

# **THE KINDNESS INITIATIVE**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2025 and 2024**

# THE KINDNESS INITIATIVE

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## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors of  
The Kindness Initiative

Management is responsible for the accompanying financial statements of The Kindness Initiative (the "Organization"), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.



EISNERAMPER LLP

La Jolla, California

June 2, 2026

## THE KINDNESS INITIATIVE

### Statements of Financial Position

(See independent accountants' compilation report and notes to financial statements)

	December 31,	
	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 232,014	\$ 126,889
Restricted cash	-	121,079
Current portion of contributions receivable	79,084	99,951
Other receivables	<u>5,784</u>	<u>-</u>
Total current assets	<u>316,882</u>	<u>347,919</u>
Noncurrent assets:		
Investments, at fair value	1,060,913	655,275
Contributions receivable, net, less current portion	184,049	87,615
Operating lease right-of-use asset	<u>251,309</u>	<u>-</u>
Total noncurrent assets	<u>1,496,271</u>	<u>742,890</u>
Total assets	<u>\$ 1,813,153</u>	<u>\$ 1,090,809</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Current portion of operating lease liability	\$ 65,892	\$ -
Total current liabilities	<u>65,892</u>	<u>-</u>
Operating lease liability, less current portion	<u>190,678</u>	<u>-</u>
Total liabilities	<u>256,570</u>	<u>-</u>
Net assets:		
Without donor restrictions	1,243,195	919,730
With donor restrictions	<u>313,388</u>	<u>171,079</u>
Total net assets	<u>1,556,583</u>	<u>1,090,809</u>
Total liabilities and net assets	<u>\$ 1,813,153</u>	<u>\$ 1,090,809</u>

## THE KINDNESS INITIATIVE

### Statement of Activities

(See independent accountants' compilation report and notes to financial statements)

Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support:</b>			
Contributions	\$ 1,163,449	\$ 246,830	\$ 1,410,279
In-kind contributions	65,979	-	65,979
Net assets released from restrictions	104,521	(104,521)	-
	<u>1,333,949</u>	<u>142,309</u>	<u>1,476,258</u>
Total support			
Net investment income	60,870	-	60,870
	<u>1,394,819</u>	<u>142,309</u>	<u>1,537,128</u>
Total support and net investment income			
<b>Expenses:</b>			
Program services	886,745	-	886,745
Supporting services:			
Administrative	79,837	-	79,837
Fundraising	104,772	-	104,772
	<u>184,609</u>	<u>-</u>	<u>184,609</u>
Total supporting services			
Total expenses	1,071,354	-	1,071,354
	<u>1,071,354</u>	<u>-</u>	<u>1,071,354</u>
<b>Change in net assets</b>	<b>323,465</b>	<b>142,309</b>	<b>465,774</b>
Net assets, beginning of year	919,730	171,079	1,090,809
	<u>919,730</u>	<u>171,079</u>	<u>1,090,809</u>
<b>Net assets, end of year</b>	<b>\$ 1,243,195</b>	<b>\$ 313,388</b>	<b>\$ 1,556,583</b>
	<u>\$ 1,243,195</u>	<u>\$ 313,388</u>	<u>\$ 1,556,583</u>

## THE KINDNESS INITIATIVE

### Statement of Activities

(See independent accountants' compilation report and notes to financial statements)

Year Ended December 31, 2024

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support:</b>			
Contributions	\$ 822,685	\$ 111,746	\$ 934,431
In-kind contributions	5,760	-	5,760
Net assets released from restrictions	107,517	(107,517)	-
	<hr/>	<hr/>	<hr/>
Total support	935,962	4,229	940,191
Net investment income	46,125	-	46,125
	<hr/>	<hr/>	<hr/>
Total support and net investment income	982,087	4,229	986,316
	<hr/>	<hr/>	<hr/>
<b>Expenses:</b>			
Program services	615,704	-	615,704
Supporting services:			
Administrative	44,846	-	44,846
Fundraising	28,721	-	28,721
	<hr/>	<hr/>	<hr/>
Total supporting services	73,567	-	73,567
	<hr/>	<hr/>	<hr/>
Total expenses	689,271	-	689,271
	<hr/>	<hr/>	<hr/>
<b>Change in net assets</b>	292,816	4,229	297,045
Net assets, beginning of year	626,914	166,850	793,764
	<hr/>	<hr/>	<hr/>
<b>Net assets, end of year</b>	<u>\$ 919,730</u>	<u>\$ 171,079</u>	<u>\$ 1,090,809</u>

## THE KINDNESS INITIATIVE

### Statements of Functional Expenses

(See independent accountants' compilation report and notes to financial statements)

	Year Ended December 31, 2025			
	Supporting Services			Total
	Program Services	Management and General	Fundraising	
<b>Expenses:</b>				
Salaries and wages	\$ 451,721	\$ 51,462	\$ 68,616	\$ 571,799
Rent	183,052	16,956	6,815	206,823
Stipends	102,886	27	36	102,949
Office	74,895	3,160	831	78,886
Professional fees	22,895	6,585	6,725	36,205
Meetings, events, and travel	27,770	487	3,212	31,469
Marketing	2,455	-	13,544	15,999
Employee benefits	10,183	1,160	1,547	12,890
Insurance	10,888	-	-	10,888
Bank fees and charges	-	-	3,446	3,446
	<u>\$ 886,745</u>	<u>\$ 79,837</u>	<u>\$ 104,772</u>	<u>\$ 1,071,354</u>
Total expenses	<u>\$ 886,745</u>	<u>\$ 79,837</u>	<u>\$ 104,772</u>	<u>\$ 1,071,354</u>

	Year Ended December 31, 2024			
	Supporting Services			Total
	Program Services	Management and General	Fundraising	
<b>Expenses:</b>				
Salaries and wages	\$ 381,542	\$ 34,619	\$ 4,055	\$ 420,216
Stipends	118,143	-	-	118,143
Rent	43,278	415	56	43,749
Professional fees	22,134	7,000	9,000	38,134
Office	21,476	977	3,752	26,205
Meetings, events, and travel	10,732	438	6,807	17,977
Marketing	9,333	-	1,819	11,152
Employee benefits	5,092	955	318	6,365
Insurance	3,974	442	-	4,416
Bank fees and charges	-	-	2,914	2,914
	<u>\$ 615,704</u>	<u>\$ 44,846</u>	<u>\$ 28,721</u>	<u>\$ 689,271</u>
Total expenses	<u>\$ 615,704</u>	<u>\$ 44,846</u>	<u>\$ 28,721</u>	<u>\$ 689,271</u>

## THE KINDNESS INITIATIVE

### Statements of Cash Flows

(See independent accountants' compilation report and notes to financial statements)

	Year Ended December 31,	
	2025	2024
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 465,774	\$ 297,045
Adjustments to reconcile change in net assets to net cash flows		
Net realized gain on investments	(632)	(1,035)
Net unrealized gain on investments	(42,547)	(29,528)
Amortization of discount on contributions receivable	20,951	-
Amortization of operating lease right-of-use asset	56,393	-
(Increase) decrease in:		
Contributions receivable	(96,518)	(137,566)
Other receivables	(5,784)	1,019
Operating lease liability	(51,132)	-
(Decrease) increase in:		
Accounts payable and accrued expenses	-	(8,133)
Accrued payroll	-	(12,214)
	<u>346,505</u>	<u>109,588</u>
<b>Cash flows from investing activities:</b>		
Purchases of investments	(417,167)	(147,255)
Proceeds from sales of investments	54,708	140,932
	<u>(362,459)</u>	<u>(6,323)</u>
<b>Net change in cash, cash equivalents and restricted cash</b>	<u>(15,954)</u>	<u>103,265</u>
<b>Cash, cash equivalents and restricted cash:</b>		
Beginning of year	<u>247,968</u>	<u>144,703</u>
<b>End of year</b>	<u>\$ 232,014</u>	<u>\$ 247,968</u>
<b>Supplemental disclosure of noncash operating activities:</b>		
Right-of-use assets and lease liabilities recognized pursuant to ASC 842:		
Operating lease	<u>\$ 307,702</u>	<u>\$ -</u>

## THE KINDNESS INITIATIVE

### Notes to Financial Statements

*(See independent accountants' compilation report)*

December 31, 2025 and 2024

#### NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES

##### [1] Organization and nature of activities:

The Kindness Initiative (the "Organization") is a public charity and California nonprofit corporation established in 2021 for charitable purposes and is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. The mission of the Organization is to alleviate poverty in the San Diego Jewish Community by meeting basic physical and psychological needs of Vulnerable Jewish Households, utilizing a comprehensive, coordinated, collaboration of service providers and caring volunteers and providing immediate and long-term actions towards meeting needs.

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### [1] Basis of accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations.

##### [2] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### [3] Cash, cash equivalents, and restricted cash:

Cash and cash equivalents consist of cash and money market funds with original maturities of three months or less at the date of acquisition. Restricted cash on the statement of financial position represents cash received with donor-imposed restrictions of \$0 and \$121,079 as of December 31, 2025 and 2024, respectively.

##### [4] Contributions receivable:

Contributions receivable represent a donor's promise to give to the Organization and are reported at the amount the Organization expects to collect from outstanding balances. Management determines the reserve for uncollectible contributions by specific identification of delinquent accounts, history of collections, past write-offs, and estimated uncollectible balances. Contributions receivable are written off when deemed uncollectible. The balance at year-end reflects contributions due from donors and is expected to be fully collected within five years. Contributions that are expected to be collected in future years are recorded at the net present value of estimated future cash receipts using a risk-adjusted rate of return. Conditional contributions are not reported as income until the conditions are substantially met.

## THE KINDNESS INITIATIVE

### Notes to Financial Statements

(See independent accountants' compilation report)

December 31, 2025 and 2024

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [5] Investments:

The Organization maintains its investments at the Jewish Community Foundation ("JCF") in investment pools. The Organization uses net asset value ("NAV") as a practical expedient to determine fair value of the pooled investments. Depending on the underlying assets, NAV is determined by the underlying asset manager through national exchange prices for securities with a readily determinable value or valuations and estimates. Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the statement of activities as increases or decreases in net assets without donor restrictions. Realized gains and losses on investments are determined by comparison of the cost at the time of acquisition to the proceeds at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investment's cost to the fair value at the end of each year. The earnings from dividends and interest are recognized when earned.

Investment expenses include the services of investment managers and custodians. The balance of investment management fees in Note D consists of specific fees charged by the Organization's investment manager in each year; however, it does not include those fees that are embedded in various other investment accounts and transactions.

Donor-restricted cash that is not immediately needed is invested. While invested, these amounts continue to be classified as net assets with donor restrictions and may be liquidated at any time to fund the related restricted activities.

##### [6] Leases:

The Organization determines if an arrangement is a lease at inception.

###### Operating Leases

Operating leases are recorded as operating lease right-of-use ("ROU") assets and operating lease liabilities on the accompanying statements of financial position. Operating lease ROU assets and the related lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The operating lease ROU assets also include lease incentives and initial direct costs incurred. For operating leases, interest on the lease liability and the amortization of the ROU asset result in straight-line rent expense over the lease term.

Leases may include options to extend or terminate the lease which are included in the operating lease ROU assets and operating lease liability when they are reasonably certain of exercise. Certain leases include lease and non-lease components, which are accounted for as one single lease component. Occupancy lease agreements, in addition to contractual rent payments, generally include additional payments for certain costs incurred by the landlord, such as building expenses and utilities. To the extent these are fixed or determinable, they are included as part of the minimum lease payments used to measure the operating lease liability. Operating lease expense associated with minimum lease payments is recognized on a straight-line basis over the lease term. When additional payments are based on usage or vary based on other factors, they are considered variable lease payments and are excluded from the measurement of the ROU asset and lease liability. These payments are recognized as an expense in the period in which the related obligation was incurred.

The Organization had no finance leases as of December 31, 2025 and 2024.

## THE KINDNESS INITIATIVE

### Notes to Financial Statements

(See independent accountants' compilation report)

December 31, 2025 and 2024

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [7] Net assets:

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*Net assets without donor restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors (the "Board").

*Net assets with donor restrictions* - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. When a donor 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 are reported in the statement of activities as net assets released from restrictions.

Net assets with donor restrictions consist of restricted cash totaling \$0 and \$121,079, restricted investments totaling \$288,388 and \$0, and contributions receivable totaling \$25,000 and \$50,000 for future programmatic stipends as of December 31, 2025 and 2024, respectively. Net assets released from donor restrictions consist of \$104,521 and \$107,517 for stipends for the year ended December 31, 2025 and 2024, respectively.

##### [8] Support:

Contributions are recognized when cash is received or a donor makes a promise to give to the Organization that is in substance, unconditional. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. Contributions to be received in future periods are discounted at a risk-adjusted rate for a commensurate period. Amortization of discounts are recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

The Organization receives donated rent for its office space. Donated rent is calculated based on the estimated fair value of the space calculated using the square footage and estimated current market rental rates for comparable spaces. Donated rent is included in in-kind contributions in the statements of activities at fair value.

##### [9] Functional expense allocation:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates of management. The expenses that are allocated and their method of allocation include the following:

**THE KINDNESS INITIATIVE**

**Notes to Financial Statements**  
*(See independent accountants' compilation report)*  
**December 31, 2025 and 2024**

**[9] Functional expense allocation: (continued)**

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and wages	Time and effort
Rent	Salaries and wages and use of expense
Stipends	Use of expense
Office	Use of expense
Professional fees	Time and effort and use of expense
Marketing	Use of expense
Employee benefits	Time and effort
Insurance	Use of expense
Bank fees and charges	Use of expense

**[10] Income taxes:**

The Organization is a public charity and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") and Section 23701(d) of the California Revenue and Taxation Code except for taxes on net unrelated business income. Since the Organization has no obligation for unrelated business income tax for the years ended December 31, 2025 and 2024, no provisions for federal or state income taxes have been made.

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Accounting for Uncertainty in Income Taxes*, the Organization evaluates annually any uncertain tax positions taken or expected to be taken in a tax return by applying a threshold of more likely than not for recognition. Management evaluated its tax positions and determined that it has no uncertain tax positions at December 31, 2025 and 2024. There have been no related tax penalties or interest, which would be classified as tax expense in the statements of activities.

## THE KINDNESS INITIATIVE

### Notes to Financial Statements

(See independent accountants' compilation report)

December 31, 2025 and 2024

#### NOTE C - AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

The following represents the Organization's financial assets at December 31, 2025 and 2024:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Financial assets at year-end:		
Cash and cash equivalents and restricted cash	\$ 232,014	\$ 247,968
Contributions receivable, net	263,133	187,566
Investments	<u>1,060,913</u>	<u>655,276</u>
Total financial assets	<u>1,556,060</u>	1,090,809
Less: amounts not available to be used within one year:		
Cash with donor restrictions	-	121,079
Investments with donor restrictions	288,388	-
Contributions receivable with donor restrictions	25,000	-
Contributions due in more than one year	<u>205,000</u>	<u>100,000</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,037,672</u>	<u>\$ 869,730</u>

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 come due. The Organization maintains cash and investments without donor restrictions, which account for 55.40% and 71.70% of total assets for the years ended December 31, 2025 and 2024, respectively, to help manage unanticipated liquidity needs

#### NOTE D - ANALYSIS OF INVESTMENTS AND NET INVESTMENT RETURN

The Organization maintains its investments at the JCF. The funds held at the JCF are invested in two investment funds, the Endowment Pool and the Short-Term Pool. The Endowment Pool invests in domestic and international equities, fixed income, real assets, and alternative investments consisting of commodities and hedge funds of funds. The Short-Term Pool invests in cash equivalents. The Organization's investments as of December 31, 2025 and 2024 total \$1,060,913 and \$655,275, respectively.

## THE KINDNESS INITIATIVE

### Notes to Financial Statements

(See independent accountants' compilation report)

December 31, 2025 and 2024

#### NOTE D - ANALYSIS OF INVESTMENTS AND NET INVESTMENT RETURN (CONTINUED)

Net investment return includes the following for the year ended December 31, 2025 and 2024:

	Year Ended December 31,	
	2025	2024
Interest and dividends	\$ 22,399	\$ 19,492
Net realized gain on sale of investments	632	1,035
Net unrealized gain on investments	42,547	29,528
Investment fees	(4,708)	(3,930)
Total net investment income	<u>\$ 60,870</u>	<u>\$ 46,125</u>

#### NOTE E - FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurement*, defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The provisions of FASB ASC 820 establish a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that observable inputs be used when available.

The three-level hierarchy for fair value measurements is defined as follows:

*Level 1* – quoted prices for identical assets or liabilities in active markets as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

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

*Level 3* – unobservable inputs that cannot be corroborated by market data. These inputs reflect management's best estimate of fair value using its own assumptions about the assumptions a market participant would use in pricing the asset or liability.

The Organization has elected to value investments held at JCF in investment pools at NAV per share as a practical expedient. NAV is the amount of net assets attributable to each share of a pool of investments at the end of the period. In consideration of the fair value hierarchy, investments valued at NAV are not classified within the hierarchy.

The availability of market data is monitored by the Organization to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period.

## THE KINDNESS INITIATIVE

### Notes to Financial Statements

(See independent accountants' compilation report)

December 31, 2025 and 2024

#### NOTE E - FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables list investments as of December 31, 2025 and 2024 measured at NAV:

<b>Assets at NAV as of December 31, 2025</b>				
<b>Description</b>	<b>NAV</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
JCF endowment pool (a)	\$ 412,447	None	Unrestricted	N/A
JCF short-term pool (b)	\$ 648,466	None	Unrestricted	N/A

  

<b>Assets at NAV as of December 31, 2024</b>				
<b>Description</b>	<b>NAV</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
JCF endowment pool (a)	\$ 367,290	None	Unrestricted	N/A
JCF short-term pool (b)	\$ 287,985	None	Unrestricted	N/A

- (a) The JCF Endowment Pool invests in domestic and international equities, fixed income, real assets, and alternative investments consisting of commodities and hedge funds of funds and intends to accomplish prudent and sustainable growth.
- (b) The JCF Short-Term Pool invests in cash equivalents and intends to provide for liquidity as well as maintain principal balances.

#### NOTE F - CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following at December 31, 2025 and 2024:

<b>Description</b>	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
Contributions receivable due in less than one year	\$ 79,084	\$ 99,951
Contributions receivable due in one to five years	205,000	100,000
Total	284,084	199,951
Less: discount on contributions receivable	(20,951)	(12,385)
Contributions receivable, net	<u>\$ 263,133</u>	<u>\$ 187,566</u>

## THE KINDNESS INITIATIVE

### Notes to Financial Statements

(See independent accountants' compilation report)

December 31, 2025 and 2024

#### NOTE F - CONTRIBUTIONS RECEIVABLE (CONTINUED)

Future expected payments on contributions receivable due as of December 31, 2025 are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2026	\$ 79,084
2027	60,000
2028	75,000
2029	<u>70,000</u>
Total	284,084
Less: discount on contributions receivable	<u>(20,951)</u>
Contributions receivable, net	263,133
Less: current portion of contributions receivable	<u>(79,084)</u>
Contributions receivable, net, less current portion	<u><u>\$ 184,049</u></u>

Contributions due in one to five years are recorded at the net present value of estimated future cash receipts using risk-adjusted rates of return ranging from 3.77% to 4.82%.

#### NOTE G - LEASE COMMITMENTS

The Organization entered into a lease agreement in January 2025 for an industrial facility under a non-cancelable operating lease agreement that expires in December 2029, with an option to extend the lease for an additional five years at the end of the current agreement. The Organization is reasonably certain they will exercise the option and has recognized the option as part of the operating lease ROU asset and operating lease liability balances in accordance with ASC 842.

## THE KINDNESS INITIATIVE

### Notes to Financial Statements

(See independent accountants' compilation report)

December 31, 2025 and 2024

#### NOTE G - LEASE COMMITMENTS (CONTINUED)

Future minimum payments under the Organization's operating lease liability as of December 31, 2025 are as follows:

<u>Years Ending</u> <u>December 31,</u>	<u>Operating</u> <u>Lease</u>
2026	\$ 65,892
2027	68,532
2028	71,268
2029	<u>74,052</u>
Total	279,744
Less: Amount representing interest	<u>(23,174)</u>
Present value of minimum lease payments	256,570
Less: current portion of lease liabilities	<u>(65,892)</u>
Operating lease liability, non-current portion	<u><u>\$ 190,678</u></u>

Operating lease costs were \$68,621 for the year ended December 31, 2025. Cash paid for the lease was \$63,360 for the year ended December 31, 2025. The weighted average remaining lease term in years at December 31, 2025 and discount rate are 4.0% and 4.38%, respectively.

#### NOTE H - RISKS AND UNCERTAINTIES

The Organization invests in investment pools which are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with the investment pools, it is at least reasonably possible that changes in the value of the investment pools will occur in the near term and such changes could materially affect the amounts reported in the statements of financial position.

The Organization maintains its cash balance at one financial institution which is secured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2025 and 2024, there were no uninsured cash balances. The Organization has not historically experienced any losses in these accounts.

#### NOTE I - RELATED PARTY TRANSACTIONS

During the years ended December 31, 2025 and 2024, contributions totaling \$172,005 and \$140,200, respectively, were recognized from eleven and six Board members, respectively. During the year ended December 31, 2025, contributions totaling \$70,000 were recognized from a nonprofit organization of which there is a shared Board member. Contributions receivable from Board members totaled \$60,000 and \$12,000 at December 31, 2025 and 2024, respectively.

## **THE KINDNESS INITIATIVE**

### **Notes to Financial Statements**

*(See independent accountants' compilation report)*

**December 31, 2025 and 2024**

#### **NOTE J - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through June 2, 2026, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in the financial statements.