

**FINANCIAL STATEMENTS**



**FOR THE YEAR ENDED DECEMBER 31, 2024  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2023**

**OUR MILITARY KIDS, INC.**

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## CPAs & ADVISORS

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Our Military Kids, Inc.  
Oakton, Virginia

#### **Opinion**

We have audited the accompanying financial statements of Our Military Kids, Inc. (OMK), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OMK as of December 31, 2024, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

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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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of OMK's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about OMK's ability to continue as a going concern for a reasonable period of time.

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

#### **Report on Summarized Comparative Information**

We have previously audited OMK's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 29, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



May 6, 2025

## OUR MILITARY KIDS, INC.

**STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2024  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

<b>ASSETS</b>		<u>2024</u>	<u>2023</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$	479,294	\$ 2,412,612
Investments		2,378,633	490
Grants and contributions receivable		331,826	653,125
Prepaid expenses		<u>16,023</u>	<u>42,143</u>
Total current assets		<u>3,205,776</u>	<u>3,108,370</u>
<b>FIXED ASSETS</b>			
Computers and related equipment		15,033	15,033
Website development		<u>14,136</u>	<u>14,136</u>
		29,169	29,169
Less: Accumulated depreciation and amortization		<u>(27,228)</u>	<u>(23,176)</u>
Net fixed assets		<u>1,941</u>	<u>5,993</u>
<b>NON-CURRENT ASSETS</b>			
Grants and contributions receivable, net		274,896	-
Operating lease right-of-use assets, net		72,775	106,248
Security deposit		<u>2,287</u>	<u>2,287</u>
Total non-current assets		<u>349,958</u>	<u>108,535</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>3,557,675</u></b>	<b>\$ <u>3,222,898</u></b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	\$	72,690	\$ 61,393
Refundable advance		116,000	-
Operating lease liabilities		<u>33,473</u>	<u>33,473</u>
Total current liabilities		<u>222,163</u>	<u>94,866</u>
<b>NON-CURRENT LIABILITY</b>			
Operating lease liabilities, net		<u>39,302</u>	<u>72,775</u>
Total liabilities		<u>261,465</u>	<u>167,641</u>
<b>NET ASSETS</b>			
Without donor restrictions		2,704,644	2,667,378
With donor restrictions		<u>591,566</u>	<u>387,879</u>
Total net assets		<u>3,296,210</u>	<u>3,055,257</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u>3,557,675</u></b>	<b>\$ <u>3,222,898</u></b>

See accompanying notes to financial statements.

## OUR MILITARY KIDS, INC.

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	<u>2024</u>			<u>2023</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>				
Grants and contributions	\$ 2,155,249	\$ 996,221	\$ 3,151,470	\$ 3,035,738
Net investment return	106,699	-	106,699	80,474
Contributed nonfinancial assets	203,500	-	203,500	10,000
Net assets released from donor restrictions	<u>792,534</u>	<u>(792,534)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>3,257,982</u>	<u>203,687</u>	<u>3,461,669</u>	<u>3,126,212</u>
<b>EXPENSES</b>				
Program Services	<u>2,800,776</u>	<u>-</u>	<u>2,800,776</u>	<u>2,592,879</u>
Supporting Services:				
Management and General	165,480	-	165,480	128,930
Fundraising	<u>254,460</u>	<u>-</u>	<u>254,460</u>	<u>175,734</u>
Total supporting services	<u>419,940</u>	<u>-</u>	<u>419,940</u>	<u>304,664</u>
Total expenses	<u>3,220,716</u>	<u>-</u>	<u>3,220,716</u>	<u>2,897,543</u>
Change in net assets	37,266	203,687	240,953	228,669
Net assets at beginning of year	<u>2,667,378</u>	<u>387,879</u>	<u>3,055,257</u>	<u>2,826,588</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><b>\$ 2,704,644</b></u>	<u><b>\$ 591,566</b></u>	<u><b>\$ 3,296,210</b></u>	<u><b>\$ 3,055,257</b></u>

## OUR MILITARY KIDS, INC.

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	<b>2024</b>				<b>2023</b>	
	<b>Program Services</b>	<b>Supporting Services</b>		<b>Total Supporting Services</b>	<b>Total Expenses</b>	<b>Total Expenses</b>
		<b>Management and General</b>	<b>Fundraising</b>			
Grants	\$ 1,813,025	\$ -	\$ -	\$ -	\$ 1,813,025	\$ 1,933,836
Salaries and benefits	546,327	51,007	137,424	188,431	734,758	660,675
Professional fees	-	107,705	-	107,705	107,705	67,373
Education awareness events and meetings	146,508	-	89,101	89,101	235,609	85,871
Lease expense	28,287	2,760	7,116	9,876	38,163	41,043
Other	14,556	1,421	14,148	15,569	30,125	40,238
Postage and delivery	23,306	5	13	18	23,324	24,962
Technology subscriptions and dues	13,264	1,294	3,337	4,631	17,895	17,432
Supplies	1,786	291	751	1,042	2,828	6,433
Depreciation and amortization	3,004	292	756	1,048	4,052	4,924
Contributed nonfinancial assets	203,500	-	-	-	203,500	10,000
Travel and transportation	7,213	705	1,814	2,519	9,732	4,756
<b>TOTAL</b>	<b>\$ 2,800,776</b>	<b>\$ 165,480</b>	<b>\$ 254,460</b>	<b>\$ 419,940</b>	<b>\$ 3,220,716</b>	<b>\$ 2,897,543</b>

See accompanying notes to financial statements.

## OUR MILITARY KIDS, INC.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 240,953	\$ 228,669
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	4,052	4,924
Unrealized gain on investments	(748)	(11)
Realized loss on contributed securities	-	604
Receipt of contributed securities	-	(13,114)
Proceeds from the sale of contributed securities	-	12,510
Change in discount on non-current receivables	25,104	-
Amortization of right-of-use assets	33,473	34,890
Decrease (increase) in:		
Grants and contributions receivable	21,299	(541,747)
Prepaid expenses	26,120	(35,706)
Increase (decrease) in:		
Accounts payable and accrued liabilities	11,297	14,976
Operating lease liabilities	(33,473)	(34,890)
Refundable advance	<u>116,000</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>444,077</u>	<u>(328,895)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net purchases of investments	<u>(2,377,395)</u>	<u>(479)</u>
Net cash used by investing activities	<u>(2,377,395)</u>	<u>(479)</u>
Net decrease in cash and cash equivalents	(1,933,318)	(329,374)
Cash and cash equivalents at beginning of year	<u>2,412,612</u>	<u>2,741,986</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 479,294</u></b>	<b><u>\$ 2,412,612</u></b>
<b>SCHEDULE OF NONCASH FINANCING TRANSACTIONS</b>		
Right-of-Use Assets	<u>\$ -</u>	<u>\$ 79,915</u>
Operating Lease Liabilities for Right-of-Use Assets	<u>\$ -</u>	<u>\$ 79,915</u>

**OUR MILITARY KIDS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**

Organization -

Our Military Kids, Inc. (OMK) is a National nonprofit Organization incorporated in the Commonwealth of Virginia with their headquarters located in Oakton, Virginia. OMK recognizes the sacrifice of children of deployed National Guard, deployed Reserve, or post 9/11 combat-injured service members in treatment by paying for their extracurricular activities. The grants build the child's self-confidence, enhance family wellness, and strengthen a shared sense of community during a military parent's overseas deployment, stateside activation, or recovery from combat injury.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

OMK financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with OMK's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Cash and cash equivalents -

OMK considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents, excluding money market funds held by investment managers in the amount of \$1,360,679 as of December 31, 2024. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, OMK maintains cash balances at financial institutions in excess of the FDIC limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Change in Net Assets.

**OUR MILITARY KIDS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Investments (continued) -

Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. OMK's policy is to liquidate all gifts of investments as soon as possible after the gift.

Grants and contributions receivable -

Grants and contributions receivable include unconditional promises to give that are expected to be collected in future years. Grants and contributions receivable are recorded at their fair value, which is measured as the present value of the future cash flows. The discount on long-term grants and contributions receivable is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in grants and contributions.

Fixed assets -

Fixed assets purchases in excess of \$500 are stated at cost. Fixed assets purchases are depreciated on a straight-line basis over the estimated useful lives of three to five years. Website development costs are amortized over five years once placed in service. Costs incurred for the ongoing maintenance of the existing website are expensed as incurred. The capitalization and ongoing assessment of recoverability of website development costs incurred require considerable judgment by management with respect to certain external factors, including, but not limited to, technological and economic feasibility and estimated economic life. Depreciation and amortization expense for the year ended December 31, 2024 totaled \$4,052.

Income taxes -

OMK is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an Organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. OMK is not a private foundation.

Support from grants and contributions -

Grants and contributions are recognized in the appropriate category of net assets in the period received. OMK performs an analysis of the individual grant or contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

**OUR MILITARY KIDS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Support from grants and contributions (continued) -

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. OMK's refundable advances totaled \$116,000 as of December 31, 2024.

In addition, OMK may obtain funding source agreements related to conditional contributions, which will be received in future years. However, OMK had no conditional contributions to be received in future years as of December 31, 2024.

Contributed nonfinancial assets -

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consist primarily of donated digital and print advertising. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by OMK. None of the contributed nonfinancial assets were restricted by donors.

Use of estimates -

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

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of OMK are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Investment risks and uncertainties -

OMK invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. 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 amounts reported in the accompanying financial statements.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported change in net assets.

**2. INVESTMENTS AND FAIR VALUE MEASUREMENT**

In accordance with FASB ASC 820, *Fair Value Measurement*, OMK has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy.

**OUR MILITARY KIDS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**2. INVESTMENTS AND FAIR VALUE MEASUREMENT (Continued)**

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

**Level 1.** These are investments where values are based on unadjusted quoted prices for identical assets in an active market OMK has the ability to access.

**Level 2.** These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

**Level 3.** These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended December 31, 2024. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - Money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Certificates of Deposit* - Generally valued at original cost plus accrued interest, which approximates fair value.

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2024:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Investments:</b>				
Money Market Funds	\$ 1,360,679	\$ -	\$ -	\$ 1,360,679
Certificates of Deposit	-	1,017,954	-	1,017,954
<b>TOTAL INVESTMENTS</b>	<b>\$ 1,360,679</b>	<b>\$ 1,017,954</b>	<b>\$ -</b>	<b>\$ 2,378,633</b>

Net investment return consisted of the following for the year ended December 31, 2024:

Interest and dividends	\$ 105,951
Unrealized gain	748
<b>NET INVESTMENT RETURN</b>	<b>\$ 106,699</b>

**3. GRANTS AND CONTRIBUTIONS RECEIVABLE**

OMK has received written promises to give from various donors totaling \$631,826 as of December 31, 2024. Grants and contributions receivable that are due in more than one year have been recorded at the net present value of their estimated future cash flows using discount rate of 4.50%.

**OUR MILITARY KIDS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**3. GRANTS AND CONTRIBUTIONS RECEIVABLE (Continued)**

Grants and contributions receivable are due as follows at December 31, 2024:

Less than one year	\$	331,826
One to five years		300,000
Less: Allowance to discount balance to present value		<u>(25,104)</u>
 Total net grants and contributions receivable		 606,722
Less: Current maturities		<u>(331,826)</u>
 <b>NON-CURRENT GRANTS AND CONTRIBUTIONS RECEIVABLE, NET</b>	 <b>\$</b>	 <b><u>274,896</u></b>

**4. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at December 31, 2024:

Program Services	\$	216,670
Subject to Passage of Time		<u>374,896</u>
 <b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	 <b>\$</b>	 <b><u>591,566</u></b>

The following net assets with donor restrictions were released from donor restrictions by incurring expenses or through the passage of time, which satisfied the restricted purposes specified by the donors:

Program Services	\$	442,534
Passage of Time		<u>350,000</u>
 <b>TOTAL NET ASSETS RELEASED FROM RESTRICTIONS</b>	 <b>\$</b>	 <b><u>792,534</u></b>

**5. LIQUIDITY AND AVAILABILITY**

OMK has a policy to structure its financial assets to be available and liquid as its obligations become due. Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following as of December 31, 2024:

Cash and cash equivalents	\$	479,294
Investments		2,378,633
Grants and contributions receivable		<u>331,826</u>
 Subtotal financial assets available		 3,189,753
Less: Donor restricted funds		<u>(216,670)</u>
 <b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	 <b>\$</b>	 <b><u>2,973,083</u></b>

**6. LEASE COMMITMENTS**

OMK follows FASB ASC 842 for leases. OMK has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. OMK has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

**OUR MILITARY KIDS, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**6. LEASE COMMITMENTS (Continued)**

OMK entered into a lease for office space with a three-year term that commenced on December 28, 2020. On January 1, 2024, the lease was subsequently extended for a period of three years, expiring December 31, 2026. Base rent for the lease extension is \$28,263 per annum with no escalation clauses.

Additionally, in February 2022, OMK entered into an agreement to lease a copier until April 2027.

For the year ended December 31, 2024, the total lease cost for all operating leases was \$36,409, which is included in lease expense in the accompanying Statement of Functional Expenses. For the year ended December 31, 2024, the total cash paid was \$36,409 for all operating leases. As of December 31, 2024, the weighted-average remaining lease term and discount rate for operating leases is 2.09 years and 3.52%, respectively.

The following is a schedule of the future minimum lease payments due under the operating leases, net of imputed interest, as of December 31, 2024:

<u>Year Ending December 31,</u>	
2025	\$ 36,409
2026	36,409
2027	<u>2,715</u>
Subtotal	75,533
Less: Imputed interest	(2,758)
Less: Current portion	<u>(33,473)</u>
<b>NON-CURRENT PORTION</b>	<b><u>\$ 39,302</u></b>

**7. CONTRIBUTED NONFINANCIAL ASSETS**

During the year ended December 31, 2024, OMK was the beneficiary of donated digital and print advertising which allowed OMK to provide greater resources toward various programs.

Contributed nonfinancial assets consisted of the following for the year ended December 31, 2024:

<b>Donated Digital and Print Advertising</b>	<b><u>\$ 203,500</u></b>
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Contributed nonfinancial assets have been recorded in support and revenue and in the following functional expense category for the year ended December 31, 2024:

<b>Program Services</b>	<b><u>\$ 203,500</u></b>
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**8. RETIREMENT PLANS**

OMK provides retirement benefits to its employees through a 401(k) contribution plan (the Plan) covering all full-time employees over the age of 21 with one year of eligible experience. OMK may make discretionary matching contributions to the Plan. Employees can contribute to the Plan up to the allowable limit prescribed by IRS regulations. During the year ended December 31, 2024, OMK did not make any contributions to the Plan.

**OUR MILITARY KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**9. SUBSEQUENT EVENTS**

In preparing these financial statements, OMK has evaluated events and transactions for potential recognition or disclosure through May 6, 2025, the date the financial statements were issued.