Boca Helping Hands, Inc. and Subsidiary

Consolidated Financial Statements
December 31, 2025

KAUFMAN | ROSSIN

C O N T E N T S

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Boca Helping Hands, Inc.
Boca Raton, Florida

Opinion

We have audited the accompanying consolidated financial statements of Boca Helping Hands, Inc. 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 financial position of Boca Helping Hands, Inc. and Subsidiary as of December 31, 2025, and the changes in their net assets and their 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. We are required to be independent of Boca Helping Hands, Inc. 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 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 Boca Helping Hands, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 these 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 Boca Helping Hands, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as 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 Boca Helping Hands, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Kaufman, Rossin & Co.

Kaufman, Rossin & Co., P.A.

June 30, 2026

KAUFMAN | ROSSIN
cpa + advisors

Miami, Florida

BOCA HELPING HANDS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 2)	$	2,232,442
Investments (Note 2)		7,438,884
Pledges receivable		186,141
Grant receivables		25,502
Prepaid expenses and other assets		169,668
Total current assets		10,052,637
DEFERRED COMPENSATION		66,083
PROPERTY AND EQUIPMENT, NET (NOTE 4)		6,200,832
	$	16,319,552
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$	285,489
Deferred revenue		210,000
Total current liabilities		495,489
CONTINGENCIES (NOTE 8)		
NET ASSETS		
Without donor restrictions:		
Undesignated		7,742,233
Board designated net assets (Note 2)		7,781,830
Total net assets without donor restrictions		15,524,063
With donor restrictions (Note 5)		300,000
Total net assets		15,824,063
	$	16,319,552

See accompanying notes.

BOCA HELPING HANDS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	Without donor restrictions	With donor restrictions	Total
SUPPORT, REVENUES, AND OTHER INCOME			
Grants and contributions	$ 3,507,116	$ 937,800	$ 4,444,916
In kind, principally food	7,943,807	-	7,943,807
In kind, stock donations	283,742	-	283,742
Special events, net of expenses of $151,388	427,740	-	427,740
Investment income, net (Note 2)	1,004,878	-	1,004,878
Employee retention tax credit (Note 7)	250,253	-	250,253
Net assets released from restrictions	847,800	(847,800)	-
Total support, revenues, and other income	14,265,336	90,000	14,355,336
EXPENSES			
Program services			
Food center	9,746,563	-	9,746,563
BHH backpacks	700,079	-	700,079
Job training/Job mentoring	1,007,845	-	1,007,845
Resource center	233,968	-	233,968
Total program services	11,688,455	-	11,688,455
Supporting services			
Fundraising	533,678	-	533,678
Management and general	900,096	-	900,096
Total supporting services	1,433,774	-	1,433,774
Total expenses	13,122,229	-	13,122,229
CHANGE IN NET ASSETS	1,143,107	90,000	1,233,107
NET ASSETS - BEGINNING OF YEAR	14,380,956	210,000	14,590,956
NET ASSETS - END OF YEAR	$ 15,524,063	$ 300,000	$ 15,824,063

See accompanying notes.

BOCA HELPING HANDS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services					Supporting Services			
	Food Center	BHH Backpacks	Job Training/Job Mentoring	Resource Center	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Salaries	$ 548,548	$ 94,472	$ 328,719	$ 60,964	$ 1,032,703	$ 297,980	$ 384,844	$ 682,824	$ 1,715,527
Payroll taxes and employee benefits	157,164	23,813	90,488	19,050	290,515	80,963	104,774	185,737	476,252
In-kind food donations	7,943,807	-	-	-	7,943,807	-	-	-	7,943,807
Food purchases	353,156	463,479	-	-	816,635	-	-	-	816,635
Emergency assistance payments to clients	-	-	-	123,206	123,206	-	-	-	123,206
Job training	-	-	438,435	-	438,435	-	-	-	438,435
Building maintenance and supplies	39,486	7,404	15,630	3,290	65,810	5,758	10,694	16,452	82,262
Utilities and other	28,577	5,358	11,312	2,381	47,628	4,167	7,740	11,907	59,535
Printing, telephone and office expenses	37,971	7,120	15,030	3,164	63,285	5,537	10,284	15,821	79,106
Insurance	168,391	31,821	33,783	7,112	241,107	12,446	23,115	35,561	276,668
Professional services	65,770	9,149	10,678	1,683	87,280	2,946	310,981	313,927	401,207
Security	22,213	4,165	8,793	1,851	37,022	3,239	6,016	9,255	46,277
Marketing	33,433	-	-	-	33,433	59,436	-	59,436	92,869
Information technology	45,657	8,561	18,073	3,805	76,096	6,658	12,366	19,024	95,120
Vehicle fuel and maintenance	56,672	-	-	-	56,672	-	-	-	56,672
Bank charges	-	-	-	-	-	41,488	4,610	46,098	46,098
Miscellaneous	48,964	7,454	11,052	2,021	69,491	3,536	6,983	10,519	80,010
Depreciation	196,754	37,283	25,852	5,441	265,330	9,524	17,689	27,213	292,543
Total expenses	$ 9,746,563	$ 700,079	$ 1,007,845	$ 233,968	$ 11,688,455	$ 533,678	$ 900,096	$ 1,433,774	$ 13,122,229

See accompanying notes.

BOCA HELPING HANDS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$	1,233,107
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		292,543
Net realized gain on investments	(	83,385)
Net unrealized gain on investments	(	775,355)
Amortization of deferred compensation		47,917
In-kind, stock donations	(	283,742)
Changes in operating assets and liabilities:		
Pledges receivable	(	186,141)
Grant receivables		59,498
Prepaid expenses and other assets	(	40,751)
Deferred compensation	(	55,000)
Accounts payable and accrued expenses	(	17,152)
Deferred revenue		207,500
Total adjustments	(	834,068)
Net cash provided by operating activities		399,039
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(	713,879)
Proceeds from sales of investments		1,125,351
Purchases of property and equipment	(	121,597)
Net cash provided by investing activities		289,875
NET CHANGE IN CASH AND CASH EQUIVALENTS		688,914
CASH AND CASH EQUIVALENTS - BEGINNING		1,543,528
CASH AND CASH EQUIVALENTS - ENDING	$	2,232,442

Supplemental Disclosure of Cash Flow Information:

Interest paid	$	-
Income taxes paid	$	-

See accompanying notes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Boca Helping Hands, Inc. ("BHH") is a community-supported not-for-profit organization, incorporated in the state of Florida in 2000, established to address increasing food insecurity and other challenges faced by the underserved communities in Palm Beach County, Florida. BHH's mission is to provide food, medical and financial assistance to meet basic human needs as well as education, job training and guidance to create self-sufficiency. Boca Helping Hands Endowment Fund, Inc. ("Endowment Fund") is a not-for-profit organization incorporated in the State of Florida in 2012. The purpose of the Endowment Fund is to benefit and support BHH. The Endowment Fund includes funds only designated by the Executive Board and does not include any donor- restricted funds (Note 2).

Basis of Consolidation

As BHH both controls and has an economic interest in the Endowment Fund, the Endowment Fund is consolidated as a subsidiary of BHH for financial reporting. The consolidated financial statements include the accounts of BHH and the Endowment Fund (collectively referred to as the Organization). All intercompany accounts and transactions have been eliminated for consolidated financial statement purposes.

Description of Programs

Food Center

The Organization operates a food center. In the food center, volunteers cook and serve hot, nutritious meals weekly to those experiencing food insecurity in the community (lunches from Monday through Saturday in East Boca Raton and a Friday night dinner in Lake Worth). The Organization's primary food assistance program is the distribution of pantry bags and boxes of food from food banks and donors. Staff and volunteers distribute pantry bags containing food staples (meat, fruit, produce, dairy, bread and other food items) to eligible low-income individuals and families from Monday through Saturday in East Boca Raton and at select times weekly in West Boca Raton, Delray Beach, Boynton Beach, and Lake Worth. Eligibility, affirming status at or below the federal poverty level as required under the USDA's TEFAP program, is monitored very closely. During the year ended December 31, 2025, over 115,000 pantry bags of food were distributed to clients who were primarily comprised of the working poor or retired, disabled and unemployed individuals.

Description of Programs (continued)

<u>*BHH Backpacks*</u>

The Organization administers Boca Helping Hands Backpacks, which addresses the critical problem of what low-income children in "Title 1" schools (whose primary weekday meals are free school breakfast and free or reduced-cost school lunch) eat over the weekend. Each Friday during the school year, the Organization sends hundreds of local elementary school children home with six meals, three snacks, two shelf-stable milks and two juice boxes in boxes for the weekend. There are currently twelve participating schools, with more anticipated to join the program. The Organization purchases the food, and faith and community volunteer groups pack the boxes, and then the boxes are delivered to each of the schools on a weekly basis during the academic school year. The specific food items cost $11.15 per child/per week. During the year ended December 31, 2025, the Organization incurred approximately $463,000 in expenses related to food purchases in connection with this program

The Organization operates a traditional "soup" kitchen. In the kitchen, volunteers cook and distribute an average of 160 free hot meals per day, six days a week in East Boca Raton, FL. These meals are shared "to go" for unhoused or unemployed people. For those who request it, a small bag of easy to eat foods are also provided on a weekly basis. A hot meal is served on Friday nights at the Lake Worth location to over 400 people. Volunteers also deliver hot meals to homebound clients. During the year ended December 31, 2025, the Organization prepared and distributed approximately 73,000 hot meals, including delivering approximately 8,000 meals to the homebound.

During the year ended December 31, 2025, the Organization received or recovered approximately 4,125,000 pounds of food from food banks, supermarkets, restaurants, individuals, businesses, schools, governmental agencies and other organizations. Donations from four grantors accounted for approximately 81% of contributed nonfinancial assets to the Organization, principally food.

<u>*Job Training/Job Mentoring*</u>

BHH's Job Training Program recruits and screens eligible clients and covers the costs of job readiness training, vocational training and certification for those admitted to the program. The program offers a variety of training programs, including Commercial Driver's License; Certified Nursing Assistant; Medical Billing and Coding; Heating, Ventilation, Air Conditioning and Refrigeration; Drafting; and Carpentry.

Commercial Driver's License (CDL): The Organization has partnered with The CDL School in Fort Pierce and Miami to train students to earn a Class A Commercial Driver's License. Students must begin the program with a temporary permit and then complete required exams and forty hours of vehicle driving training. Upon completion, graduates work with these schools and the Organization's job mentors to pursue job opportunities.

Description of Programs (continued)

Certified Nursing Assistant (CNA): The Organization has partnered with South Florida Healthcare Institute to prepare students to work in the home healthcare industry. The Organization has paid the tuition and related costs to complete their training curriculum, which includes hands-on training and clinical experience. Upon completion, students take Florida's Board of Nursing (Prometric) Nurse Aide Exam to obtain their certification. Graduates work with the Organization's job mentors to pursue job opportunities with local home healthcare agencies and hospitals.

Medical Billing and Coding (MBC): The Organization has partnered with Cohens Consulting to deliver the Medical Billing and Coding (MBC) program. This program is designed to equip students with the knowledge and skills needed to pursue careers in medical billing and coding, including preparation for industry-recognized certification. The organization covers all tuition and related costs for participating students. The program includes student memberships, required coding materials (CPT, ICD-10, and HCPCS books), CPC training book sets, and certification exam vouchers with a retake option. Students also receive online and instructor access to support their learning throughout the program.

Heating, Ventilation, Air Conditioning and Refrigeration (HVAC): The Organization partners with Palm Beach State College in Lake Worth to train students as technicians in this high-demand field, which supports a wide range of commercial and residential clients. Students complete a 12-month, instructor-led program at PBSC during which they earn their National Center for Construction Education and Research (NCCER) HVAC/R Levels 1 & 2 credentials, North American Technician Excellence (NATE) certification, and North American Insulation Manufacturers: EPA Section 609 certification. Graduates work with PBSC and BHH mentors to pursue job opportunities. At ABC Institute, the Electrical and HVAC apprenticeship programs are structured as 4-year programs operating on an annual training cycle, from August through June. The Electrical program also offers a January enrollment option consisting of a condensed 6-month instructional schedule, during which students complete extended classroom hours to meet required instructional thresholds for advancement.

Drafting: The Organization partners with Atlantic Technical College in Coconut Creek to teach students the drafting principles, techniques, and technology needed to work as a Certified Drafter and begin employment in approximately 14 months. Leading up to taking the American Design Drafting Association (ADDA) exams, students prepare 2-D work in Computer-Aided Design and Drafting (CADD) and create prototypes using a 3-D printer. Graduates work with BHH job mentors to pursue job opportunities. Demand for architectural and civil drafters is expected to grow about 4% by 2029, according to the Bureau of Labor Statistics.

Description of Programs (continued)

Carpentry: The Organization partners with Atlantic Technical College in Coconut Creek to prepare students for employment in the Construction and Manufacturing industries by teaching the skills of cutting, shaping, and installing building materials during the construction of buildings, ships, timber bridges, concrete formwork, and more. During the 12-month program, students experience all facets of the carpentry trade, including planning, management, finance, technical and production skills, underlying principles of technology, labor issues, community issues, health, safety, and environmental issues. Graduates work with Atlantic Tech and BHH job mentors to pursue job opportunities. Demand for carpenters is expected to grow about 4% by 2034, according to the Bureau of Labor Statistics.

Selected Job Training clients are carefully screened for each program and must complete an initial Job Readiness Skills class during which they receive training in "soft skills" that are essential for success in the workplace. During the year ended December 31, 2025, 46 students graduated from BHH's Job Training Programs.

In BHH's Job Mentoring Program, job training graduates, as well as clients who may only need assistance with a job search, receive personalized assistance from volunteer job mentors. The job mentors help with conducting job searches, filling out applications, writing and updating resumes, developing and revising cover letters and preparing for interviews. During the year ended December 31, 2025, the Organization's Job Mentoring Program assisted 54 individuals in obtaining employment.

Resource Center

Through its Resource Center, Boca Helping Hands provides limited financial assistance to qualifying Boca Raton, Delray Beach, Boynton Beach and Lake Worth residents in crisis. Clients may receive limited, emergency financial assistance aid with rent (must have a 3-day notice from landlord) and utilities (must have a final notice from FPL or the local water utility). Assistance amounts for families are limited for a twelve-month period and situations are reviewed on a case-by-case basis. Not all clients qualify, nor are funds available to assist every qualified applicant. Clients must go through a screening process to meet criteria to be approved. All financial assistance provided by the Organization, for these crisis situations, is paid directly to the landlords, utility companies and similar enterprises only.

Children's Assistance Program (CAP): CAP helps full-time (40 hours or more) working parents and full-time-student parents by providing limited financial assistance for summer camp, after-school care, and day care for qualifying Boca Raton, Delray Beach, Boynton Beach and Lake Worth residents of one year or longer. Those interested in applying for CAP must go through a specific screening process and meet criteria to be approved.

Description of Programs (continued)

Affordable Healthcare Access: BHH and Genesis Community Health Center, Inc. (Genesis), a Florida not-for-profit healthcare organization, have established collaboration agreements whereby Genesis is providing healthcare services (medical, dental and behavioral) to BHH clients and others. These services include primary care for families, lab services, physical examinations for work and school, health benefits counseling, dental services, behavioral care services and more.

English for Speakers of Other Languages: Boca Helping Hands volunteer instructors facilitate English for Speakers of Other Languages (ESOL) classes, offered in person and online, so that clients can learn English and strengthen their speaking and listening skills. Conversation Café gives ESOL students the chance to practice having casual English conversations with volunteers and other students.

During the year ended December 31, 2025, the Organization's Resource Center provided approximately $123,000 in financial assistance for crisis situations.

Basis of Presentation

The consolidated financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, public support, and other income are classified based on the existence or absence of donor-imposed restrictions as follows:

- ♦ *Net Assets Without Donor Restrictions* - Amounts that are not subject to usage restrictions based on donor-imposed requirements and may be expended for any purpose in performing the primary objectives of the Organization. This class also includes assets previously restricted where restrictions have expired or been met. These net assets may be used at the discretion of the Organization's management and the Board of Directors.
- ♦ *Net Assets With Donor Restrictions* - Amounts subject to usage limitations based stipulations imposed by donors and grantors. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by passage of time, be fulfilled or removed by actions of the Organization, pursuant to those stipulations. Donor restrictions which are met in the same reporting period are recorded as net assets without donor restriction support.

Revenue Recognition - Grants and Contributions

Contributions, including unconditional promises, are accounted for under Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958)*, and are recognized as revenue when the donor's commitment is received. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a temporary restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Revenue Recognition - Grants and Contributions (continued)

The Organization receives grant funds from various social agencies. The amounts received under these grants are designated for specific purposes by the granting agencies. For reciprocal arrangements, grant revenue is recognized when the allowable costs as defined by the individual grants are incurred and/or the unit of service has been performed. The Organization records advances at the start of each grant as a liability. For non-reciprocal arrangements, in which the granting agency has not received a direct benefit in exchange for the resources provided, revenue is only recognized when certain conditions are met, such as compliance requirements established by the terms of each agreement. At December 31, 2025, grant amounts which are conditional and not recorded on the consolidated statement of financial position amounted to $0. The Organization records a refundable advance when amounts are received in advance of the compliance conditions being met.

Revenue Recognition - Contribution of Nonfinancial Assets

Donated facilities, goods and services are recognized if the benefits received either create or enhance non-financial assets or require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization receives a substantial amount of food donations from food banks, supermarkets, restaurants, individuals, businesses, schools, governmental agencies and other organizations. Donations of food are recorded as revenue and support and program services expense when the food is received or delivered to the Organization's clients. For the year ended December 31, 2025, contributed nonfinancial assets - food donations recognized in the accompanying consolidated statement of activities amounted to approximately $7,944,000, based on the estimated fair market value of food donated for distribution to clients.

The Organization utilized the national estimated average fair value of one pound of food as its valuation methodology to value the food donations. For the year ended December 31, 2025, the total value of contributed food was recorded at $1.93 per pound based on an independent study by Feeding America, a nationwide feeding organization, as adjusted by inflation using the Consumer Price Index.

Food inventory on hand at December 31, 2025 was not material and, accordingly, was not included in the Organization's assets in the accompanying consolidated statement of financial position.

The Organization receives substantial support from a dedicated group of more than 300 volunteers. No amount has been recorded in the consolidated financial statements for these contributed services because they do not meet the criteria for recognition in accordance with U.S. GAAP.

Revenue Recognition - Exchange Transactions

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASC 606"). Revenue is recognized pursuant to a five-step model: (i) identify contract(s) with the customer; (ii) identify the performance obligation in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations; (v) recognize revenue when (or as) each performance obligation is satisfied.

Under ASC 606, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the Organization expects to receive in exchange for those goods or services. In addition, ASC 606 requires disclosure of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The Organization conducts special events of which a portion of gross proceeds are recognized as contribution revenue and a portion of the gross proceeds are recognized as an exchange transaction under ASC 606. The portion of the special events revenue recorded as an exchange transaction represents the direct costs of the events which ultimately benefit the donor rather than the Organization and are recognized at the time of the event. The Organization considers both the fair value portion and the contribution portion of fundraising event sales to be conditional upon the event taking place; as such, they are included as a component of deferred revenue in the accompanying consolidated statement of financial position until the period in which the event is held.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with remaining maturities at date of purchase of three months or less to be cash equivalents.

Concentrations of Credit Risk

The Organization deposits excess cash with high-credit quality institutions. From time to time, such balances may be in excess of federally insured limits. Amounts at financial institutions are insured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2025, the Organization's uninsured cash balances approximated $1,070,000.

Investments of the Organization are subject to both credit and market risks. Credit risk is the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Market risk is the possibility that fluctuations in the investment market will impact the value of the portfolio. Additionally, due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Organization's investment balance and the amounts reported in the consolidated statement of financial position. The Organization continually reviews its investment portfolios to monitor these risks.

Concentrations of Credit Risk (continued)

The Organization maintains its endowment investment portfolio with one financial institution, and its unencumbered and liquid investment portfolio with a separate financial institution.

Investments

The Organization's investments are reported at their fair values in the consolidated statement of financial position. Investment income or loss, including realized and unrealized gains and losses, interest and dividend income and investment expenses are included in the consolidated statement of activities as changes in net assets without donor restrictions unless income (loss) is restricted by the donor or law.

Fair Value Measurements

Fair value is defined as the price that the Organization would receive to sell an asset or pay to transfer a liability in an orderly transaction with an independent counter-party in the principal market or in the absence of a principal market, the most advantageous market for the asset or liability. Fair value measurements establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish a classification of fair value measurements for disclosure purposes. The inputs are summarized in the three broad levels listed below.

Level 1 - Quoted prices in active markets for identical assets and liabilities

Level 2 - Observable inputs other than Level 1 process, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities (including the Organization's own assumptions in determining the fair value of assets and liabilities)

Fair Value Measurements (continued)

In applying the provisions of fair value measurements to the Organization's investment activities during the year, the following valuation techniques have been employed:

Exchange-Traded Fund Securities
Exchange-traded funds traded on a national exchange or on the national market system of NASDAQ are valued at their last reported sale price or, if there has been no sale on that date, at the closing "bid" price if long, or closing "ask" price if short. Other exchange-traded funds for which over-the-counter market quotations are available are valued at their last reported sale price or, if there had been no sale on that date, at closing "bid" price if long, or closing "ask" price if short as reported by a reputable source selected by the Organization. The Organization has sole and absolute discretion in valuing any positions for which market quotations are not readily available or in adjusting the valuation of any other positions. The Organization's investments in exchange-traded funds are categorized in Level 1 of the fair value hierarchy.

Corporate Bonds
Corporate bonds consist of investments in securities issued through independent investment advisors. These investments are valued at the closing price reported in the active market in which the bond securities are traded. Corporate bonds are generally categorized in Level 2 of the fair value hierarchy.

Government Bonds
Government bonds consist of investments in securities issued by the U.S. Treasury. These investments are valued at the closing price reported in the active market in which the bond securities are traded. The Organization's investments in governmental bonds are categorized in Level 1 of the fair value hierarchy.

Private Credit Funds
Private credit funds consist of investments in limited partnerships and similar investment vehicles that are not readily marketable. These investments are measured at net asset value (NAV) per share (or its equivalent) as a practical expedient to estimate fair value. The NAV is determined by the fund managers based on the fair value of the underlying investments held by the funds. Accordingly, these investments are not categorized within the fair value hierarchy. The Organization has the ability to request redemption of its investment through the fund's quarterly share repurchase program at NAV, subject to available liquidity and approval by the fund's Board. The Board may limit, suspend, or terminate repurchases at its discretion. At December 31, 2025, there are no unfunded commitments related to this investment.

Fair Value Measurements (continued)

Community Foundation

Investments held at the Community Foundation of Palm Beach and Martin Counties (Community Foundation) consist of investments held with the Community Foundation whose fair values are determined by calculating the Organization's net asset value (NAV) in the pool. The Organization has the ability to redeem the investment at NAV upon request and approval of the Community Foundation's board and there are no unfunded commitments. At December 31, 2025, these investments are reflected at NAV, using the practical expedient, in the accompanying consolidated statement of financial position.

Pledges Receivable

Unconditional pledges receivable are recognized at the time when the respective donor makes the promise and are recorded at their net realizable value. All unconditional pledges receivable are expected to be collected in the next year. An allowance for uncollectible pledges receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity. Pledges receivable are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. As of December 31, 2025, no allowance for pledges receivable was deemed necessary by management.

As of December 31, 2025, pledges receivable from three donors accounted for 83% of the total pledge receivable.

Grant Receivables

Grant receivables are recorded at their net realizable value. The carrying amount of grant receivables may be reduced by an allowance that reflects management's best estimate of amounts that will not be collected. Management individually reviews all grant receivable balances and estimates the portion, if any of the balance that will not be collected. As of December 31, 2025, no allowance for credit losses for grant receivables was deemed necessary by management. Two grantors accounted for 100% of the outstanding balance as of December 31, 2025.

Prepaid Expenses

Prepaid expenses primarily represent amounts paid in advance for insurance that benefit future years.

Deferred Compensation

The Organization established a Top Hat Trust for the benefit of certain executives. The Organization has a commitment to contribute $35,000 annually to the trust. Employees vest 20% annually over a period of 5 years. For the year ended December 31, 2025, approximately $48,000 of deferred compensation was amortized to salaries expense.

Property and Equipment

Property and equipment is recorded at cost if purchased, and donated property is stated at fair market value at the date of contribution. Expenditures for major betterments and additions are charged to the asset accounts while replacements, maintenance and repairs, which do not improve or extend the lives of the respective assets, are charged to expense currently. Depreciation of property and equipment is determined using the straight-line method. The range of estimated useful lives is as follows:

Buildings and improvements	30 - 40 years
Furniture, fixtures and equipment	5 years
Vehicles	4 years

Impairment of Long-Lived Assets

The carrying value of long-lived assets is reviewed if the facts and circumstances, such as significant declines in revenues, earnings or cash flows or material adverse changes in the operating climate, indicate that they may be impaired. If any impairment in the value of the long-lived assets is indicated, the carrying value of the long-lived assets is adjusted to reflect such impairment based on the fair value of the impaired assets or an estimate of fair value based on discounted cash flows. The Organization did not record impairment of long-lived assets for the year ended December 31, 2025.

Functional Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be directly identified with the program or supporting service are reported as expenses of those functional areas. Other expenses are allocated among program and supporting services based on a reasonable basis that is consistently applied. Personnel expenses are allocated on the basis of estimated time and effort.

Advertising and Promotion

Advertising and promotion costs are expensed as incurred. For the year ended December 31, 2025, advertising and promotion expense amounted to approximately $93,000.

Income Taxes

Income taxes are not provided for in the consolidated financial statements since the Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization is not classified as a private foundation.

Income Taxes (continued)

The Organization assesses its tax positions in accordance with "*Accounting for Uncertainties in Income Taxes*" as prescribed by the Accounting Standards Codification, which provides guidance for financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return for open tax years (generally a period of three years from the later of each return's due date or the date filed) that remain subject to examination by the Organization's major tax jurisdictions.

The Organization assesses its tax positions and determines whether it has any material unrecognized liabilities for uncertain tax positions. The Organization records these liabilities to the extent it deems them more likely than not to be incurred. Interest and penalties related to uncertain tax positions, if any, would be classified as a component of income tax expense.

The Organization believes that it does not have any significant uncertain tax positions requiring recognition or measurement in the accompanying consolidated financial statements.

Use of Estimates in the Preparation of Financial Statements

The preparation of the consolidated 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the consolidated statement of financial position date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. FAIR VALUE MEASUREMENTS AND ENDOWMENT

The Organization's investments recorded at fair value have been categorized based upon a fair value hierarchy in accordance with the Organization's accounting policies as disclosed in Note 1. The following table presents information about the Organization's investments measured at fair value as of December 31, 2025:

INVESTMENTS, at fair value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Exchange-traded funds:				
Equity - large blend	$ 1,330,345	$ -	$ -	$ 1,330,345
Equity - large growth	1,095,551	-	-	1,095,551
Equity - large value	570,264	-	-	570,264
Equity - mid-cap blend	563,607	-	-	563,607
Equity - other	406,603	-	-	406,603
Equity - small blend	383,014	-	-	383,014
Equity - foreign large value	556,736	-	-	556,736
Equity - commodity	120,537	-	-	120,537
Equity - foreign large blend	237,098	-	-	237,098
Equity - diversified emerging markets	165,151	-	-	165,151
Equity - large cap	8,331	-	-	8,331
Total exchange-traded funds	5,437,237	-	-	5,437,237
Government bonds	654,136	-	-	654,136
Corporate bonds	-	1,103,860	-	1,103,860
Total investments in the fair value hierarchy	$ 6,091,373	$ 1,103,860	$ -	$ 7,195,233
Community Foundation investment measured at net asset value*				46,661
Private credit fund measured at net asset value*				196,990
Total investments measured at fair value				$ 7,438,884

(*) In accordance with Subtopic 820-10, certain investments that are measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy.

Board Designated Endowment

The Organization's Endowment Fund consists of individual funds established for the purpose of benefiting and supporting BHH in its mission. The Endowment Fund includes funds only designated by the Executive Board and does not include any funds with donor restrictions. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Executive Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

In support of the mission of the Organization, the Endowment Fund is to be invested to provide sufficient distributable earnings in the form of a total return from capital appreciation and income (dividends, interest and realized capital gains) in real terms, considering inflation and to regulate the Endowment Fund's long-term ability to distribute income. The primary investment mission is to preserve principal and purchasing power in real dollar terms, while supporting current income requirements of the Organization.

The Board of the Organization approves all spending of the Endowment Fund when required to support the operations of BHH. The intent is to use funds from the Endowment Fund when necessary and allow the Endowment Fund to grow. The Board has approved an annual contribution to BHH from the Endowment Fund equivalent to 4% of a three year rolling average value of the fund, paid on June 30th each year.

Endowment net asset composition is as follows as of December 31, 2025:

Endowment net assets:		
Cash and cash equivalents	$	351,350
Investments		7,430,480
	$	7,781,830

Management of the Organization anticipates that, as a result of fundraising and solicitation efforts, the Endowment Fund will receive donor funds in the future.

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

Endowment net assets, beginning of year	$	6,857,321
Net investment gain		986,555
Contributions		200,000
Amounts appropriated for expenditure	(	262,046)
Endowment net assets, end of year	$	7,781,830

NOTE 3. LIQUIDITY MANAGEMENT

The Organization maintains a policy of structuring its financial assets to be available as general expenditures, liabilities and other obligations come due. In managing its liquidity needs, the Organization monitors its cash balances and also ensures spending is within budget guidelines. Additionally, the Organization has adopted investment and spending policies for its endowment assets that attempt to provide a predictable stream of income to programs and operations supported by its endowments while seeking to maintain the purchasing power of the endowment assets on an inflation adjusted basis.

The Organization's financial assets as of December 31, 2025 that are available for general expenditure within one year of the consolidated statement of financial position date are as follows:

Total assets, at year-end	$ 16,319,552
Less non-financial assets:	
Prepaid expenses and other assets	(169,668)
Deferred compensation	(66,083)
Property and equipment, net	(6,200,832)
Total financial assets	9,882,969
Less financial assets unavailable for general expenditures within one year, due to:	
Cash restricted by donor with purpose restriction	(300,000)
Amounts unavailable to management without Board approval	
Endowment (Note 2)	(7,781,830)
Financial assets not available to be used within one year	(8,081,830)
Financial assets available to meet cash needs for general expenditure within one year	$ 1,801,139

Additional resources to meet the Organization's liquidity needs, consists of the 4% annual distribution from the Endowment Fund that is paid on June 30th.

As part of the Organization's liquidity management, the Organization invests cash in excess of daily requirements in cash equivalents and investment securities that are liquid in nature.

NOTE 4. PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following as of December 31, 2025:

Land	$ 3,067,864
Buildings and improvements	4,397,190
Furniture, fixtures, and equipment	1,029,953
Vehicles	596,551
	9,091,558
Less: accumulated depreciation	(2,890,726)
	$ 6,200,832

Depreciation expense for the year ended December 31, 2025 amounted to approximately $293,000.

NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2025, net assets with donor restrictions amounted to $200,000 for food center program services and $100,000 designated for supporting fundraising activities.

NOTE 6. EMPLOYEE BENEFIT PLAN

The Organization sponsors a defined contribution plan (the "Plan") that covers substantially all employees meeting certain eligibility requirements as defined in the Plan document. The Organization's contribution to the Plan for the year ended December 31, 2025 amounted to approximately $53,000.

NOTE 7. EMPLOYEE RETENTION TAX CREDIT

During 2025, the Organization collected $250,253 from the United States government related to the employee retention tax credit ("ERTC"), which is included in the accompanying consolidated statement of activities. The claim for the ERTC was filed in November 2023, but not recorded at that time, as the collection of the ERTC was deemed to be contingent on the United States government funding such claims.

Laws and regulations concerning government programs, including the ERTC, are complex and subject to varying interpretations. Claims made under this program may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the ERTC, and it is not possible to determine the impact, if any, this would have upon the Company at this time.

NOTE 8. CONTINGENCIES

The Organization depends substantially on contributions, in-kind, and grant support. The ability of certain donors to continue giving amounts may be dependent upon current and future overall economic conditions and the continued deductibility for income tax purposes of contributions to the Organization. While the Board of Directors believe the Organization has the resources to continue its activities, its ability to do so and the extent to which it continues, may be dependent on the above factors.

NOTE 9. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 30, 2026, which is the date the accompanying consolidated financial statements were available to be issued.