Financial Statements

OUR MILITARY KIDS

For the Year Ended December 31, 2025
With Summarized Financial
Information for 2024

Our Military Kids, Inc.

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With Summarized Financial Information for 2024

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, 2025, 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, 2025, and the results of its change in 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 (GAAS). 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.

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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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 6, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gelman Rozenberg & Freedman

June 10, 2026

Our Military Kids, Inc.

Statements of Financial Position
As of December 31, 2025
With Summarized Financial Information for 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	$ 502,555	$ 479,294
Investments	2,606,004	2,378,633
Grants and contributions receivable	227,250	331,826
Prepaid expenses	832	16,023
Total current assets	3,336,641	3,205,776
FIXED ASSETS		
Furniture	2,240	-
Computer and related equipment	10,486	15,033
Website development	14,136	14,136
	26,862	29,169
Less: Accumulated depreciation and amortization	(24,622)	(27,228)
Net fixed assets	2,240	1,941
NONCURRENT ASSETS		
Grants and contributions receivable, net	179,203	274,896
Operating lease right-of-use assets, net	63,251	72,775
Security deposit	2,287	2,287
Total noncurrent assets	244,741	349,958
Total Assets	$ 3,583,622	$ 3,557,675

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Accounts payable	$ 67,517	$ 72,690
Refundable advance	-	116,000
Operating lease liability	33,616	33,473
Total current liabilities	101,133	222,163
NONCURRENT LIABILITY		
Operating lease liability, net	30,963	39,302
Total liabilities	132,096	261,465
NET ASSETS		
Without donor restrictions	2,910,488	2,704,644
With donor restrictions	541,038	591,566
Total net assets	3,451,526	3,296,210
Total Liabilities and Net Assets	$ 3,583,622	$ 3,557,675

See accompanying notes to financial statements.

Our Military Kids, Inc.

Statement of Activities and Change in Net Assets
For the Year Ended December 31, 2025
With Summarized Financial Information for 2024

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Grants and contributions	$ 2,070,686	$ 1,047,707	$ 3,118,393	$ 3,151,470
Contributed nonfinancial assets	231,672	-	231,672	203,500
Net investment return	127,356	-	127,356	106,699
Net assets released from donor restrictions	1,098,235	(1,098,235)	-	-
Total support and revenue	3,527,949	(50,528)	3,477,421	3,461,669
EXPENSES				
Program Services	2,959,444	-	2,959,444	2,800,776
Supporting Services:				
Management and General	212,297	-	212,297	165,480
Fundraising	150,364	-	150,364	254,460
Total supporting services	362,661	-	362,661	419,940
Total expenses	3,322,105	-	3,322,105	3,220,716
Change in net assets	205,844	(50,528)	155,316	240,953
Net assets at beginning of year	2,704,644	591,566	3,296,210	3,055,257
Net Assets at End of Year	$ 2,910,488	$ 541,038	$ 3,451,526	$ 3,296,210

See accompanying notes to financial statements.

Our Military Kids, Inc.

Statement of Functional Expenses
For the Year Ended December 31, 2025
With Summarized Financial Information for 2024

	2025					2024
		Supporting Services				
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Grants	$ 1,930,392	$ -	$ -	$ -	$ 1,930,392	$ 1,813,025
Salaries and benefits	567,579	103,923	127,905	231,828	799,407	734,758
Contributed nonfinancial assets	231,672	-	-	-	231,672	203,500
Education awareness events and meetings	65,177	-	-	-	65,177	235,609
Professional fees	32,056	96,678	-	96,678	128,734	107,705
Technology subscriptions and dues	37,094	1,766	2,173	3,939	41,033	17,895
Lease expense	26,773	6,229	6,033	12,262	39,035	38,163
Travel and transportation	29,954	419	517	936	30,890	9,732
Other	14,229	2,605	12,905	15,510	29,739	30,125
Postage and delivery	20,830	-	-	-	20,830	23,324
Supplies	2,311	423	521	944	3,255	2,828
Depreciation and amortization	1,377	254	310	564	1,941	4,052
Total	$ 2,959,444	$ 212,297	$ 150,364	$ 362,661	$ 3,322,105	$ 3,220,716

See accompanying notes to financial statements.

Our Military Kids, Inc.

Statement of Cash Flows
For the Year Ended December 31, 2025
With Summarized Financial Information for 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 155,316	$ 240,953
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,941	4,052
Unrealized loss (gain) on investments	299	(748)
Change in discount on noncurrent receivables	(4,307)	25,104
Amortization of operating lease right-of-use assets	46,153	33,473
Decrease in:		
Grants and contributions receivable	204,576	21,299
Prepaid expenses	15,191	26,120
(Decrease) increase in:		
Accounts payable and accrued liabilities	(5,173)	11,297
Operating lease liabilities	(44,825)	(33,473)
Refundable advance	(116,000)	116,000
Net cash provided by operating activities	253,171	444,077
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(2,240)	-
Net purchases of investments	(227,670)	(2,377,395)
Net cash used by investing activities	(229,910)	(2,377,395)
Net increase (decrease) in cash and cash equivalents	23,261	(1,933,318)
Cash and cash equivalents at beginning of year	479,294	2,412,612
Cash and Cash Equivalents at End of Year	$ 502,555	$ 479,294
SUPPLEMENTAL INFORMATION		
Right-of-Use Asset	$ 36,629	$ -
Operating Lease Liability for Right-of-Use Asset	$ 36,629	$ -

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

Organization

Our Military Kids, Inc. (OMK) is a National non-profit 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 non-profit 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, 2024, 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 $1,160,657 as of December 31, 2025. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to a limit of $250,000.

1. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents (Continued)

At times during the year, OMK maintains cash balances at financial institutions in excess of the FDIC insurance 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.

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 in excess of $500 are capitalized and stated at cost. Fixed assets purchases are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally 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 totaled $1,941 for the year ended December 31, 2025.

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.

1. Summary of Significant Accounting Policies (Continued)

Support from Grants and Contributions (Continued)

Support from grants and contributions 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 financial statements.

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. However, OMK had no refundable advances as of December 31, 2025.

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, 2025.

Contributed Nonfinancial Assets

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consisted of 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 OMK's programs and supporting services 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.

1. Summary of Significant Accounting Policies (Continued)

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.

2. Investments and Fair Value Measurements

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. 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 accompanying 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, 2025. 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.

2. Investments and Fair Value Measurements (Continued)

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2025:

	Level 1	Level 2	Level 3	Total
Investments:				
Money Market Funds	$ 1,160,657	$ -	$ -	$ 1,160,657
Certificates of Deposit	-	1,445,347	-	1,445,347
Total Investments	$ 1,160,657	$ 1,445,347	$ -	$ 2,606,004

Net investment return consisted of the following for the year ended December 31, 2025:

Interest and dividends	$ 127,655
Unrealized loss	(299)
Net Investment Return	$ 127,356

3. Grants and Contributions Receivable

OMK has received written promises to give from various donors totaling $427,250 as of December 31, 2025. 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 a discount rate of 4.50%.

Grants and contributions receivable are expected to be collected as follows as of December 31, 2025:

Less than one year	$ 227,250
One to five years	200,000
Less: Allowance to discount balance to present value	(20,797)
Total net grants and contributions receivable	406,453
Less: Current maturities	(227,250)
Total Noncurrent Grants and Contributions Receivable, Net	$ 179,203

4. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of December 31, 2025:

Program Services	$ 261,835
Subject to Passage of Time	279,203
Total Net Assets with Donor Restrictions	$ 541,038

4. Net Assets with Donor Restrictions (Continued)

The following net assets with donor restrictions were released from donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the year ended December 31, 2025:

Program Services	$ 998,235
Timing Restrictions Accomplished	100,000
Total Net Assets Released from Donor Restrictions	$ 1,098,235

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, 2025:

Cash and cash equivalents	$ 502,555
Investments	2,606,004
Grants and contributions receivable	227,250
Subtotal financial assets available within one year	3,335,809
Less: Donor-restricted funds	(261,835)
Financial Assets Available for Use Within One Year	$ 3,073,974

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.

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, OMK has entered into a copier lease agreement that extends through January 2031, with fixed monthly payments of $697 over the term of the lease.

For the year ended December 31, 2025, total lease cost for all operating leases was $37,466, which is included in Lease expense in the accompanying Statement of Financial Expenses. For the year ended December 31, 2025, the total cash paid was $36,410 for all operating leases. As of December 31, 2025, the weighted-average remaining lease term and rate for operating leases is 3.34 years and 4.62%, respectively.

6. Lease Commitments (Continued)

The following is a schedule of the future minimum lease payments due under the operating lease, net of imputed interest, as of December 31, 2025:

Year Ending December 31,		
2026	$	35,930
2027		8,364
2028		8,364
2029		8,364
2030		8,364
Thereafter		697
Subtotal		70,083
Less: Imputed interest		(5,504)
Less: Current portion		(33,616)
Noncurrent Portion	$	30,963

7. Contributed Nonfinancial Assets

During the year ended December 31, 2025, OMK was the beneficiary of contributed 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, 2025:

Contributed Digital and Print Advertising	$	231,672

Contributed nonfinancial assets have been recorded in support and revenue and in the following functional expense category for the year ended December 31, 2025:

Program Services	$	231,672

8. Retirement Plan

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, 2025, OMK did not make any contributions to the Plan.

9. Subsequent Events

In preparing these financial statements, OMK has evaluated events and transactions for potential recognition or disclosure through June 10, 2026, the date the financial statements were issued.