LOVE A CHILD, INC.
AND SUBSIDIARY

Consolidated Financial Statements
With Independent Auditor's Report

December 31, 2025

LOVE A CHILD INC. AND SUBSIDIARY

Table of Contents

CAPINCROUSE
A DIVISION OF Carr, Riggs & Ingram

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Love A Child, Inc. and Subsidiary
Fort Myers, Florida

Opinion

We have audited the accompanying consolidated financial statements of Love A Child, Inc. (a nonprofit corporation) and Subsidiary which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Love A Child, Inc. and Subsidiary 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 Consolidated Financial Statements* section of our report. We are required to be independent of Love A Child, Inc. and Subsidiary, 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

1255 Lakes Parkway, Suite 105
Lawrenceville, GA 30043
505.50.CAPIN
capincrouse.com

Board of Directors
Love A Child, Inc. and Subsidiary
Fort Myers, Florida

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Love A Child, Inc. and Subsidiary'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Love A Child, Inc. and Subsidiary'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.

Capin Crouse LLC

Lawrenceville, Georgia
July 6, 2026

LOVE A CHILD, INC. AND SUBSIDIARY

Consolidated Statement of Financial Position

December 31, 2025

ASSETS:	
Cash and cash equivalents	$ 14,355,466
Prepaid expenses and other assets	146,515
Property and equipment–net	8,678,890
Operating lease right-of-use asset	9,445
Investments	24,199,900
Total Assets	$ 47,390,216
LIABILITIES AND NET ASSETS:	
Liabilities:	
Accounts payable and accrued expenses	$ 1,218,668
Operating lease right-of-use obligation	9,318
Total liabilities	1,227,986
Net assets:	
Without donor restrictions	46,136,881
With donor restrictions	25,349
Total net assets	46,162,230
Total Liabilities and Net Assets	$ 47,390,216

See notes to consolidated financial statements

LOVE A CHILD, INC. AND SUBSIDIARY

Consolidated Statement of Activities

Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT AND REVENUE:			
Contributions	$ 9,535,038	$ 3,692,950	$ 13,227,988
Contributions of non-financial assets	12,640,418	-	12,640,418
Other revenue	11,557	-	11,557
Investment income–net	2,656,593	-	2,656,593
Total Operating Support and Revenue	24,843,606	3,692,950	28,536,556
RECLASSIFICATIONS:			
Satisfaction of purpose restrictions	3,686,836	(3,686,836)	-
OPERATING EXPENSES:			
Program services:			
Humanitarian	20,805,078	-	20,805,078
	20,805,078	-	20,805,078
Supporting activities:			
Management and general	1,440,538	-	1,440,538
Fundraising	2,344,178	-	2,344,178
	3,784,716	-	3,784,716
Total Operating Expenses	24,589,794	-	24,589,794
Change in Net Assets from Operating Activities	3,940,648	6,114	3,946,762
NON-OPERATING ACTIVITY:			
Foreign exchange loss	(1,379)	-	(1,379)
Change in Net Assets	3,939,269	6,114	3,945,383
Net Assets, Beginning of Year	42,197,612	19,235	42,216,847
Net Assets, End of Year	$ 46,136,881	$ 25,349	$ 46,162,230

See notes to consolidated financial statements

LOVE A CHILD, INC. AND SUBSIDIARY

Consolidated Statement of Functional Expenses

Year Ended December 31, 2025

	Program Services	Supporting Activities			
	Humanitarian	Management and General	Fundraising	Total Supporting Activities	Total Expenses
Goods distributed	$ 12,640,419	$ -	$ -	$ -	$ 12,640,419
Disaster, hunger/medical relief and community development	2,743,109	-	-	-	2,743,109
Salaries, benefits, and taxes–U.S.	1,642,461	758,000	178,862	936,862	2,579,323
Salaries and taxes–Haiti	1,355,785	-	-	-	1,355,785
Airtime	-	-	1,720,474	1,720,474	1,720,474
Shipping	748,465	3,627	265	3,892	752,357
Depreciation	784,542	13,392	992	14,384	798,926
Print and supplies	15,549	94,935	368,042	462,977	478,526
Office	158,545	290,222	9,487	299,709	458,254
Maintenance and repairs	248,943	57,730	10,252	67,982	316,925
Occupancy	241,277	37,647	42,738	80,385	321,662
Professional services	14,082	118,551	2,808	121,359	135,441
Travel and lodging	119,962	22,728	3,337	26,065	146,027
Other	91,939	43,706	6,921	50,627	142,566
Total expenses	$ 20,805,078	$ 1,440,538	$ 2,344,178	$ 3,784,716	$ 24,589,794

See notes to consolidated financial statements

LOVE A CHILD, INC. AND SUBSIDIARY

Consolidated Statement of Cash Flows

Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	$ 3,945,383
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	798,926
Contributions of non-financial assets	(12,640,418)
Distributions of non-financial assets	12,640,418
Realized/unrealized gains on investments	(2,390,240)
Loss on sale of property and equipment	12,245
Noncash change in leases	282
Changes in operating assets and liabilities:	
Other assets	34,846
Accounts payable and accrued expenses	844,078
Net Cash Provided by Operating Activities	3,245,520
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property and equipment	(1,043,653)
Purchases of investments	(112,209)
Net Cash Used by Investing Activities	(1,155,862)
Net Change in Cash and Cash Equivalents	2,089,658
Cash and Cash Equivalents, Beginning of Year	12,265,808
Cash and Cash Equivalents, End of Year	$ 14,355,466

See notes to consolidated financial statements

LOVE A CHILD, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2025

1. NATURE OF ORGANIZATION:

Love A Child, Inc. (Love A Child) was established in 1985 as a Florida not-for-profit corporation. Love A Child's purpose is to support children and needy individuals in Haiti through humanitarian care. Love A Child is supported by contributions from the general public.

Love A Child is a not-for-profit corporation and as such, is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code). Contributions to Love A Child are deductible from income taxes on the donor's income tax return within the limitations prescribed by the Code. Love A Child is also classified as a publicly supported organization, which is not a private foundation as defined by Section 170(b) of the Code. Love A Child's primary source of support and revenue comes from contributions of non-financial assets and contributions of financial assets.

In conformity with accounting principles generally accepted in the United States of America, the consolidated financial statements include the accounts of Love A Child Holdings, LLC (the LLC). The LLC is a Florida limited liability company formed for the purpose of holding certain property. Love a Child is the sole member of the LLC. References to the Organization in these notes refer to the consolidated entity.

The Organizations program's include:

Food Distributions –Reaching the poor, homeless, and hungry children and families in Haiti through the distribution of nutritious meals.

Medical Outreach –Providing quality health care for the most vulnerable populations in Haiti, including children, the elderly, pregnant women, and those that are chronically ill. This is accomplished through a regional medical center, remote medical clinics, a malnutrition center, a birthing center, and dental and eye care clinics.

Education –Providing education, nutrition, and healthcare to children attending schools operated by the Organization throughout Haiti.

Orphanage Care –Operation of a full care orphanage for children in Fond Parisien, Haiti.

Sustainability –Helping Haitians be empowered to help themselves through "Development for Sustainability" programs such as sustainable agriculture training and supporting a local marketplace, Farmer John's butcher shop, chicken farm, and Tilapia fish farm.

Building Programs –Construction of new buildings and land improvements to support the Haitian community at large

Disaster Relief –Providing shelter, water, and food during times of natural disasters for vulnerable communities throughout Haiti.

LOVE A CHILD, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2025

1. NATURE OF ORGANIZATION, continued:

The Organization conducts humanitarian and other program operations in Haiti. The Organization's revenues are from sources primarily within the United States, although revenues are received from other countries. The Organization maintains bank accounts in the United States, Haiti, and the Dominican Republic. Account balances relating to foreign operations are reflected in the consolidated financial statements in United States dollars.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Organization maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the balances and financial activities of Love A Child and the LLC. All significant intercompany transactions and balances have been eliminated from the consolidated financial statements.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States 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 consolidated 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

Cash and cash equivalents include cash on hand, checking, savings, and money market accounts, with original maturities of three months or less. At December 31, 2025, the Organization's cash balances exceeded federally insured limits by approximately $14,249,000.

INVESTMENTS

Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair value. Interest and dividend income and the realized and unrealized gain or loss on investments is reported as investment income (loss) without donor restrictions in the accompanying consolidated statement of activities unless a donor or law restricts its use. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Donated investments are recorded at fair value at the date of donation and are thereafter carried in conformity with the stated policy.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY AND EQUIPMENT–NET

Items capitalized as property and equipment are stated at cost or, if donated, at market value on the date of donation. The Organization generally capitalizes and reports property and equipment acquisitions in excess of $5,000. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 year.

CLASSES OF NET ASSETS

The consolidated financial statements report amounts separately by class of net assets:

Net assets without donor restrictions are currently available at the discretion of the board for use in operations or designated by the board for specific use. Equity in property and equipment represents amounts invested in property and equipment net of accumulated depreciation.

Net assets with donor restrictions are stipulated by donors for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a 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 met.

The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as reclassifications.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES, continued
The Organization reports donations of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of non-financial assets are recorded at fair value at the date of the gift. See Note 8 for more information on valuation techniques that result in, or approximate, fair value. These contributions are recognized as revenue when the Organization receives these donations at the Organization’s facilities in Haiti, due to the timing of shipments between the United States and the Dominican Republic and unpredictable border closures between the Dominican Republic and Haiti.

The Organization promotes its programs through television broadcasting. Such costs are expensed as incurred. For the year ended December 31, 2025, the Organization incurred airtime expense of $1,720,474, which is recognized as fundraising expense in the consolidated statement of activities. The consolidated financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Indirect costs that benefit multiple functional categories are allocated among the various functional categories by use of methods such as floor space usage and employee time usage, as appropriate.

OPERATING AND NON-OPERATING ACTIVITIES
The consolidated statement of activities present the changes in net assets of the Organization from both operating activities and non-operating activities. Operating revenues and expenses relate primarily to programs provided by the Organization. Non-operating activity consists of change in value of foreign currency.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets as of December 31, 2025, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Organization considers general expenditures to be all expenditures related to its ongoing activities to achieve its vision as well as the conduct of services undertaken to support those activities to be general expenditures.

Financial assets, at year-end:	
Cash and cash equivalents	$ 14,355,466
Investments	24,199,900
	38,555,366
Less those unavailable for general expenditures within one year due to:	
Board-designated funds	(24,199,900)
Donor-restricted	(25,349)
	(24,225,249)
Financial assets available to meet cash needs for general expenditures within one year	$ 14,330,117

4. INVESTMENTS:

Investments consist of:

Held at fair value:	
Common stock	$ 11,736,169
Mutual funds	2,584,214
Exchange traded funds	7,763,235
Bonds	2,106,905
	24,190,523
Held at cost:	
Cash and cash equivalents	9,377
	$ 24,199,900

Investment income for the year ended December 31, 2025, consists of:

Interest and dividends	$ 266,353
Realized gain	239,767
Unrealized gain	2,150,473
	$ 2,656,593

LOVE A CHILD, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2025

5. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consists of:

	U.S.	Haiti	Total
Buildings and improvements	$ 1,639,727	$ 11,811,570	$ 13,451,297
Land and improvements	1,487,471	2,008,143	3,495,614
Furniture and equipment	185,850	543,367	729,217
Vehicles	49,492	1,843,139	1,892,631
	3,362,540	16,206,219	19,568,759
Less accumulated depreciation	(1,057,901)	(9,831,968)	(10,889,869)
Property and equipment–net	$ 2,304,639	$ 6,374,251	$ 8,678,890

As of December 31, 2025, the Organization held property and equipment in Haiti with carry values (net of accumulated depreciation) of $6,374,251. Note 9 describes the risks associated with operations in Haiti.

6. OPERATING LEASE RIGHT-OF-USE ASSET AND OBLIGATION:

The Organization leases equipment under a lease agreement expiring in 2029. In determining the life of the lease, management has reviewed the available options for renewal and has chosen the option which most closely approximates management's current plan for the asset. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease terms. The lease requires monthly payments of $269. Total expenses incurred under the operating lease for the year ended December 31, 2025, was $8,001.

Operating lease right-of-use asset	$ 9,445
Operating lease right-of-use obligation	$ 9,318
Operating lease costs	$ 3,227
Weighted average discount rate	4.42%
Weighted average remaining lease term	3.21 years

6. OPERATING LEASE RIGHT-OF-USE ASSET AND OBLIGATION, continued:

The future minimum lease payments required under the non-cancelable operating lease agreements at December 31, 2025, are as follows:

Year Ending December 31,		
2026	$	3,233
2027		3,233
2028		3,233
2029		269
		9,968
Less imputed interest		(650)
	$	9,318

7. FAIR VALUE MEASUREMENTS:

The *Fair Value Measurements and Disclosure* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy at December 31, 2025:

LOVE A CHILD, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2025

7. FAIR VALUE MEASUREMENTS, continued:

	Fair Value Measurements at December 31, 2025			
	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Common stock	$ 11,736,169	$ -	$ -	$ 11,736,169
Mutual funds	2,584,214	-	-	2,584,214
Exchange traded funds	7,763,235	-	-	7,763,235
Bonds	841,430	1,265,475	-	2,106,905
	$ 22,925,048	$ 1,265,475	$ -	24,190,523
Investments, at cost:				
Cash and cash equivalents				9,377
Total investments				$ 24,199,900

Methods and assumptions used by the Organization in estimating fair value are as follows:

Valuation techniques: Fair values for stocks, mutual funds and exchange traded funds are based on quoted market prices in an active market. Bond fair value is based on yields currently available on comparable securities of issuers with similar credit ratings.

Changes in valuation techniques: None.

LOVE A CHILD, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2025

8. CONTRIBUTIONS OF NON-FINANCIAL ASSETS:

Contributions of non-financial assets for the year ended December 31, 2025, included in the consolidated financial statements were as follows:

	Revenue Recognized	Donor Restrictions	
Pharmaceuticals and medical supplies	$ 8,935,356	No donor restrictions	Valued using costing data acquired from recognized and published resources and are valued at their estimated national average drug acquisition cost on a drug by drug basis. The Organization utilizes the National Average Drug Acquisition Cost (NADAC) data published by Medicaid in order to estimate fair value.
Food	3,558,453	No donor restrictions	Valued at estimated wholesale value estimated by the Organization using like-kind analysis.
Seeds	109,305	No donor restrictions	Valued at estimated wholesale value estimated by the Organization using like-kind analysis.
Other	37,304	No donor restrictions	Valued at estimated wholesale value estimated by the Organization using like-kind analysis.
	$ 12,640,418		

The above contributed non-financial assets have been utilized during the year ended December 31, 2025, in various program services as disclosed in the accompanying consolidated statement of functional expenses.

9. CONCENTRATION:

During the year ended December 31, 2025, one donor gave 5% of total cash contributions. Additionally, during the year ended December 31, 2025, the Organization received 97% of total contributions of non-financial assets from two donors. The Organization's operations and program activities could be impacted if these donor relationships were to be terminated and could not be replaced by new donors with comparable donations.

9. CONCENTRATION, continued:

As the humanitarian crisis continues in Haiti, the Organization is at risk for disruptions in operations due to the current political instability, gang civil wars, and recent sanctions. These potential disruptions may include humanitarian aid distribution, damage or loss of assets, and supply chain and travel disruptions. Informal economies dominate the country, creating potential risks to the country's banking systems which could affect internal controls and create cash restrictions. The Organization has operated in Haiti without significant disruption since 1985 and expects to continue to aid Haiti in its recovery.

10. ENDOWMENT FUNDS:

The Organization's board-designated endowment exists for the purpose of providing an income stream for the Organization's general operations and is classified as net assets without donor restrictions. The endowment fund is invested with the goal of preserving principal while seeking to provide a return on investment sufficient to meet distribution requirements pursuant to the board's wishes. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds, including funds designated by the board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law:

The Organization's board of directors 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 absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization includes as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent 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 that is not included in perpetuity is included as net assets with donor restrictions, restricted by purpose or time, until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. As of December 31, 2025, there are no endowment funds with donor restrictions.

In accordance with SPMIFA, 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 fund
2. The purposes of the Organization and the donor-restricted endowment fund
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
7. The investment policies of the Organization

10. ENDOWMENT FUNDS, continued:

	Without Donor Restrictions	With Donor Restrictions Purpose or Time	With Donor Restrictions Perpetuity	Total
Board-designated funds	$ 24,199,900	$ -	$ -	$ -

Changes in endowment net assets for the year ended December 31, 2025:

	Without Donor Restrictions	With Donor Restrictions Purpose or Time	With Donor Restrictions Perpetuity	Total
Endowment net assets, January 1, 2025	$ 21,697,451	$ -	$ -	$ 21,697,451
Additions	112,209	-	-	112,209
Investment return:				
Net gains (realized and unrealized)	2,390,240	-	-	2,390,240
	24,199,900	-	-	24,199,900
Amounts appropriated for expenditure	-	-	-	-
Endowment net assets, December 31, 2025	$ 24,199,900	$ -	$ -	$ 24,199,900

Funds with deficiencies:
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions. There were no donor-restricted endowment funds whose value fell below the level that the donor or SPMIFA requires as of December 31, 2025.

LOVE A CHILD, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2025

10. ENDOWMENT FUNDS, continued:

Risk objectives and risk parameters:
The Organization has adopted investment and spending policies for these particular endowment assets that attempt to provide a balance of yield and capital appreciation while distributing funds in a manner that meets the intent of the endowment. Under this policy, the assets of this particular endowment are invested in a manner that is intended to preserve the balance of the endowment. Actual returns in any given year may vary.

Strategies employed for achieving objectives:
To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objectives relate to spending policy:
The Organization's board of directors each year approves a budget establishing the amount to appropriate for distribution from the board-designated endowment over the upcoming 12-month period. In establishing the spending policy for each endowment fund, the Organization considers how a prudent official would interpret the donor's intent.

11. NET ASSETS:
Net assets consists of:

Without donor restrictions:	
Undesignated	$ 13,258,091
Board-designated	24,199,900
Equity in property and equipment	8,678,890
	46,136,881
With donor restrictions:	
Trucks	13,606
Gabion houses	11,743
	25,349
	$ 46,162,230

12. POST-RETIREMENT BENEFITS:

The Organization contributes to a 401(k) profit-sharing plan (the “Plan”) for its employees. All employees who are at least twenty-one years of age and have completed six months of service are eligible to participate in the Plan. Participating employees may elect to make salary deferral contributions to the Plan. The Plan requires the Organization to make matching contributions of up to 3% of an employee’s annual compensation. The Organization may also make an annual discretionary contribution to the Plan on behalf of its employees. Employees vest in employer contributions over a five-year period. The Organization’s contributions to the Plan were approximately $50,200 for the year ended December 31, 2025.

13. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through July 6, 2026, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.