SPECIAL LOVE, INC.

Winchester, Virginia

FINANCIAL REPORT

December 31, 2024

Financial Statements

SPECIAL LOVE, INC.

Years Ended December 31, 2024 and 2023

RUTHERFORD & JOHNSON, P.C.
Certified Public Accountants & Business Advisors

116 Medical Circle
Winchester, Virginia 22601

Independent Auditor's Report

To the Officers and Board of Directors
Special Love, Inc.
Winchester Virginia 22601

We have audited the accompanying financial statements of Special Love, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 Special Love, Inc. as of December 31, 2024 and 2023, 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 the 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 Special Love, 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.

Emphasis of Matter – Restatement of December 31, 2023 Financial Statements

As discussed in Note 6 to the financial statements the December 31, 2023 financial statements have been restated to correct a misstatement in pledge receivable, temporarily restricted donations and net assets with restrictions. Our opinion is not modified with respect to this matter.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

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

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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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 responsible 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 Special Love, 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 evaluated the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Special Love, 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.

Rutherford + Johnson, P.C.

RUTHERFORD & JOHNSON, P.C.

Winchester, Virginia

October 1, 2025

SPECIAL LOVE, INC.
Winchester, Virginia

STATEMENTS OF FINANCIAL POSITION

EXHIBIT "A"

A S S E T S		
	(As Restated) December 31,	
	2024	2023
CURRENT ASSETS:		
Cash and cash equivalents	$ 421 273	$ 153 683
Accounts receivable	101 475	132 714
Note receivable	32 048	105 444
Pledge receivable current	-	50 000
Prepaid expenses	67 386	30 126
TOTAL CURRENT ASSETS	622 182	471 967
PROPERTY AND EQUIPMENT:		
Property and equipment, at cost, net of accumulated depreciation and amortization of $111,366 and $103,061	75 109	34 667
OTHER ASSETS:		
Operating lease right of use assets	182 802	36 895
Other assets	7 198	7 198
Investments	4 286 515	4 333 847
TOTAL OTHER ASSETS	4 476 515	4 377 940
TOTAL ASSETS	$ 5 173 806	$ 4 884 574

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 52 141	$ 14 991
Deferred revenue	-	10 000
Current obligations under leases	36 760	19 820
TOTAL CURRENT LIABILITIES	88 901	44 811
LONG-TERM LIABILITIES:		
Obligations under leases	149 717	21 938
TOTAL LONG-TERM LIABILITIES	149 717	21 938
TOTAL LIABILITIES	238 618	66 749
NET ASSETS:		
Without donor restrictions	3 731 819	3 546 905
With donor restrictions	1 203 369	1 270 920
TOTAL NET ASSETS	4 935 188	4 817 825
TOTAL LIABILITIES AND NET ASSETS	$ 5 173 806	$ 4 884 574

(See accompanying Notes to Financial Statements.)

SPECIAL LOVE, INC.
Winchester, Virginia

STATEMENTS OF ACTIVITIES

EXHIBIT "B"

	Year Ended December 31, 2024			(As Restated) Year Ended December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
BRASS activity fees and donations	$ 96 960	$ -	$ 96 960	$ 135 675	$ -	$ 135 675
Camp Fantastic fees and donations	91 650	-	91 650	183 579	70 564	254 143
Contributed services, materials	218 310	-	218 310	181 297	-	181 297
Donations - general	1 006 122	5 150	1 011 272	391 394	1 040 759	1 432 153
Contributions from special events, net of direct costs of $179,557 and $150,864	449 601	-	449 601	491 315	-	491 315
Investment return, net of investment expenses of $10,164 and $8,338	341 019	29 368	370 387	409 206	14 633	423 839
Weekend fees and donations	14 150	-	14 150	51 254	-	51 254
Other income	1 624	-	1 624	2 909	-	2 909
Net assets released from restrictions	102 069	(102 069)	-	87 782	(87 782)	-
TOTAL SUPPORT AND REVENUE	2 321 505	(67 551)	2 253 954	1 934 411	1 038 174	2 972 585
EXPENSES AND LOSSES:						
Program services	1 514 614	-	1 514 614	1 077 297	-	1 077 297
Administration	363 854	-	363 854	261 370	-	261 370
Fundraising	258 123	-	258 123	170 049	-	170 049
TOTAL EXPENSES AND LOSSES	2 136 591	-	2 136 591	1 508 716	-	1 508 716
CHANGES IN NET ASSETS	184 914	(67 551)	117 363	425 695	1 038 174	1 463 869
NET ASSETS BEGINNING OF YEAR	3 546 905	1 270 920	4 817 825	3 121 210	232 746	3 353 956
NET ASSETS END OF YEAR	$ 3 731 819	$ 1 203 369	$ 4 935 188	$ 3 546 905	$ 1 270 920	$ 4 817 825

(See accompanying Notes to Financial Statements.)

SPECIAL LOVE, INC.
Winchester, Virginia

STATEMENTS OF FUNCTIONAL EXPENSES

EXHIBIT "C"

	Year Ended December 31, 2024								
	Camp Fantastic	BRASS Activities	Weekends	Other Activities	Total Program Services	Special Events	Administration	Fundraising	Total
Salaries	$ 134 743	$ 97 331	$ 95 925	$ 24 643	$ 352 642		$ 134 182	$ 193 888	$ 680 712
Benefits	15 452	11 165	11 001	2 826	40 444		15 389	22 244	78 077
Payroll taxes	10 201	7 371	7 263	1 866	26 701		10 160	14 686	51 547
Total Salaries and Related Benefits	160 396	115 867	114 189	29 335	419 787	-	159 731	230 818	810 336
Advertising	-	-	-	-	-	-	-	439	439
Depreciation and amortization	3 741	2 703	2 664	684	9 792		3 726	5 386	18 904
Emergency relief fund	-	-	-	44 947	44 947	-	-	-	44 947
Equipment rental	-	-	-	-	-	9 541	-	-	9 541
Food and lodging	85 382	84 191	204 989	74	374 636	110 094	7 761	29	492 520
Grant expense	-	-	-	183 110	183 110	-	-	-	183 110
Insurance	4 960	1 910	4 502	-	11 372	-	6 331	-	17 703
Interest	-	-	-	-	-	-	425	-	425
Investment expenses	-	-	-	-	-	-	10 164	-	10 164
Medical staff	193 408	-	-	-	193 408	-	-	-	193 408
Office utilities and rent	10 803	5 679	5 596	1 438	23 516		18 945	11 314	53 775
Other	60 717	4 093	3 903	555	69 268		29 556	4 370	103 194
Postage and delivery	338	272	119	494	1 223	4 074	3 608	2 228	11 133
Printing and copying	233	-	880	-	1 113	2 713	9 039	3 539	16 404
Professional fees	-	-	-	-	-	-	71 869	-	71 869
Scholarships	-	-	-	41 000	41 000	-	-	-	41 000
Strategic Planning	-	-	-	-	-	-	38 625	-	38 625
Supplies	7 212	2 463	4 561	4 205	18 441	9 796	10 643	-	38 880
Tickets and special events	31 322	12 706	34 650	-	78 678	36 240	-	-	114 918
Transportation	24 526	8 963	10 834	-	44 323	7 099	3 595	-	55 017
Subtotal	422 642	122 980	272 698	276 507	1 094 827	179 557	214 287	27 305	1 515 976
Less: Expenses included with revenues	-	-	-	-	-	(179 557)	(10 164)	-	(189 721)
TOTAL FUNCTIONAL EXPENSES	$ 583 038	$ 238 847	$ 386 887	$ 305 842	$ 1 514 614	$ -	$ 363 854	$ 258 123	$ 2 136 591

(See accompanying Notes to Financial Statements.)

SPECIAL LOVE, INC.
Winchester, Virginia

STATEMENTS OF FUNCTIONAL EXPENSES

EXHIBIT "C"

(As Restated)
Year Ended December 31, 2023

	Camp Fantastic	BRASS Activities	Weekends	Other Activities	Total Program Services	Special Events	Administration	Fundraising	Total
Salaries	$ 130 302	$ 97 637	$ 67 636	$ 40 584	$ 336 159	$ -	$ 105 810	$ 110 643	$ 552 612
Benefits	17 053	12 779	8 852	5 308	43 992	-	13 850	14 478	72 320
Payroll taxes	9 985	7 483	5 183	3 108	25 759	-	8 110	8 478	42 347
Total Salaries and Related Benefits	157 340	117 899	81 671	49 000	405 910	-	127 770	133 599	667 279
Advertising	-	-	-	-	-	-	4 486	2 419	6 905
Depreciation and amortization	2 565	1 922	1 332	799	6 618	-	2 083	2 178	10 879
Emergency relief fund	-	-	-	43 016	43 016	-	-	-	43 016
Equipment rental	-	-	-	-	-	25 157	-	-	25 157
Food and lodging	74 358	50 633	106 125	14 012	245 128	64 591	6 600	4 547	320 866
Insurance	3 530	2 353	5 294	-	11 177	1 645	4 175	-	16 997
Interest	-	-	-	-	-	-	598	-	598
Investment expenses	-	-	-	-	-	-	8 338	-	8 338
Medical staff	158 428	-	-	-	158 428	-	-	-	158 428
Office utilities and rent	8 078	4 213	4 637	1 750	18 678	-	11 610	4 774	35 062
Other	9 803	1 025	14 630	2 866	28 324	-	40 333	11 974	80 631
Postage and delivery	337	50	14	943	1 344	1 101	2 914	4 624	9 983
Printing and copying	809	-	367	-	1 176	593	7 014	5 421	14 204
Professional fees	-	-	-	-	-	-	49 445	-	49 445
Scholarships	-	-	-	54 500	54 500	-	-	415	54 915
Supplies	7 799	5 521	2 212	2 063	17 595	15 975	3 343	-	36 913
Tickets and special events	17 926	9 707	27 507	3 028	58 168	41 613	-	-	99 781
Transportation	17 221	9 828	168	18	27 235	189	999	98	28 521
Subtotal	300 854	85 252	162 286	122 995	671 387	150 864	141 938	36 450	1 000 639
Less: Expenses included with revenues	-	-	-	-	-	(150 864)	(8 338)	-	(159 202)
TOTAL FUNCTIONAL EXPENSES	$ 458 194	$ 203 151	$ 243 957	$ 171 995	$ 1 077 297	$ -	$ 261 370	$ 170 049	$ 1 508 716

(See accompanying Notes to Financial Statements.)

SPECIAL LOVE, INC.
Winchester, Virginia

STATEMENTS OF CASH FLOWS

EXHIBIT "D"

		(As Restated)
	Year Ended December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 117 363	1 463 869
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	18 904	10 879
Change in operating lease assets and liabilities	305	192
Realized/unrealized gain on sale of investments	(255 078)	(280 338)
(Increase) decrease in assets:		
Contributions receivable	31 239	(132 714)
Note receivable	73 396	(105 444)
Pledge receivable	50 000	(50 000)
Prepaid expenses	(37 260)	4 279
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	37 151	13 349
Deferred revenue	(10 000)	845
NET CASH FROM OPERATING ACTIVITIES	26 020	924 917
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(311 248)	(2 705 113)
Purchase of fixed assets	(59 347)	(2 820)
Proceeds from sales of investments	613 659	1 093 569
NET CASH FROM INVESTING ACTIVITIES	243 064	(1 614 364)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on lease payable	(1 494)	(1 322)
NET CASH FROM FINANCING ACTIVITIES	(1 494)	(1 322)
NET INCREASE IN CASH AND CASH EQUIVALENTS	267 590	(690 769)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	153 683	844 452
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 421 273	$ 153 683

(See accompanying Notes to Financial Statements.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of the Organization

The Organization enriches the lives of children with cancer by providing quality programs, such as Camp Fantastic and BRASS Camp, where patients and their families can enjoy normal camping activities and develop a network of support in their fight against cancer. The camping programs are open to anyone in the United States. Primarily, the participants come from Virginia, Maryland and the District of Columbia. The Organization also provides emergency financial relief to camp families, as well as scholarships toward post-secondary education for past and present young adult campers.

The accounting policies of the Organization are the principles of accounting and the methods of applying those principles which the Board feels are most appropriate in preparing the financial statements. The policies adopted can significantly affect the Organization's reported results of operations. To facilitate an understanding of the data presented in the financial statements, the significant accounting policies are summarized below.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make 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. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of six months or less to be cash equivalents.

Contributions

Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Financial Statement Presentations

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets With Donor Restrictions

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted gifts in the accompanying financial statements.

Fair Value Measurements

FASB ASC 820-10 regarding fair value measurements clarifies the definition of fair value for financial reporting and established three-tier hierarchy as a framework for measuring fair value, which requires an entity to give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements) when measuring fair value. The standard also requires additional disclosure about the use of fair value measurements.

Fair value is defined as the price to sell an asset or transfer a liability between market participants as of the measurement date. The three levels of the fair value hierarchy under this standard are as follows:

- Level 1 – Inputs are unadjusted quoted prices for identical instruments in active markets.
- Level 2 – Inputs are inputs other than quoted prices included within Level 1 that are directly or indirectly observable, such as quoted prices for similar instruments in active markets, or quoted prices for identical or similar instruments in inactive markets.
- Level 3 – Inputs are unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from techniques in which one or more significant value drivers are observable.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the Statements of Functional Expenses. The Statements of Functional Expenses present the natural classification detail of expenses by function. Most costs have been allocated by specific identification; however, certain costs have been allocated among the programs and supporting services benefited.

Property and Equipment

The Organization capitalizes equipment expenditures in excess of $500. Property and equipment are stated at cost or fair value at the date of gift. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Pledges Receivable

Pledge receivables are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Pledges that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

The provision for uncollectible pledges is based upon prior experience and management's judgment of the collectability of the accounts.

Donated Material, Equipment and Services

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Organization receives the services of medical professionals which are recorded at their fair market value. The value of contributed services not meeting the requirement for recognition in the financial statements has not been recorded. A substantial number of volunteers donate significant amounts of their time in the Organization's program and supporting services.

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Vacation and Sick Leave

The Organization allows full-time employees to carry over up to 5 days and part-time employees to carry over up to 3 days of vacation time to the next fiscal year. Employees are entitled to be compensated for any accrued, unused vacation time upon termination. Employees accrue sick leave up to 10 days per year. Employees are not entitled to be paid out sick leave upon termination. Therefore, sick leave is not accrued at the end of the year.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Generally, the Organization's tax returns remain open for three years for federal income tax examinations.

Revenue Recognition

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-19, "Revenue from Contracts with Customers (Topic 606)." Topic 606 supersedes the revenue recognition requirements in "Revenue Recognition (Topic 605)" and requires entities to recognize revenue when control of the promised goods or service is transferred to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization adopted Topic 606 as of January 1, 2020.

The Organization recognizes revenue in accordance with ASC Topic 606. This standard provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligation in the contracts
- Recognize revenue when or as performance obligations are satisfied

Nature of Product or Services

Fees are recognized by the Organization as exchange transactions with clients are recognized at a single point upon receipt when all risks and rewards transfer. Funds received in advance of satisfying contractual performance are recorded as deferred revenue in the Statements of Financial Position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Transaction Price

Transaction price is the amount of consideration to which the Organization expects to be entitled in exchange for transferring goods and services to the customer.

Contract Balances

The Organization records accounts receivable when it has the unconditional right to issue an invoice and receive payment. If consideration is received and revenue has not been recognized, a contract liability (deferred revenue) is recorded.

Reclassification

Certain reclassifications of amounts previously reported have been made to the accompanying Financial Statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Advertising

The Organization expenses the cost of advertising as incurred.

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities, and operating leases liabilities on the Statements of Financial Position. Finance leases are included in property and equipment, other current liabilities, and other liabilities in the Statements of Financial Position.

ROU lease assets represent the Organization's right to use an underlying asset for the lease term and lease obligations represent the obligation to make lease payments arising from the lease. Operating ROU lease assets and obligations are recognized at the commencement date based on the present value of lease payments over the lease term. When leases do not provide an implicit rate, the Organization uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The ROU lease asset also includes any lease payments made and excludes lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

2. LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the financial position date, comprise the following:

	2024	2023
Total financial assets	$ 4 841 311	$ 4 775 688
Donor-imposed restrictions:		
Funds subject to specific purpose restrictions	(1 102 725)	(1 178 894)
Endowments	(100 644)	(92 026)
Net financial assets after donor-imposed restrictions	3 637 942	3 504 768
Less: Board-designated funds	(2 983 026)	(3 078 637)
Financial assets available to meet cash needs for general expenditures within one year	$ 654 916	$ 426 131

The endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The board-designated endowment is subject to an annual spending rate of 5% as described in Note 10. The Organization does not intend to spend from the board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation); however, these amounts could be made available for general expenditure if necessary.

Any deficit between the financial assets available for general expenditure and the Organization's budgeted expenses for the following year is expected to be satisfied through program revenues, contributions, fees and special event revenues to be received throughout the year.

3. CASH CONCENTRATIONS:

The Organization maintains its cash accounts at a financial institution in Virginia, which are insured by the FDIC up to $250,000 per institution. At December 31, 2024 and 2023 the cash balances exceeded FDIC coverage by $171,026 and $0 respectively.

4. PROPERTY AND EQUIPMENT:

Property and equipment consist of the following:

	2024	2023	Depreciable Lives
Vehicles	$ 78 612	$ 46 084	5 years
Office equipment	92 863	76 644	5-10 years
Promotional videos	15 000	15 000	5 years
	186 475	137 728	
Less: accumulated depreciation and amortization	(111 366)	(103 061)	
Net Property and Equipment	$ 75 109	$ 34 667	

Depreciation expense was $22,797 and $10,879 for the years ended December 31, 2024 and 2023, respectively.

5. NOTE RECEIVABLE

On April 25, 2023 the Organization entered into an agreement with the Northern Virginia 4-H Center to make a one-time no interest loan up to the amount of $111,191. The repayment was due on or before December 31, 2023. The Northern Virginia 4-H Center is currently in default. The agreement states that any unpaid amount owed by the 4-H Center after December 31, 2023 shall be applied to any amounts owed by the Organization to the 4-H Center for use of any of the 4-H Center's facilities. Reductions in 2024 were for use of facilites. The 4-H Center is anticipating the receipt of insurance proceeds to cover the loan. Management currently considers the note fully collectible.

As of December 31, the note receivable consisted of the following:

	2024	2023
Northern Virginia 4-H Center	$ 32 048	$ 105 444
	$ 32 048	$ 105 444

6. PLEDGE RECEIVABLE AND PRIOR PERIOD ADJUSTMENT

On the 2023 financial statements pledge receivables were reported at $98,120 after applying a pledge discount. This amount covered $50,000 for 2024 and $48,120 for 2025. It was subsequently discovered that the pledge was only for 2024. A prior period adjustment has been posted reducing temporarily restricted donation revenue by $48,120 and reducing net assets with restrictions by $48,120.

	Impact of prior period adjustment		
	As previously reported	Adjustment	As restated
Net Assets with donor restrictions	1 319 040	(48 120)	1 270 920

7. IN-KIND CONTRIBUTIONS:

The Organization recognized in-kind contributions summarized as follows:

	2024	2023
Medical care, supplies, transportation, meals and other services provided at Organization events	$ 218 310	$ 181 297

8. INVESTMENTS:

Investments consist primarily of money market funds, mutual funds, bond funds and equity funds reported at fair value as follows:

	December 31, 2024		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Cash management fund	$ 1 057 559	$ 1 057 559	$ -
Bond funds	706 234	681 643	(24 591)
Equity funds	2 077 307	2 547 313	470 006
	$ 3 841 100	$ 4 286 515	$ 445 415

	December 31, 2023		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Cash management fund	$ 1 012 844	$ 1 012 844	$ -
Bond funds	775 984	743 431	(32 553)
Equity funds	2 251 977	2 577 572	325 595
	$ 4 040 805	$ 4 333 847	$ 293 042

The fair value of all available for sale marketable securities has been measured on a recurring basis using Level 1 inputs.

Investments of $3,140,027 and $3,220,357 as of December 31, 2024 and 2023, respectively, represent board designated amounts set aside in prior years for the purpose of establishing a board designated general endowment fund to support the mission of the Organization. Investments of $88,423 and $83,773 as of December 31, 2024 and 2023, respectively, represent the Organization's donor restricted endowment fund that is perpetual in nature. Investment of $1,046,644 and $1,021,733 as of December 31, 2024 and 2023, respectively, represents the Organization's temporarily restricted fund. The remainder of investments, which is $11,421 and $7,984 as of December 31, 2024 and 2023, respectively, is the earnings of the donor designated endowment fund that have not yet been appropriated for expenditure by the board.

8. INVESTMENTS: (Continued)

Investment return consists of the following:

	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Dividend and interest income	$ 81 546	$ 43 927	$ 125 473
Fees	(10 012)	(152)	(10 164)
Investment Earnings	71 534	43 775	115 309
Net realized and unrealized gains	249 785	5 293	255 078
Investment Return before Appropriations	321 319	49 068	370 387
Appropriations	273 133	(273 133)	-
Total Investment Return	$ 594 452	$ (224 065)	$ 370 387

	December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Dividend and interest income	$ 110 040	$ 41 799	$ 151 839
Fees	(8 211)	(127)	(8 338)
Investment Earnings	101 829	41 672	143 501
Net realized and unrealized gains	266 416	13 922	280 338
Investment Return before Appropriations	368 245	55 594	423 839
Appropriations	40 961	(40 961)	-
Total Investment Return	$ 409 206	$ 14 633	$ 423 839

Expenses related to investment revenues, including custodial fees and investment advisory fees, are netted against investment revenues in the accompanying Statements of Activities. For the years ending December 31, 2024 and 2023, the fees were $10,164 and $8,338.

9. NET ASSETS WITH AND WITHOUT DONOR RESTRICTIONS:

Net Assets Without Donor Restrictions

	2024	2023
Board-designated endowment funds	$3 140 027	$3 220 357
Other net assets	591 792	326 548
Total Net Assets Without Donor Restrictions	$3 731 819	$3 546 905

A portion of the Net Assets Without Donor Restrictions has been designated by the Board of Directors to be used as a general endowment. Designations are voluntary, board-approved segregations of unrestricted net assets for specific purposes and are used as an aid in planning future expenditures. Information regarding the components of net assets without donor restrictions is as follows:

Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

Subject to expenditure for specified purpose:		
Amey Family Funds	$ 1 030 426	$ 1 010 020
Camp Fantastic	-	85 000
Emergency Financial Fund	-	15 000
Hope Scholarship	21 049	17 624
Hayden Scholarships	40 500	40 500
Summer Celebration	10 750	10 750
	1 102 725	1 178 894
Endowments:		
Subject to NFP endowment spending policy and appropriation:		
Donor-restricted endowment	100 644	92 026
Total Net Assets With Donor Restrictions	$ 1 203 369	$ 1 270 920

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2024 and 2023.

10. ENDOWMENT FUNDS:

The Organization's endowment (donor-restricted and board-designated) is to be held indefinitely, and the income from the assets can be used to support the Organization's general activities. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Board of Directors of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Organization classifies as net assets with donor restrictions - perpetual in nature (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified in net assets with donor restrictions - subjective to NFP endowment spending policy and appropriations, until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by that standard. In accordance with that standard, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Adoption of UPMIFA

The Commonwealth of Virginia enacted UPMIFA effective July 1, 2008, the provisions of which apply to endowment funds existing on or established after that date. The Board of Directors has determined that the majority of the Organization's net assets with donor restrictions meet the definition of endowment funds under UPMIFA.

Investment Return Objectives, Risk Parameters and Strategies

The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to preserve the long-term real purchasing power of the endowment funds while realizing appropriate investment income. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. The investment strategy for the endowment funds is balanced – stock/fixed income ratio of 60/40. This strategy allows for capital preservation while concurrently maximizing fund growth. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset

10. ENDOWMENT FUNDS: (Continued)

classes and strategies are managed to not expose the fund to unacceptable levels of risk. Actual returns in any given year may vary from this amount.

Spending Policy

The Organization has a policy of appropriating for distribution each year 5% of its endowment fund, if needed to sustain the operations of the Organization. If a distribution is not needed, the Organization does not draw on its endowment fund.

Endowment net asset composition by type of fund is as follows:

	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor-restricted endowment funds	$ -	$ 100 644	$ 100 644
Board-designated endowment funds	3 140 027	-	3 140 027
Total Funds	$ 3 140 027	$ 100 644	$ 3 240 671

	December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor-restricted endowment funds	$ -	$ 92 026	$ 92 026
Board-designated endowment funds	3 220 357	-	3 220 357
Total Funds	$ 3 220 357	$ 92 026	$ 3 312 383

10. ENDOWMENT FUNDS: (Continued)

Changes in endowment net assets are as follows:

	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Endowment net assets, beginning of year	$ 3 220 357	$ 92 026	$ 3 312 383
Contributions	60 596	1 150	61 746
Investment income	81 546	773	82 319
Fees	(10 012)	(110)	(10 122)
Net appreciation (realized and unrealized)	249 785	7 646	257 431
Net transfers	(462 245)	(841)	(463 086)
Endowment Net Assets, End of Year	$ 3 140 027	$ 100 644	$ 3 240 671

	December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Endowment net assets, beginning of year	$ 2 352 112	$ 79 286	$ 2 431 398
Contributions	-	294	294
Investment income	110 040	738	110 778
Fees	(8 211)	(92)	(8 303)
Net appreciation (realized and unrealized)	266 416	12 537	278 953
Net transfers	500 000	(737)	499 263
Endowment Net Assets, End of Year	$ 3 220 357	$ 92 026	$ 3 312 383

11. RETIREMENT BENEFITS:

The Organization maintains a contributory defined contribution pension plan which provides for retirement benefits. Employees are fully vested upon entering the plan.

Total retirement expense was $20,144 and $17,419 for the years ended December 31, 2024 and 2023, respectively.

12. LEASES:

The Organization's lease disclosures as of and for the years ended December 31, 2024 and 2023, respectively, are reported under ASC 842.

Operating Lease

On November 10, 2020, the Organization entered into an agreement to lease office space at a new location beginning January 1, 2021 and ending on December 31, 2025. The monthly rent under this lease was initially $1,540, with annual escalations. On April 15, 2024 the Organization entered into a new lease for a larger suite in the same building to commence on August 1, 2024 and ending on July 31, 2029, terminating their previous lease on August 1, 2024. The monthly rent under this lease is $3,428 initially, with annual escalations.

Capital Lease

The Organization entered into a capital lease agreement during June 2021 for the purchase of a copier. The lease calls for monthly payments of $159 per month for 60 months, at which time the copier can be purchased at a bargain purchase price.

Maturities of lease liabilities are as follows:

	Finance Leases	Operating Leases	Total
2025	1 919	41 654	43 573
2026	960	42 904	43 864
2027	-	44 191	44 191
2028	-	45 517	45 517
2029	-	27 010	27 010
Total lease payments	2 879	201 276	204 155
Less: Interest	(263)	(17 414)	
Present value of lease liabilities	$ 2 616	$ 183 862	

12. LEASES: (Continued)

The components of lease expense were as follows:

Lease Cost	2024	2023
Operating lease cost	$ 26 096	$ 19 603
Finance lease cost		
Amortization of leased assets	1 427	1 427
Interest on lease liabilities	425	598
Total Lease Cost	$ 27 948	$ 21 628

Supplemental financial statement information related to leases were as follows:

Leases	Classification	2024	2023
Asset			
Operating	Operating lease right-to-use assets	$ 182 802	$ 36 895
Finance	Property and equipment, gross	7 133	7 133
Finance	Accumulated depreciation	(4 696)	(3 269)
Total Lease Assets		$ 185 239	$ 40 759

Liabilities		2024	2023
Current			
Operating	Current obligations under leases	$ 35 071	$ 18 326
Finance	Current obligations under leases	1 689	1 494
Noncurrent			
Operating	Obligations under leases	148 791	19 322
Finance	Obligations under leases	926	2 616
Total Lease Liabilities		$ 186 477	$ 41 758

Lease Term and Discount Rate	
Weighted average remaining lease term (years)	
Operating leases	4.6
Finance leases	1.5
Weighted average discount rate	
Operating leases	4.00%
Finance leases	12.25%

12. LEASES: (Continued)

Supplemental cash flow information related to leases was as follows:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 24 928	$ 18 850
Operating cash flows for finance leases	1 919	1 919
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	-	-

13. GRANTS

In 2024 the Organization gave grants totaling $163,110 to the Northern Virginia 4-H Center to improve their facilities. The improvements that were made will enhance the Camp Fantastic Program. The Organization gave out an additional $20,000 in grant monies to support a children's cancer program.

14. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through the date which the financial statements were available to be issued.