrictions	2025 Total
Revenues			
Client meal and delivery fees	$ 570,392	$ -	$ 570,392
Grants and contributions	738,581	62,809	801,390
Contributed nonfinancial assets	42,330	-	42,330
Program services revenue	24,000	-	24,000
Special events, net	3,533	-	3,533
Interest and dividends	31,659	-	31,659
Release from restrictions	52,894	(52,894)	-
Total revenue	1,463,389	9,915	1,473,304
Expenses			
Program services	1,077,580	-	1,077,580
Supporting services:			
Management and general	108,050	-	108,050
Fundraising	148,890	-	148,890
Total supporting services	256,940	-	256,940
Total expenses	1,334,520	-	1,334,520
Change in net assets from operations	128,869	9,915	138,784
Investment return, net	108,046	-	108,046
Change in net assets	236,915	9,915	246,830
Net assets, beginning of year	1,400,091	115,463	1,515,554
Net assets, end of year	1,637,006	125,378	1,762,384

See accompanying notes to the financial statements.

MEALS ON WHEELS OF LONG BEACH
STATEMENT FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

		Supporting Services			
	Programs Services	Management and General	Fundraising	Total Supporting Services	2025 Total
Food, packaging, and delivery	$ 564,618	$ -	$ -	$ -	$ 564,618
Salaries and wages	320,374	42,717	64,075	106,792	427,166
Payroll taxes	31,742	4,232	6,348	10,580	42,322
Employee benefits	23,361	3,115	4,672	7,787	31,148
Professional and contract services	13,314	36,595	37,943	74,538	87,852
Technology	12,163	354	531	885	13,048
Insurance	21,513	2,154	3,231	5,385	26,898
Occupancy	61,865	958	2,156	3,114	64,979
Telecommunications	9,744	1,299	1,949	3,248	12,992
Supplies and equipment	3,425	457	685	1,142	4,567
Marketing	369	4,678	4,439	9,117	9,486
Bad debt expense	-	8,424	-	8,424	8,424
Depreciation	5,015	669	1,003	1,672	6,687
Bank fees	4,945	50	3,296	3,346	8,291
Dues	-	1,914	-	1,914	1,914
Postage	-	-	4,070	4,070	4,070
Other	5,132	434	14,492	14,926	20,058
Total expenses	1,077,580	108,050	148,890	256,940	1,334,520

See accompanying notes to the financial statements.

MEALS ON WHEELS OF LONG BEACH

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2025

	2025
Cash Flows from Operating Activities	
Change in net assets	$ 246,830
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	6,687
Unrealized (gain) loss on investments	(82,695)
Changes in operating assets and liabilities:	
Accounts receivable	(46,182)
Promises to give, net	50,000
Prepaid expenses	(5)
Accounts payable	(15,729)
Accrued liabilities	10,848
Deferred revenue	16,479
Net cash provided by operating activities	186,233
Cash Flows from Investing Activities	
Reinvestment of investment income, net	(55,087)
Net cash used by investing activities	(55,087)
Net increase in cash	131,146
Cash at the beginning of year	268,821
Cash at the end of year	399,967
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITY	
In-kind contributions	$ 42,330

See accompanying notes to the financial statements.

NOTE 1 – OPERATIONS AND ACTIVITIES

Meals on Wheels of Long Beach, Inc. ("MOWLB") is a California nonprofit organization founded in March 1971. Our mission is to support homebound seniors, veterans, individuals with chronic illnesses, and those with disabilities by providing nutritious meals, meaningful social connections, and a range of in-home support services. These efforts help our clients remain independent, well-nourished, safe, and comfortable in their own homes for as long as possible.

Services are available to all qualified applicants at a subsidized cost. For those with limited income, meals and support services are fully subsidized following an intake assessment. This program is made possible through the generous support of individual donors, corporate partners, and philanthropic foundations. At MOWLB, we foster a family-like atmosphere, offering not only meals but also compassion, comfort, and connection during times of stress and loneliness.

Home Delivered Meals

Meals on Wheels of Long Beach provides nutritious, ready-to-eat meals to individuals who face challenges with grocery shopping or meal preparation and may lack consistent support from family or friends. Services are available to residents of Long Beach, Lakewood, Signal Hill, and Leisure World Seal Beach, regardless of age. Meals are delivered Monday through Friday (excluding major holidays) with care and compassion. Each delivery includes a hot dinner, cold lunch, dessert, and milk. In 2025, MOWLB delivered more than 140,000 meals to 641 unduplicated clients.

Friendly Visits

Our volunteers deliver more than meals. They provide companionship, kindness, and a vital connection to the outside world. During each delivery, volunteers offer friendly conversation and conduct informal wellness checks, reporting any concerns to staff. In 2025, volunteers conducted over 72,000 wellness checks, helping ensure the safety and well-being of our clients.

Pets are Family Too

For many of our clients, pets are cherished companions and an important source of comfort. Through our Pets Are Family Too Program, we provide food for clients' cats and dogs, helping them remain together. In 2025, we supported 210 dogs and 176 cats, distributing over 60,000 pounds of pet food to ensure these beloved companions stay healthy and at home.

Client Support Services Program and Referrals

Our Client Support Services Program addresses essential needs beyond meal delivery, helping clients remain safe and comfortable at home. When needs exceed our scope, we connect clients with trusted local nonprofit partners to ensure they receive comprehensive care. We also secure and distribute donated items such as walkers, wheelchairs, bedding, and other essential supplies. Personal hygiene items are available to all clients, further supporting their dignity and well-being.

NOTE 1 – OPERATIONS AND ACTIVITIES (continued)

Telephone Reassurance Program
Social isolation can significantly impact the health and well-being of homebound individuals. Our Telephone Reassurance Program provides friendly check-in calls once or twice a week for clients who need additional social interaction.

In the past year, we made over 600 calls totaling more than 3,200 minutes of conversation. These calls help reduce loneliness, build meaningful relationships, and provide emotional support.

California State University, Long Beach School of Nursing Partnership
MOWLB proudly partners with the School of Nursing at California State University, Long Beach. Nursing students are paired with clients who may benefit from additional attention and care. Students conduct in-home assessments and identify real-world challenges such as limited access to technology, financial hardship, transportation barriers, and home safety concerns. Working alongside faculty and MOWLB staff, they develop practical solutions and connect clients to resources, enhancing quality of life and reducing stress.

Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an Organization that is not a private foundation under Section 509(a)(2). The Organization also is exempt from state income taxes under Section 23701(d) of the Revenue and Taxation Code of the State of California.

The Organization has applied the provisions of Financial Accounting Standard Board's (FASB) Accounting Standards Codification (ASC) 740-10, *Accounting for Uncertainty in Income Taxes.* Under ASC 740-10, the Organization recognizes the effect of uncertain tax positions when it is more likely than not that the position will be sustained upon examination by taxing authorities. As of December 31, 2025, the Organization had no substantial uncertain income tax positions. The Organization's federal returns are subject to examination by federal taxing authorities, generally for three years after they are filed, and state returns are subject to examination by state taxing authorities, generally for four years after they are filed.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

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 and with the provisions of ASC 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and activities in two classes of net assets as follows:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting and Presentation (continued)

- *Net assets without donor restrictions* are net assets not subject to donor-imposed restrictions. The governing body has designated, from net assets without donor restrictions, net assets for a board-designated endowment.
- *Net assets with donor restrictions* are net assets subject to stipulations imposed by donors or law. Some donor restrictions are temporary in nature; those restrictions will be met by action of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Generally, donor-imposed restrictions are released when a restriction expires - that is, when a stipulated time restriction has elapsed, when the stipulated purpose has been fulfilled, or both.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid financial instruments with original maturities of three months or less. Cash equivalents that are part of the Organization's investment portfolio are reported as investments. As of December 31, 2025, $75,378 of cash was held with donor restrictions.

Accounts Receivable

Accounts receivable consist primarily of noninterest-bearing amounts due in the normal course of operations. Management estimates an allowance for expected credit losses based on historical collection experience, current economic conditions, and reasonable and supportable forecasts.

Promises to Give

Unconditional promises to give are recognized as contribution revenue when the donor's commitment is received. Promises to give that are expected to be collected within one year are recorded at net realizable value. Promises to give expected to be collected in future years are recorded at the present value of estimated future cash flows using a discount rate applicable to the year in which the promise is received. Promises to give are reported as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets or if the promises are to be collected in future periods. When donor restrictions are satisfied, either through the passage of time or by actions of the Organization, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

Management evaluates outstanding promises to give for expected credit losses on a collective or individual basis, considering historical collection experience, current economic conditions, donor-specific factors, and reasonable and supportable forecasts. An allowance for expected credit losses is recorded when collection of all or a portion of a promise to give is not considered probable. Adjustments to the allowance are reported in the statement of activities.

Conditional promises to give, which contain donor-imposed conditions that represent barriers that must be overcome and a right of return or release from obligation, are not recognized until the conditions have been substantially met. Amounts received before conditions are satisfied are reported as deferred revenue.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are stated at fair value. Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses, the unrealized appreciation (depreciation) on those investments and applicable advisory fee, is recognized in the statement of activities as nonoperating investment return.

Concentrations of Credit and Market Risk

The Organization operates in Long Beach, California and is dependent upon the local community and economy.

Exposure to credit and market risks is related primarily to bank balances, cash equivalents, and securities held at an investment firm. Cash and cash equivalents are maintained at various financial institutions and, at times, balances may exceed federally insured limits. The Organization's investments are held at a fiduciary that provides asset management and custody services.

In addition to a monthly review of portfolio performance, the Organization regularly monitors the safety and soundness of all the institutions that hold its financial assets. However, due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities could occur as past performance is no guarantee of future performance.

Fixed Assets

Fixed assets are stated at acquisition cost or at the fair value at the date of donation in the case of donated assets. The Organization's policy is to capitalize all fixed asset expenditures in excess of $1,000 that have a useful life of at least three years. The Organization provides for depreciation of property and equipment by use of the straight-line method over the estimated useful lives as follows:

Vehicle	10 years
Furniture, fixtures, and equipment	3 to 7 years

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Repair and maintenance costs are charged to operating expense as incurred. There were no impairment charges in fiscal year 2025.

Revenue Recognition

Contributions

The Organization recognizes contributions when cash, securities, other assets, or an unconditional promise to give is received. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met. All contributions are considered to be available for use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, these net assets are reclassified to contributions without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without restrictions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Client Meals and Delivery Fees
Client Meals and Delivery Fees include the amount of consideration to which the Organization expects to be entitled in exchange for providing meals to its clients, net of subsidized meals. Revenue is recorded over time during the period the performance obligations are satisfied and at the determined transaction price. Performance obligations are satisfied when the daily meal order cancellation period has expired.

Special Event Revenue
The Organization records special event revenue when the event takes place. Revenue is recorded net of direct expenses as the events are peripheral to the Organization's overall mission and activities.

Donated Services

Donated services are recognized in accordance with ASC 958 when the services either (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

A significant portion of the Organization's functions and programs is conducted by generous volunteers who are committed to the Organization's mission. The value of this volunteer time is not reflected in the accompanying financial statements as they did not meet the requirements of ASC 958. During the year ended December 31, 2025, these volunteers donated approximately 42,116 hours with a value of $987,620 computed using the hourly mean wage of $19.12 for food preparation workers in the local area for the period May 2025, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 22.65 percent for estimated fringe benefits and payroll taxes.

Fair Value Measurements

The Organization has determined the fair value of certain assets in accordance with the provisions of ASC 820, *Fair Value Measurements and Disclosures*, which provides a comprehensive definition of fair value for both assets and liabilities and also establishes a framework, under generally accepted accounting principles, for measuring 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.

- Level I inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level II inputs are inputs other than quoted prices included within Level I that are observable for the related asset or liability, quoted prices in markets that are not active, or other observable inputs that can be corroborated by observable market data.
- Level III inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the related asset or liability.

The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk, or liquidity profile of the asset.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of 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.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 3 – ACCOUNTS RECEIVABLE AND PROMISES TO GIVE

Accounts receivable and promises to give at December 31, 2025 consist of the following:

Contracted meal receivables	$ 199,693
Less: Allowance for credit losses	(2,500)
Accounts receivable, net	197,193
Promises to give – time restricted	50,000
Total accounts receivable and promises to give, net	247,193

Accounts receivable and promises to give are due within one year.

NOTE 4 – INVESTMENTS

Investments are stated at fair value and consist of the following at December 31, 2025:

Equities	$ 726,575
Cash and cash equivalents	310,868
Fixed income securities	204,942
Total investments	1,242,385

As of December 31, 2025, the Organization held $684,040 of its investments within a board-designated quasi-endowment fund.

Investment return for the year ended December 31, 2025 is summarized as follows:

Realized gain	$ 34,189
Unrealized gain	82,695
Less: Advisory fees	(8,838)
Nonoperating investment return, net	108,046
Interest and dividends	31,659
Total investment return, net	139,705

NOTE 5 – FAIR VALUE MEASUREMENTS

Assets carried at fair value on a recurring basis at December 31, 2025 are as follows:

	Fair Value	Quoted Prices in Active Markets (Level I)	Other Observable Inputs (Level II)	Unobservable Inputs (Level III)
Equity securities	$ 726,575	$ 726,575	$ -	$ -
Cash and cash equivalents	310,868	310,868	-	-
Fixed income securities	204,942	-	204,942	-
Total assets at fair value	1,242,385	1,037,443	204,942	-

NOTE 6 – FIXED ASSETS

Fixed assets consist of the following at December 31, 2025:

Vehicle	$ 46,438
Furniture and equipment	35,785
	82,223
Less: Accumulated depreciation	(81,109)
Total fixed assets, net	1,114

NOTE 7 – OCCUPANCY

The Organization conducts its operations from three facilities. The primary facility is occupied under a one-year rental agreement, one satellite facility is occupied under a month-to-month rental agreement, and a second satellite facility is provided under an annual in-kind occupancy agreement. The Organization has elected the short-term lease exemption for these arrangements. Total occupancy expense, including contributed facility usage, was $64,979 for the year ended December 31, 2025.

NOTE 8 – NET ASSETS

At December 31, 2025, net assets were restricted by donors or designated by the Organization as follows:

Without donor restrictions:	
Board-designated endowment	$ 684,040
Undesignated	952,966
Total without donor restrictions	1,637,006
With donor restrictions:	
Program restriction – meals	75,378
Time restriction	50,000
Total net assets with donor restrictions	125,378
Total net assets	1,762,384

NOTE 8 – NET ASSETS (continued)

At December 31, 2025, net assets were released from donor restrictions as follows:

Purpose restrictions:	
Satisfaction of program restriction - meals	$ 2,894
Expiration of time restriction	50,000
Total release from restrictions	52,894

NOTE 9 – HOMEBOUND FULLY SUBSIDIZED MEALS

Meals on Wheels of Long Beach, Inc. provides fully subsidized, nourishing meals to homebound, low-income clients meeting the Organization's financial and clinical eligibility requirements. The estimated cost of homebound fully subsidized meals includes the direct costs of meals, such as food, packaging, and delivery costs, as well as an allocation of applicable indirect costs. Thanks to the generosity of its donors, grantors, and volunteers, MOWLB provided 43,490 fully subsidized meals to homebound, low-income clients during 2025 at an estimated cost of $630,705.

For its fiscal year ended December 31, 2025, the cost of fully subsidized meals, excluding volunteer labor, provided by the Organization totaled $329,085. The value of volunteer labor provided to pack and deliver these subsidized meals is estimated to be $301,620. These volunteer services have not been recognized in the accompanying financial statements because they do not meet the criteria for recognition under U.S. generally accepted accounting principles.

NOTE 10 – CONTRIBUTED NONFINANCIAL ASSETS

The Organization recognized the following contributed nonfinancial assets during the year ended December 31, 2025:

Donated space	$ 30,000
Donated charity miles	12,330
Total contributed nonfinancial assets	42,330

Donated space was utilized in the Organization's meal delivery program and was not monetized. The fair value of donated space was estimated using market rental rates for comparable commercial properties in the local area.

Donated charity miles were utilized in the Organization's meal delivery program and were not monetized. Volunteers drove approximately 74,568 miles delivering meals to clients during 2025. The fair value of donated charity miles was based on the estimated fuel costs incurred by volunteers in delivering meals, using 2025 local gasoline prices published by the U.S. Bureau of Labor Statistics. As of December 31, 2025, there were no donor-imposed restrictions associated with the donated charity miles or donated space.

NOTE 11 – RETIREMENT PLAN

The Organization sponsors a defined contribution 401(k) retirement plan covering eligible employees. The Organization matches employee contributions at a rate of 3%, subject to the provisions of the plan. Employer contributions to the plan totaled $9,919 for the year ended December 31, 2025.

NOTE 12 – ENDOWMENT

Meals on Wheels of Long Beach's endowment consists entirely of funds designated by the board of directors to function as an endowment. Because these funds are board-designated rather than donor-restricted, they are reported as net assets without donor restrictions.

The Organization's quasi-endowment was established to provide a source of long-term financial stability and operating support. The goal of the fund is to realize 3% above the cost of living, averaged over five years. The fund is managed by a professional money management firm with oversight provided by the Organization's finance committee and board of directors. Funds may be withdrawn annually in ordinary times, but are limited to the lesser of (a) 5% of the prior year's investment return or (b) the endowment fund's total fair value at year-end. Additional funds may be withdrawn during extraordinary times as determined by the board of directors.

The net asset composition of the endowment funds as of December 31, 2025 is as follows:

	Without restrictions	With restrictions	Total
Board-designated endowment	$ 684,040	$ -	$ 684,040
Donor-restricted endowment	-	-	-
Total endowment funds	684,040	-	684,040

Changes in the endowment net assets for the fiscal year ended December 31, 2025 are summarized as follows:

	Without restrictions	With restrictions	Total
Endowment net assets, beginning of year	$ 606,268	$ -	$ 606,268
Contributions	-	-	-
Investment income, net	77,772	-	77,771
Appropriation for expenditure	-	-	-
Transfer to undesignated funds	-	-	-
Endowment net assets, end of year	684,040	-	684,040

NOTE 13 – LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs, while also striving to optimize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

As of December 31, 2025, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

Financial assets as of December 31, 2025	$ 1,889,545
Less:	
Board-designated endowment fund	(684,040)
Available to meet general expenditures within one year	1,205,505

The Organization maintains cash and cash equivalents sufficient to meet anticipated operating expenditures. In addition, the Organization maintains a board-designated endowment that may be appropriated for expenditure upon approval of the Board of Directors if necessary.

NOTE 14 – FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function and therefore require allocation on a reasonable basis that is consistently applied. The Organization evaluates its allocation methodologies annually. Shared expenses are allocated based on periodic time studies, except for occupancy costs, which are allocated based on square footage, and professional services and bank fees, which are allocated based on benefits received.

NOTE 15 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 4, 2026, the date the financial statements were available to be issued. Management has determined that no subsequent events have occurred that require recognition or disclosure in these financial statements.