SHARPE PATEL CPA

# THE COMMUNITY EMPOWERMENT FUND

FINANCIAL STATEMENTS

December 31, 2025

(With Comparative Totals for December 31, 2024)

**THE COMMUNITY EMPOWERMENT FUND**
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SHARPE PATEL CPA

# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Community Empowerment Fund
Carrboro, North Carolina

## Opinion

We have audited the accompanying financial statements of The Community Empowerment Fund (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statement 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 The Community Empowerment Fund 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Community Empowerment Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 The Community Empowerment Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor’s Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 The Community Empowerment Fund'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 The Community Empowerment Fund'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 The Community Empowerment Fund’s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 4, 2025. 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.

Sharpe Patel PLLC

Raleigh, North Carolina
July 16, 2026

**THE COMMUNITY EMPOWERMENT FUND**
**Statements of Financial Position**
**December 31, 2025 and 2024**

| | 2025 | 2024 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 1,514,317 | $ 1,518,626 |
| Restricted cash - members' deposits | 109,327 | 115,424 |
| Certificates of deposit | 645,494 | 619,594 |
| Grants receivable | 66,250 | 333,125 |
| Accounts receivable | 250 | 19,196 |
| Accrued Interest | 21,771 | 10,465 |
| Total current assets | 2,357,409 | 2,616,430 |
| Property and equipment, net | - | 1,500 |
| Non-current assets: | | |
| Grants receivable, due in more than one year | 285,000 | 285,000 |
| Right to use asset | 79,263 | 117,067 |
| Security deposit | 14,640 | 1,885 |
| Total non-current assets | 378,903 | 403,952 |
| Total assets | $ 2,736,312 | $ 3,021,882 |
| **LIABILITIES AND NET ASSETS** | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | $ 16,928 | $ 16,153 |
| Payroll withholdings | 14,903 | 1,188 |
| Members' deposits and savings matches | 109,327 | 115,424 |
| Current portion of lease liability | 25,000 | 64,400 |
| Total current liabilities | 166,158 | 197,165 |
| Long-term lease liability | 54,332 | 44,803 |
| Total liabilities | 220,490 | 241,968 |
| Net assets | | |
| With donor restriction | 434,478 | 717,339 |
| Without donor restrictions: | | |
| Available for operations | 1,312,646 | 1,293,877 |
| Board-designated operating reserve | 768,698 | 768,698 |
| Total net assets | 2,515,822 | 2,779,914 |
| Total liabilities and net assets | $ 2,736,312 | $ 3,021,882 |

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

**THE COMMUNITY EMPOWERMENT FUND**
**Statement of Activities**
**For the Year Ended December 31, 2025**
**(With Comparative Totals for the Year Ended December 31, 2024)**

| | Without Donor Restrictions | With Donor Restrictions | Total | 2024 |
|---|---|---|---|---|
| **PUBLIC SUPPORT AND REVENUE** | | | | |
| Public Support: | | | | |
| Contributions | $ 185,839 | $ - | $ 185,839 | $ 96,619 |
| Grants | 170,257 | 312,363 | 482,620 | 593,234 |
| Total public support | 356,096 | 312,363 | 668,459 | 689,853 |
| Revenue: | | | | |
| Other revenue | 9,425 | - | 9,425 | 33,244 |
| Interest income | 37,033 | - | 37,033 | 33,924 |
| Total revenue | 46,458 | - | 46,458 | 67,168 |
| Net assets released from restriction | 595,224 | (595,224) | - | - |
| Total public support, revenue, and net assets released from restriction | 997,778 | (282,861) | 714,917 | 757,021 |
| **EXPENSES** | | | | |
| Program services: | | | | |
| Advocate program | 655,840 | - | 655,840 | 623,371 |
| Savings program | 134,381 | - | 134,381 | 73,166 |
| Supporting services: | | | | |
| Management and general | 97,044 | - | 97,044 | 119,231 |
| Fundraising | 91,744 | - | 91,744 | 71,482 |
| Total expenses | 979,009 | - | 979,009 | 887,250 |
| Change in net assets | 18,769 | (282,861) | (264,092) | (130,229) |
| Net assets at beginning of year | 2,062,575 | 717,339 | 2,779,914 | 2,910,143 |
| Net assets at end of year | $ 2,081,344 | $ 434,478 | $ 2,515,822 | $ 2,779,914 |

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

**THE COMMUNITY EMPOWERMENT FUND**
**Statement of Functional Expenses**
**For the Year Ended December 31, 2025**
**(With Comparative Totals for the Year Ended December 31, 2024)**

| | Program Services | | Supporting Services | | | |
|---|---|---|---|---|---|---|
| | Advocate Program | Savings Program | Management and General | Fundraising | Total Expenses | 2024 Total |
| Expenses: | | | | | | |
| Salaries & Wages | $ 441,416 | $ 95,033 | $ 51,474 | $ 46,236 | $ 634,159 | $ 573,644 |
| Employer Payroll Taxes/Fees | 40,143 | 4,832 | 7,154 | 3,192 | 55,321 | 50,452 |
| Employee Benefits | 69,915 | 9,099 | 10,568 | 6,021 | 95,603 | 65,871 |
| Savings Matches | 6,000 | 14,400 | - | - | 20,400 | 13,634 |
| Printing and Copying | 1,898 | 225 | 118 | 1,497 | 3,738 | 4,667 |
| Food and Drinks | 2,150 | 56 | 30 | 37 | 2,273 | 5,647 |
| Supplies & Materials | 3,104 | 74 | 39 | 49 | 3,266 | 2,479 |
| Program Supplies | 8,969 | 998 | - | - | 9,967 | 19,458 |
| Client Services | 3,101 | - | - | - | 3,101 | 15,080 |
| Occupancy Costs | 15,136 | 1,970 | 1,038 | 1,303 | 19,447 | 72,145 |
| Postage | 148 | 12 | 7 | 831 | 998 | 711 |
| Websites, Social Media & Online Svc | 4,926 | 1,300 | 235 | 345 | 6,806 | 7,628 |
| Staff & Volunteer Development | 3,712 | 160 | 84 | 106 | 4,062 | 1,986 |
| Insurance, Licenses & Permits | 2,868 | 373 | 1,088 | 247 | 4,576 | 4,786 |
| Bank Charges, Miscellaneous | 367 | 48 | 556 | 32 | 1,003 | 2,813 |
| Conferences & Memberships | 525 | - | - | - | 525 | 605 |
| Professional Fees | 6,971 | 25 | 10,003 | 28,017 | 45,016 | 44,144 |
| Depreciation & Amortization | 44,491 | 5,776 | 4,588 | 3,831 | 58,686 | 1,500 |
| Bad Debt Expense | - | - | 10,000 | - | 10,000 | - |
| Other Expenses | - | - | 62 | - | 62 | - |
| Total expenses | $ 655,840 | $ 134,381 | $ 97,044 | $ 91,744 | $ 979,009 | $ 887,250 |

The accompanying notes are an integral part of these financial statements

**THE COMMUNITY EMPOWERMENT FUND**
**Statements of Cash Flow**
**For the Years Ended December 31, 2024 and 2023**

| | 2025 | 2024 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | |
| Change in net assets | $ (264,092) | $ (130,229) |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 1,500 | 1,500 |
| Amortization of the right of use asset | 57,186 | 56,304 |
| Loss on disposal of property and equipment | - | 179 |
| Changes in assets and liabilities that provided (used) cash: | | |
| Grants receivable | 266,875 | 435,933 |
| Accounts receivable | 18,946 | 31,804 |
| Accrued interest | (11,306) | (6,619) |
| Prepaid expenses | - | 1,391 |
| Security deposit | (12,755) | - |
| Accounts payable and accrued expenses | 775 | 3,502 |
| Payroll withholdings | 13,715 | (15,996) |
| Members' deposits and savings matches | (6,097) | (37,098) |
| Principal payments on operating lease liability | (29,871) | (62,036) |
| Refundable advances | - | (33,249) |
| Net cash provided (used) by operating activities | 34,876 | 245,386 |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Purchases of certificates of deposit | (25,900) | (109,437) |
| Right of use asset obtained under operating lease | (19,382) | - |
| Net cash provided (used) by investing activities | (45,282) | (109,437) |
| Net increase (decrease) in cash and cash equivalents | (10,406) | 135,949 |
| Cash and cash equivalents, beginning of year | 1,634,050 | 1,498,101 |
| Cash and cash equivalents, end of year | $ 1,623,644 | $ 1,634,050 |

The accompanying notes are an integral part of these financial statements

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization
The Community Empowerment Fund (the Organization) is a private non-profit organization incorporated under the laws of North Carolina in 2010. The Organization provides savings opportunities, financial education and assertive support to unemployed and underemployed individuals in Orange and Durham counties. The Organization has offices in Carrboro and Durham, North Carolina.

The following is a brief description of the Organization's program services:

Advocate Program – Connects homeless and near-homeless individuals with supportive community resources (e.g., employment, food, health, financial services). Specific outcomes include assisting individuals in gaining new employment and benefits and assisting households in making successful transitions from homelessness.

Savings Program – Enables homeless and near-homeless individuals to save towards personal saving goals by providing goal oriented, matched savings accounts and personalized money management assistance. The program also provides low-income individuals with financial coaching, job readiness training and relationship-based support for achieving greater financial stability.

Basis of Accounting
The financial statements of the Organization have been prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses recognized when incurred. This basis is accounting conforms to accounting principles generally accepted in the United States of America.

Basis of Presentation
The Organization has adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) – Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit Organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without restrictions" and "net assets with restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

Net assets and revenue are classified based on the existence or absence of donor- imposed restrictions. Accordingly, the net assets of the Organization and charges therein, are classified and reported as follows:

**Net assets without restrictions** – Consists of amounts that are available for use in carrying out the supporting activities of the Organization and not subject to donor-imposed stipulations. Net assets without restrictions totaled $2,081,690 and $2,062,575 as of December 31, 2025 and 2024, respectively.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Net assets with restrictions** – Net assets that are contributions subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by the actions of the Organization and /or the passage of time. Net assets with restrictions totaled $434,478 and $717,339 as of December 31, 2025 and 2024, respectively.

Use of Estimates and Assumptions

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, the 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 cash in the bank and all cash held on hand to be cash and cash equivalents with an original maturity date of three months or less.

Receivables, Promises to Give and Revenue Recognition

Receivables are stated at the amount management expects to collect from balances outstanding at year's end. The Organization uses the allowance method to determine uncollectible receivables and promises to give. The allowance is based on prior years' experience and management's analysis of specific amounts outstanding at year's end. For the years presented, no allowance was considered necessary.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Property and Equipment

Property and equipment is stated at cost for purchased assets and at fair market value on the date of the gift for donated assets. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are restricted contributions.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets (5-7 years). Maintenance, repairs and small equipment purchases are charged to expense when incurred. Betterments and renewals in excess of $1,000 are capitalized. When property and equipment is sold or otherwise disposed of, the asset and related accumulated depreciation amounts are removed and any gain or loss is recorded.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes
The Organization is exempt from income taxes under Internal Revenue Code Section 50l(c)(3) on its exempt function income and is classified by the IRS as a publicly supported Organization. The Organization is not aware of any unrelated business income for the years ended December 31, 2025 and 2024.

The Organization evaluates any uncertain tax positions. Accordingly, the Organization's policy is to record a liability for any tax position taken that is beneficial to the Organization, including any related interest and penalties, when it is more likely than not the position of management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of December 31, 2025 and 2024.

General Expenditures
The Organization considers the costs related to its normal activities to be general expenditures unless such costs are limited by the donors for specified, restricted purposes. Accordingly, the related resources for the latter have been excluded in the quantitative information detailing the financial assets available to meet general expenditures within one year.

Functional Allocation of Expenses
The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Organization providing those services.

The allocation of salaries, wages, benefits, payroll taxes and all other material common costs are based on time and effort studies of staff members. The remaining amounts on the statement of functional expenses are allocated based on approximate direct usage.

## 2. CONCENTRATION OF CREDIT RISK

The Organization occasionally maintains deposits in excess of federally insured limits. The Organization maintains its cash balances in reputable financial institutions in the United States of America and accounts at each institution are insured by either the Federal Deposit Insurance Corporations or the National Credit Union Administrations up to $250,000 at each financial institution. At December 31, 2025, the Organization’s cash deposits were fully insured and did not exceed FDIC or NCUA limits. At December 31, 2024, cash deposits exceeded FDIC and NCUA insured limits by approximately $0 and $32,411, respectively.

## 3. GRANTS RECEIVABLE

Grants receivable represent consideration from various entities and individuals, of which the Organization has an unconditional right to receive. As of December 31, 2025 and 2024, outstanding balances range up to $350,000. Most balances are expected to be collected within one year of the financial statement date. All amounts are considered fully collectible.

## 4. RELATED PARTY TRANSACTIONS

Members of the Board of Directors routinely make contributions to the Organization. The husband of a staff member is hired for DJ services at some events. In addition, the Organization received a $10,000 grant during the year from First Horizon. The President of the Organization's Board of Directors also is an employee at First Horizon. Management believes the terms of the grant are consistent with those made available to other organizations and do not represent preferential treatment.

## 5. MEMBERS' DEPOSITS AND SAVINGS MATCHES

Members' deposits consist of amounts due to members for savings account deposits for the Saver's Savings program, held on their behalf by the Organization. Savers earn a 20% match by meeting educational criteria and reaching their financial goals. Members may make withdrawals of these funds with two business days' notice.

## 6. RESTRICTED NET ASSETS

Net assets with restrictions are those stipulated by donors for specific operating purposes, those not currently available for use until commitments regarding their use have been fulfilled and are composed of the following as of December 31, 2025 and 2024 (as restated):

| | 2025 | 2024 |
|---|---|---|
| Advocate program | $ 324,097 | $ 599,391 |
| Safe savings | 110,381 | 117,948 |
| | $ 434,478 | $ 717,339 |

During the years ended December 31, 2025 and 2024, net assets released from restrictions totaled $595,224, and $578,440, respectively. The releases represent funds received from donors with restrictions that were spent during the year, according to the requirements set by the donor.

## 7. LEASE COMMITMENTS

Under ASC 842, if a contract provides the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. ROU assets are also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

Lease liabilities are initially and subsequently recognized based on the present value of their future lease payments. ROU assets for operating leases are subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

## 7. LEASE COMMITMENTS (Continued)

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The Organization has entered into operating lease arrangements for office space as follows:

On August 1, 2025, the Organization entered into a lease for office space in Carrboro, which expires on July 31, 2026. This lease qualifies as a short-term lease under ASC 842 and, therefore, is not recorded on the statement of financial position.

On December 1, 2019, the Organization entered into a lease agreement for office space in Durham. The lease term expired on November 30, 2025, and was subsequently renewed for an additional 36-month period ending November 30, 2028.

The Durham lease contains annual escalation provisions; however, lease expense is recognized on a straight-line basis over the lease term. The lease liability is measured using a discount rate of 4%, which approximates the Organization's incremental borrowing rate at lease commencement. In connection with the Durham lease, the Organization recorded a right-of-use asset with an initial value of $78,453. As of December 31, 2025, the net book value of the right-of-use asset was $76,464.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2025 were as follows:

| Year Ending | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 25,000 | $ 2,720 | $ 27,720 |
| 2027 | 26,846 | 1,686 | 28,532 |
| 2028 | 26,332 | 577 | 26,909 |
| Thereafter | 1,154 | 45 | 1,199 |
| Total | $ 79,332 | $ 5,028 | $ 84,360 |

## 8. DONATED SERVICES

Around 200 people donate a significant amount of time as volunteers Advocates. These Advocates are paired with CEF Members to support them in setting and achieving goals around employment, housing, and finances. Advocates have access to the Organization's own targeted financial tools and resource database to assist in connecting to community resources. Advocates and Members build powerful and transformative relationships as they work on these goals. Although no amounts have been reflected in the financial statements, based on the number of meetings held and average length of a meeting management estimates that approximately 14,604 hours were donated and that the fair value of those services was approximately $527,788 for the years presented.

## 9. LIQUIDITY AND AVAILABLITY OF FUNDS

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization invests cash in excess of daily requirements in an investment account.

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

| | 2025 | 2024 |
|---|---|---|
| Cash and certificates of deposit | $ 2,159,811 | $ 2,138,220 |
| Grants receivable | 66,250 | 333,125 |
| Less: accounts payable | (16,928) | (16,153) |
| Less: payroll liabilities | (14,903) | (1,188) |
| Less: members' deposits and savings matches | (109,327) | (115,424) |
| Net assets with donor restrictions | (324,097) | (599,391) |
| Net assets with time restrictions to be met in less than a year | - | - |
| Less: Board-designated operating reserve | (768,698) | (768,698) |
| Total financial assets available to meet general expenditures and liabilities within the next 12 months | $ 992,358 | $ 989,687 |

At December 31, 2025 and 2024, all net assets without restrictions are available to meet cash needs for general expenditures of the Organization with one year. Excess funds are available in the Organization's investment account consisting of certificates of deposit and equities, if needed. Early redemption of the certificates of deposit may result in the Organization incurring nominal monetary penalties.

## 10. CONTINGENCIES

Financial assistance from various awarding agencies is subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions.

Management is not aware of any disallowable costs or instances of noncompliance with grantor restrictions. Consequently, no provision has been made for liabilities, if any, that may arise from such audits.

## 11. EMPLOYEE BENEFITS

In early 2022, the Organization established a defined contribution retirement plan for its staff. Employees are eligible to participate at the date of employment and can make contributions to the plan up the maximum amount allowed by the Internal Revenue Code. The Plan requires the employer to make matching contributions up to 4% of the base annual compensation for the year of all eligible employees. For the year ended December 31, 2025, contributions to the Plan by the Organization were $10,339. For the year ended December 31, 2024, contributions to the Plan by the Organization were $5,816.

## 12. SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through July 16, 2026, which is the date the financial statements were available to be issued.