**CENTER FOR THE MISSING D/B/A TEXAS CENTER FOR THE MISSING**

INDEPENDENT AUDITOR'S REPORT

AND

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Center for the Missing D/B/A Texas Center for the Missing
Houston, Texas

## Opinion

We have audited the accompanying financial statements of Center for the Missing D/B/A Texas Center for the Missing (a nonprofit 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for the Missing D/B/A Texas Center for the Missing as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Basis for Opinion

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

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Center for the Missing D/B/A Texas Center for the Missing'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 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 Center for the Missing D/B/A Texas Center for the Missing'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 Center for the Missing D/B/A Texas Center for the Missing'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.

Dave V John, LLC

DAVE V. JOHN, LLC

Tamarac, Florida
June 24, 2026

# CENTER FOR THE MISSING D/B/A TEXAS CENTER FOR THE MISSING
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

## ASSETS

| | | |
|---|---|---|
| **CURRENT ASSETS** | | |
| Cash and cash equivalents | $ | 331,374 |
| Investments, at fair value | | 447,458 |
| Contributions receivable – net | | 39,933 |
| Grants receivable | | 10,760 |
| Prepaid expenses and other assets | | 28,842 |
| **Total Current Assets** | | 858,367 |
| **Total Assets** | **$** | **858,367** |

## LIABILITIES AND NET ASSETS

| | | |
|---|---|---|
| **CURRENT LIABILITIES** | | |
| Payroll liabilities | $ | 56,369 |
| Deferred revenue | | 1,174 |
| **Total Current Liabilities** | | 57,543 |
| **NET ASSETS** | | |
| Without donor restrictions | | |
| Undesignated | | 519,644 |
| Total without donor restrictions | | 519,644 |
| With donor restrictions | | |
| Restricted by purpose | | 281,180 |
| Total with donor restrictions | | 281,180 |
| **Total Net Assets** | | 800,824 |
| **Total Liabilities and Net Assets** | **$** | **858,367** |

The accompanying notes are an integral part of this financial statement.

# CENTER FOR THE MISSING D/B/A TEXAS CENTER FOR THE MISSING

STATEMENT OF ACTIVITIES

FOR THE YEAR BEGINNING JANUARY 1, 2025 TO THE YEAR ENDED DECEMBER 31, 2025

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| **REVENUE, GAINS, AND OTHER SUPPORT** | | | |
| Donations | $ 392,725 | $ 68,550 | $ 461,275 |
| In-kind contributions | 250,841 | - | 250,841 |
| Grants | 109,786 | - | 109,786 |
| Net gains (losses) on investments | 44,753 | - | 44,753 |
| Other gains (losses) | (1,195) | - | (1,195) |
| | 796,910 | 68,550 | 865,460 |
| Net assets released from restrictions | 33,395 | (33,395) | - |
| **Total revenue, gains, and other support** | 830,305 | 35,155 | 865,460 |
| **EXPENSES** | | | |
| *Program services* | | | |
| Program expenses | 513,713 | - | 513,713 |
| Total program services | 513,713 | - | 513,713 |
| *Supporting services* | | | |
| Management and General | 18,232 | - | 18,232 |
| Fundraising | 159,973 | - | 159,973 |
| Total supporting services | 178,205 | - | 178,205 |
| **Total expenses** | 691,918 | - | 691,918 |
| **Change in net assets** | 138,387 | 35,155 | 173,542 |
| **Net assets, beginning of year** | 381,257 | 246,025 | 627,282 |
| **Net assets, end of year** | $ 519,644 | $ 281,180 | $ 800,824 |

The accompanying notes are an integral part of this financial statement.

# CENTER FOR THE MISSING D/B/A TEXAS CENTER FOR THE MISSING

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR BEGINNING JANUARY 1, 2025 TO THE YEAR ENDED DECEMBER 31, 2025

| | Program Services | | Supporting Services | | | |
|---|---|---|---|---|---|---|
| | Program Expenses | Program Total | Management and General | Fundraising | Supporting Total | Totals |
| Advertising and marketing | $ 2,150 | $ 2,150 | $ - | $ 300 | $ 300 | $ 2,450 |
| Background checks | 78 | 78 | - | - | - | 78 |
| Bank charges and fees | 9 | 9 | 4 | 10 | 14 | 23 |
| Credit card equipment and fees | 181 | 181 | - | 5,613 | 5,613 | 5,794 |
| Dues and subscriptions | 90 | 90 | - | - | - | 90 |
| In-kind expenses | 240,531 | 240,531 | 6,798 | 3,512 | 10,310 | 250,841 |
| Insurance | 91 | 91 | 1,667 | - | 1,667 | 1,758 |
| Meals and activities | 1,082 | 1,082 | - | - | - | 1,082 |
| Postage and delivery | 667 | 667 | - | 421 | 421 | 1,088 |
| Printing | 3,972 | 3,972 | - | 2,065 | 2,065 | 6,037 |
| Professional associations | 50 | 50 | - | - | - | 50 |
| Professional fees | 7,025 | 7,025 | 7,209 | - | 7,209 | 14,234 |
| Program expenses | 267 | 267 | - | - | - | 267 |
| Telephone and internet | 2,203 | 2,203 | - | 567 | 567 | 2,770 |
| Salaries, wages and benefits | 246,798 | 246,798 | 830 | 15,068 | 15,898 | 262,696 |
| Software | 6,477 | 6,477 | 1,401 | 2,200 | 3,601 | 10,078 |
| Special event expenses | - | - | - | 129,525 | 129,525 | 129,525 |
| Supplies | 1,734 | 1,734 | 109 | 692 | 801 | 2,535 |
| Training | - | - | 187 | - | 187 | 187 |
| Travel and parking | 308 | 308 | 27 | - | 27 | 335 |
| **Expenses per statement of activities** | $ 513,713 | $ 513,713 | $ 18,232 | $ 159,973 | $ 178,205 | $ 691,918 |

The accompanying notes are an integral part of this financial statement.

# CENTER FOR THE MISSING D/B/A TEXAS CENTER FOR THE MISSING

STATEMENT OF CASH FLOWS
FOR THE YEAR BEGINNING DECEMBER 1, 2025
TO THE YEAR ENDED DECEMBER 31, 2025

| | |
|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |
| Change in net assets | $ 173,542 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | |
| Net gains (losses) on investments | (44,753) |
| Changes in: | |
| Contributions receivable – net | (15,613) |
| Grants receivable | (10,760) |
| Prepaid expenses and other assets | (7,938) |
| Accrued expenses | (65,193) |
| Payroll liabilities | 56,369 |
| Deferred revenue | 1,174 |
| Net cash (used in) provided by operating activities | 86,828 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Proceeds from sales of investment | 512 |
| Net cash (used in) provided by investing activities | 512 |
| Net (decrease) increase in cash and cash equivalents | 87,340 |
| **Cash and cash equivalents, beginning of year** | 244,034 |
| **Cash and cash equivalents, end of year** | $ 331,374 |

The accompanying notes are an integral part of this financial statement.

## NOTE 1 – NATURE OF THE ORGANIZATION

Center for the Missing d/b/a Texas Center for the Missing ("the Organization") was incorporated on March 15, 2000 as Gabriel's Gifts Charitable Foundation under the laws of the State of Texas. The Organization is classified as a non-profit organization under the Internal Revenue Code Section 501(c)(3). The Organization is considered a public charity under Section 170 of the Internal Revenue Code. The Organization's mission is to bring hope and healing to the missing and their families through crisis intervention, prevention, and community education.

The Organization focuses its mission in three areas:

**Impact** – The Organization addresses the issue of missing persons through community education initiatives. These programs aim to raise awareness, inform the public, and empower communities with the knowledge to prevent abductions and support missing persons cases.

**Prepare** – The Organization provides Emergency Alert Issuance Training and missing persons investigation tools to law enforcement, ensuring they are equipped with the necessary skills and resources. They also offer specialized training for law enforcement officers to enhance their capacity to handle missing person cases effectively.

**Respond** – The Organization leads efforts to locate and recover missing persons by working closely with families, law enforcement, and other stakeholders. The Organization's rapid response initiatives are designed to bring every missing person home as quickly as possible.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Center for the Missing d/b/a Texas Center for the Missing are presented to assist in understanding the Organization's financial position and operations. The financial statements and notes are representations of the Organization's management who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Basis of Accounting** – The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. Financial statements are recorded at historical cost and consequently do not necessarily represent current values.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Basis of presentation** – The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are available for use in general operations and not subject to donor restrictions.

**Net assets with donor restrictions:** Net assets that are subject to donor-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 resource be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and gains and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Income Tax** – The Organization is organized as a Texas nonprofit organization and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction, and have been determined not to be a private foundation. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. The Organization determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. Management believes that the Organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. Federal and state tax authorities may generally examine the Organization's income tax positions or (if applicable) returns for periods of approximately three to six years.

**Cash and Cash Equivalents** – All cash and highly liquid financial instruments with original maturities of twelve months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Cash and Cash Equivalents – continued** – Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

**Investments** – Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return or loss is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

**Grants Receivables** – Grants receivable primarily represent amounts due from the Houston-Metro City Internet Crimes Against Children Task Force and the State of Texas at December 31, 2025. Management believes that all accounts receivable is fully collectible; therefore, no allowance for credit losses were made.

**Contributions Receivable** – The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Allowance for uncollectible promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. As at December 31, 2025, no amounts were deemed uncollectible.

**Financial Instruments and Credit Risk** – Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per depositor, per insured bank, for each account ownership category. As of December 31, 2025, the Organization had approximately $73,428, in excess of FDIC insurance limits.

The Organization also holds investments which are insured by the Securities Investor Protection Corporation ("SIPC"). As of December 31, 2025, there were no amounts in excess of the SIPC insurance limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable are limited due to high historical collection rates. Investments are managed by fund managers whose performance is monitored by the Organization and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization and the Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of the organization.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

**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, 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 substantially met.

**Cost-reimbursable State Contracts and Grants** – A portion of the Organization's revenue is derived from cost-reimbursable contracts or grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

**In-kind Contributions** – Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. See Note 7. The Organization does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

**Functional Allocation of Expenses** – The costs of program and supporting services activities 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. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated on the basis of an estimate of time and effort.

**Marketing and Advertising** – The Organization expenses marketing and advertising costs as they are incurred. As of the year ended December 31, 2025, marketing and advertising expenditure, in the statement of functional expenses, was approximately $2,450.

**Compensated Absences** – The Organization limits its employees' carry-over of unused sick leave and accrued vacation to the following year up to a maximum of thirty days. As of December 31, 2025, The Organization has accrued a liability for unused sick leave and vacation pay totaling $39,751.

## NOTE 3 – DATE OF MANAGEMENT REVIEW

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosures through June 23, 2026 the date that the financial statements were available to be issued.

## NOTE 4 – LIQUIDITY AND AVAILABILITY

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

| | |
|---|---|
| Financial assets at year end: | |
| Cash and cash equivalents | $ 331,374 |
| Investments, at fair value | 447,458 |
| Accounts receivable – net | 39,933 |
| Grants receivable | 10,760 |
| Total financial assets | 829,525 |
| Less those unavailable to be used within one year: | |
| Restricted by purpose | (281,180) |
| Financial assets available to meet general expenditure over the next twelve months | $ 548,345 |

As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments, CDs, and money market funds.

## NOTE 5 – FAIR VALUE MEASUREMENT AND DISCLOSURES

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

**FAIR VALUE MEASUREMENT AND DISCLOSURES – continued**

A three-tier hierarchy categorizes the inputs as follows:

**Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

**Level 2** – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

**Level 3** – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the 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 the Organization's assessment of the quality, risk, or liquidity profile of the asset or liability.

A significant portion of investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values.

| | | Fair Value Measurements at Report Date Using | | |
|---|---|---|---|---|
| Operating investments | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| ETFs & CEFs | $ 215,705 | $ 215,705 | $ - | $ - |
| Mutual Funds | 231,753 | 231,753 | - | - |
| | $ 447,458 | $ 447,458 | $ - | $ - |

## NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

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

| | |
|---|---|
| Subject to Expenditure for Specified Purpose: | |
| Endowment | $ 212,630 |
| Emergency alert expnasion and internet safety | 43,500 |
| Education and outreach | 15,000 |
| 2026 Gala | 8,500 |
| 2026 Missing in Southeast Texas Day | 1,550 |
| | $ 281,180 |

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, 2025:

| | |
|---|---|
| Satisfaction of purpose restrictions: | |
| Grant income | $ 16,765 |
| 2025 Gala income | 14,225 |
| Hamman Foundation | 2,405 |
| | $ 33,395 |

## NOTE 7 – IN-KIND CONTRIBUTIONS

In-kind contributions received during the year ended December 31, 2025 were as follows:

| | |
|---|---|
| Digital billboard | $ 231,681 |
| Professional services | 9,300 |
| Office space | 8,852 |
| Meals | 1,008 |
| Total In-kind contributions | 250,841 |

## NOTE 8 – CONTRIBUTIONS RECEIVABLE

Contributions estimated to be collected as follows at December 31, 2025:

| | |
|---|---|
| Within one year | $39,933 |

Contributions receivable totaling $392,725 received during the year ended December 31, 2025, were restricted by donors for current-year operations and were reported as contributions without donor restrictions.

## NOTE 9 – RETIREMENT PLAN

The Organization contributes to the Organization's 403(b) Plan. Employee contributions are matched by the Organization up to a maximum of 6% of the employee's compensation. The Organization made matching contributions of $13,604 to the Plan for the year ended December 31, 2025.

## NOTE 10 – CONCENTRATION OF REVENUE

ASC 275-10-50-18 requires disclosure of the volume of business transacted with a particular customer, supplier, or lender when revenue from a specific customer equals 10% or more of total revenue; however, a reporting entity should still consider disclosure in cases where the threshold has not been met. The Organization receives 53% and 13% of its contribution and grant income respectively.

## NOTE 11 – CONTINGENCIES AND COMMITMENTS

In the normal course of business, the Organization enters into various long-term agreements, including service contracts and supply arrangements. Certain agreements contain provisions that require the Organization to pay early termination or cancellation fees if the contracts are breached or terminated prior to the end of their respective terms. As of December 31, 2025, the Organization was not party to any involuntary contract terminations. However, if the Organization were to cancel all of its non-cancellable commitments and service agreements at the end of the current reporting period, the maximum aggregate potential penalty would be approximately $37,000. The Organization has not accrued any liabilities related to contract cancellation penalties on the statement of financial position, as management currently considers the likelihood of early termination resulting in a material loss to be remote.

## NOTE 12 – SUBSEQUENT EVENTS

Under FASB ASC 855, subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or ready to be issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet that occurred after the balance sheet date and before financial statements are issued. The Organization has evaluated subsequent events through June 24, 2026 which is the date the financial statements were available to be issued.