THE FREEDOM ALLIANCE

Consolidated Financial Statements for the Year Ended December 31, 2025
And Independent Auditor's Report
Dated June 1, 2026

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Jennifer S. Burke, CPA PLLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Freedom Alliance
Winchester, Virginia

Opinion

We have audited the accompanying consolidated financial statements of The Freedom Alliance (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities and changes 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Freedom Alliance as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Freedom Alliance 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 The Freedom Alliance'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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to

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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, 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 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 The Freedom Alliance'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 The Freedom Alliance'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 The Freedom Alliance's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 16, 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.

Jennifer S Burke CPA PLLC

Jennifer S. Burke CPA PLLC
Manassas, Virginia
June 1, 2026

The Freedom Alliance
Consolidated Statement of Financial Position
As of December 31, 2025
(With Comparative Totals as of December 31, 2024)

	2025	2024
ASSETS		
Current Assets		
Cash and Cash Equivalents (see Note 3)	$ 9,451,106	$ 8,007,220
Accounts Receivable	5,000	9,402
Contributions Receivable	2,905	1,575,945
Prepayments and Other Assets	77,480	115,929
Total Current Assets	9,536,491	9,708,496
Property and Equipment		
Furniture and Equipment	112,926	95,855
Buildings and Building Improvements	2,177,968	2,177,968
Land	268,200	268,200
Accumulated Depreciation	(214,316)	(171,029)
Finance Right-Of-Use Assets (See Note 15)	26,492	26,492
Accumulated Amortization-Finance	(7,569)	(2,523)
Total Property and Equipment	2,363,701	2,394,963
Other Assets		
Investments (See Note 7)	44,182,009	38,242,748
Property Held for Donation (See Note 4)	2,160,318	1,887,599
Refundable Advance Asset (See Note 5)	756,990	-
Total Other Assets	47,099,317	40,130,347
TOTAL ASSETS	58,999,509	52,233,806
LIABILITIES AND NET ASSETS		
Liabilities		
Current Liabilities		
Payroll and Payroll Taxes Payable	93,707	92,256
Accounts Payable	148,451	281,282
Unearned Income	12	-
Lease Liability - Current (See Note 15)	4,908	4,710
Total Current Liabilities	247,078	378,248
Other Liabilities		
Lease Liability - Long Term (See Note 15)	14,590	19,498
Annuities (See Note 6)	-	50,454
Total Other Liabilities	14,590	69,952
TOTAL LIABILITIES	261,668	448,200
Net Assets (See Note 10)		
Without Donor Restrictions	39,400,301	30,349,224
With Donor Restrictions	19,337,540	21,436,382
Total Net Assets	58,737,841	51,785,606
TOTAL LIABILITIES AND NET ASSETS	$ 58,999,509	$ 52,233,806

See the accompanying Independent Auditor's Report and notes to the financial statements

The Freedom Alliance

Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	2025	2024
Contributions and Revenues				
Contributions	$ 4,199,816	$ 3,616,720	$ 7,816,536	$ 12,839,944
Investment Income, net of expenses (See Note 7)	7,831,692	183,746	8,015,438	3,535,664
In-Kind Donations (See Note 14)	1,310,157	-	1,310,157	840,276
Registration & Sponsorships (net of costs of donor benefit of $38,885)	877,310	-	877,310	150,100
Employee Retention Credit Income	199,089	-	199,089	-
List Rental Income	44,122	-	44,122	95,223
Gain/(Loss) in Value - Split Interest Agreement	32,204	-	32,204	(2,864)
Miscellaneous Income	455	-	455	190
Gain/(Loss) on Disposal of Property	-	-	-	443,379
Net Assets Released from Restriction	5,899,308	(5,899,308)	-	-
Total Contributions and Revenues	20,394,153	(2,098,842)	18,295,311	17,901,912
Expenses				
Program Expenses				
Support Our Troops	4,728,790	-	4,728,790	5,109,011
Scholarship Grants	3,707,301	-	3,707,301	2,916,833
General Programs	1,857,385	-	1,857,385	1,780,842
Total Program Expense	10,293,476	-	10,293,476	9,806,686
General and Administrative Expenses	292,649	-	292,649	251,431
Fundraising Expenses	756,951	-	756,951	832,522
Total Support Services	1,049,600	-	1,049,600	1,083,953
Total Expenses	11,343,076	-	11,343,076	10,890,639
Change in Net Assets	9,051,077	(2,098,842)	6,952,235	7,011,273
Net Assets, Beginning of Year	30,349,224	21,436,382	51,785,606	44,774,333
Net Assets, End of Year	$ 39,400,301	$ 19,337,540	$ 58,737,841	$ 51,785,606

See the accompanying Independent Auditor's Report and notes to the financial statements

The Freedom Alliance
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$ 6,952,235	$ 7,011,273
Adjustments to reconcile Change in Net Assets to Cash used by Operating Activities:		
Depreciation	65,699	55,458
Amortization of Right of Use Assets	5,046	3,423
Unrealized Gain on Investments	(4,250,576)	(2,113,942)
(Gain) / Loss in Value - Split Interest Agreement	(32,204)	2,864
(Increase) / Decrease in:		
Receivables	1,577,442	(1,547,596)
Prepayments and Other Assets	38,449	(25,725)
Donated Property Held for Sale/Donation	(272,719)	(799,619)
Refundable Advance Asset	(756,990)	771,000
Increase / (Decrease) in:		
Accounts Payable	(132,831)	58,053
Payroll Liabilities	1,451	(15,236)
Unearned Revenues	12	-
Operating Lease Liabilities	-	(901)
Net Cash provided by Operations	3,195,014	3,399,052
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(14,913,068)	(19,816,627)
Sale of Investments	13,224,383	17,719,968
Purchase of Property and Equipment	(39,483)	(3,369)
Net Cash used by Investing Activities	(1,728,168)	(2,100,028)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Reduction in Finance Lease Liability	(4,710)	(2,283)
Payments on Annuity Obligations	(18,250)	(36,500)
Net Cash used by Investing Activities	(22,960)	(38,783)
Net Increase in Cash and Cash Equivalents	1,443,886	1,260,241
Cash and Cash Equivalents, Beginning of Year	8,007,220	6,746,979
Cash and Cash Equivalents, End of Year	$ 9,451,106	$ 8,007,220
Interest Paid	$ 872	$ 508

See the accompanying Independent Auditor's Report and notes to the financial statements

The Freedom Alliance

Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2025

(With Comparative Totals for the Year Ended December 31, 2024)

	Support Our Troops	Scholarship Grants	General Programs	Total Programs	General and Administrative	Fundraising	Total Support Services	Total 2025	Total 2024
Grants and Contributions	$ 2,464,641	$ 3,707,301	$ 49,917	$ 6,221,859	$ 21	$ 379	$ 400	$ 6,222,259	$ 6,032,126
Salaries and Benefits	1,081,630	-	740,062	1,821,692	81,705	139,225	220,930	2,042,622	1,911,850
Professional Fees	375,101	-	235,091	610,192	118,384	291,403	409,787	1,019,979	950,524
Events and Conferences	376,324	-	281,969	658,293	8,243	21,366	29,609	687,902	610,107
Postage and Delivery	97,528	-	220,531	318,059	5,662	75,276	80,938	398,997	283,252
Printing and Reproduction	98,525	-	168,615	267,140	2,598	77,834	80,432	347,572	357,890
Consulting	-	-	-	-	310	113,340	113,650	113,650	206,337
Marketing	53,844	-	34,768	88,612	1,009	136	1,145	89,757	114,216
List Rental	16,632	-	42,700	59,332	99	11,752	11,851	71,183	81,793
Depreciation and Amortization Expense	44,217	-	20,429	64,646	2,256	3,843	6,099	70,745	57,981
Bank Fees and Interest Expense	16,274	-	4,718	20,992	40,806	923	41,729	62,721	53,308
Repairs and Maintenance	22,641	-	14,818	37,459	5,656	2,788	8,444	45,903	60,754
Supplies	24,551	-	12,684	37,235	2,828	2,799	5,627	42,862	39,879
Dues and Subscriptions	3,467	-	4,242	7,709	19,040	3,080	22,120	29,829	26,206
Business Insurance	14,889	-	8,036	22,925	887	1,512	2,399	25,324	22,516
Utilities	13,084	-	8,953	22,037	988	1,684	2,672	24,709	23,789
Taxes and Licenses	8,491	-	3,880	12,371	453	6,717	7,170	19,541	15,450
Telephone	6,314	-	3,943	10,257	435	742	1,177	11,434	11,368
Miscellaneous	3,317	-	1,260	4,577	1,231	167	1,398	5,975	12,233
Donated Goods and Services	3,422	-	-	3,422	-	-	-	3,422	12,844
Rent	3,397	-	-	3,397	-	-	-	3,397	276
Equipment Rental	501	-	769	1,270	38	1,985	2,023	3,293	5,940
Total	$ 4,728,790	$ 3,707,301	$ 1,857,385	$ 10,293,476	$ 292,649	$ 756,951	$ 1,049,600	$ 11,343,076	$ 10,890,639

See the accompanying Independent Auditor's Report and notes to the financial statements

NOTE 1: ORGANIZATION

The Freedom Alliance ("Freedom Alliance" or "the Organization") is a non-partisan, 501(c)(3) educational and charitable non-profit organization founded in 1990 and headquartered in Winchester, Virginia. Its mission is to advance the American heritage of freedom by honoring and encouraging military service, defending the sovereignty of the United States, and promoting a strong national defense.

Freedom Alliance accomplishes its mission through three core programs – Support Our Troops, the Freedom Alliance Scholarship Fund, and its Center for Sovereignty and Security. Numerous projects, events, and activities of significant impact are conducted under these three program categories.

The **Support Our Troops** program honors combat veterans and military families, recognizes their sacrifices, and helps heal the wounds of war through a wide range of meaningful initiatives. These efforts include hosting world-class rehabilitative events and retreats for wounded veterans and their families, sending care packages to deployed troops overseas, and delivering "Presents for Patriots" to military families during the Christmas season.

Through our Support Our Troops program, Freedom Alliance also provides mortgage-free homes and payment-free vehicles to wounded veterans which make a life-changing impact. Customized, all-terrain wheelchairs are given to amputees and paralyzed veterans to improve their mobility and independence.

Through our **Scholarship Fund**, Freedom Alliance honors members of the Armed Forces who have sacrificed life or limb in defense of our country by providing college scholarships to their children. Donations to the Scholarship Fund are classified as restricted funds and are accounted for separately from other program funds. All donations to the Scholarship Fund are used only for that purpose and are not used to cover the costs of administering the program. Overhead costs associated with the Scholarship Fund are paid from the Organization's general operating funds.

The Organization maintains a reserve balance within its Scholarship Fund to ensure its ability to fulfill long-term commitments to the children of service members who have been killed or permanently disabled in the defense of our nation. While many of these sacrifices occurred during the conflicts following September 11, 2001, the long duration of the Global War on Terror ensures that a significant number of children who, in time may qualify for the scholarship, have not yet reached college age. Adequate reserves are maintained with this community in mind and allows the Organization to provide dependable educational support to current and future scholarship recipients, meet anticipated obligations as students reach college age, preserve the long-term sustainability of the program, and honor those who sacrificed in the latter years of the war.

NOTE 1: ORGANIZATION (continued)

Through our **Center for Sovereignty and Security**, we educate the public on issues related to national sovereignty, national security, American history, civics, and constitutional government. We help the public understand the long-term cost of war and the lasting impact of combat injuries.

For more information on Freedom Alliance and its programs supporting America's veterans and their families, please visit www.freedomalliance.org.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The consolidated financial statements include the accounts of Tee Box Limitada SRL, a wholly-owned subsidiary. All inter-organization balances and transactions are eliminated.

Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles of the United States of America.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Includes all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial investments. The cash held in banks is insured by the Federal Deposit Insurance Corporation. As of December 31, 2025, the uninsured portion of this balance was $63,018. Due to operational needs, management feels it is an acceptable risk.

Investments - Investments are carried in the financial statements at fair value. Investment income reflected in the accompanying statement of activities includes gains and losses realized upon sales and unrealized gains and losses resulting from fluctuations in market values of investments.

Contributions - The Organization reports gifts of cash and other assets as restricted support if they are received with donor or time stipulations that limit the use of the donated assets. When the donor or time restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions or donations with donor-imposed restrictions that are received and released from restriction during the same fiscal year are reflected as unrestricted support.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (continued)

Promises to Give - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires net assets with donor restrictions are reclassified to net assets without donor restrictions. Based upon the Organization's history, no provisions were made for uncollectible accounts for the year ended December 31, 2025.

Registration Fees - Registration Fees are recognized when the events take place.

Fixed Assets - Acquisitions of furniture and equipment in excess of $1,000 are capitalized. Furniture and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method. Furniture, equipment, and vehicles are depreciated over 5 years and computers and software are depreciated over 3 years. Buildings and building improvements are depreciated over 39 years. Repairs and maintenance expenditures that do not extend the useful life of an asset are expensed as incurred.

Functional Expenses - Expenses are charged directly to program, general and administrative, and fundraising in general categories based on specific identification. Salaries and related expenses are allocated based on employees' time. Other indirect expenses have been allocated based on direct costs.

Leases - The Organization determines if an arrangement is a lease at inception. Leases as a lessee are included in right-of-use assets and lease liabilities in the statement of financial position. Right-of-use assets represent the Organization's right to use an underlying asset for the lease term. Lease obligations represent the Organization's liability to make lease payments arising from the lease. Lease right-of-use assets and related obligations are recognized at commencement date based on the present value of lease payments over the lease term discounted using an appropriate risk-free rate at the commencement date. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise that option.

Income Taxes - The Organization has received notification from the Internal Revenue Service (IRS) that it is exempt from federal income tax as described in Section 501(c)(3) of the IRS Code. Accordingly, contributions are deductible for federal income, estate, and gift tax purposes. The IRS also has classified the Organization as a public charity and not a private foundation. The Organization's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they were filed.

NOTE 3: CASH AND CASH EQUIVALENTS

The Organization's cash and cash equivalents as of December 31, 2025 are as follows:

Checking/Savings	$ 364,247
Cash held by investment managers	9,086,859
Totals	$ 9,451,106

NOTE 4: PROPERTY HELD FOR DONATION

The Organization receives donations of real estate properties and these properties are used for the Heroes to Homeowners program. The total value of properties held for donation at December 31, 2025 is $2,160,318.

NOTE 5: REFUNDABLE ADVANCE ASSET

Refundable Advance Asset is part of the Heroes to Homeowners program. As homes are conditionally deeded to veterans they are moved from Properties Held for Donation to Refundable Advance Asset. Upon the conditions being met, the homes are released without condition to the veterans.

The activity for 2025 is as follows:

Beginning of Year	$ -
Conditionally deeded to veterans	756,990
End of Year	$ 756,900

NOTE 6: SPLIT-INTEREST AGREEMENTS

The Organization has a program to receive contributions under charitable gift annuities. The Organization has segregated these assets as separate and distinct funds, independent from other funds and not to be applied to payment of the debts and obligations of the Organization or any other purpose other than annuity benefits specified in the agreements.

The Organization agrees to pay a stated return annually to the beneficiaries as long as they live, at which time the remaining assets are available for unrestricted use of the Organization. A liability is recognized for the estimated present value of the annuity obligations. The discount rate and actuarial assumptions used in calculating the annuity obligation are those provided in Internal Revenue Service guidelines and actuarial tables.

There are no remaining assets and liabilities of the Organization at December 31, 2025 that are derived from split-interest agreements.

The Freedom Alliance
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2025

NOTE 7: INVESTMENTS

Financial Accounting Standards Board Statement Accounting Standards Codification 820, Fair Value Measurements (FASB ASC 820), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under FASB Statement No. 157 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2 Inputs to the valuation methodology include: a) Quoted prices for similar assets or liabilities in active markets, b) Quoted prices for identical or similar assets or liabilities in markets that are not active, and c) Valuation models whose inputs are observable, directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are both unobservable and significant to the overall fair value measurement.

Investments in private investment companies that are measured at fair value using NAV per share (or its equivalent) as a practical expedient have not been categorized in the fair value hierarchy, as ASU 2015-07 removes the requirement. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Financial Position as of December 31, 2025.

	Level 1	Level 2	Level 3	Total
Mutual Funds	$21,757,645	$ -	$ -	$21,757,645
Stocks	8,533,268	-	-	8,533,268
ETFs & CEFs	7,331,783	-	-	7,331,783
Gov't Securities	5,734,272	-	-	5,734,272
Corporate Fixed Income	210,638	-	-	210,638
Sav. and Time Deposits	154,609	-	-	154,609
Municipal Bonds	97,744	-	-	97,744
Total	$43,819,959	$ -	$ -	$43,819,959
Investment in private investment company	$ -	$ -	$ -	$ 362,050
Total Investments	$43,819,959	$ -	$ -	$44,182,009

NOTE 7: INVESTMENTS (continued)

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

Interest and Dividends	$ 2,070,474
Realized Gains / (Losses)	1,904,095
Unrealized Gains / (Losses)	4,250,576
Net of Investment Expenses	(209,707)
Total	$ 8,015,438

NOTE 8: SCHOLARSHIP FUND

The Organization provides college scholarships to dependent children of military personnel who have been killed or permanently disabled as a result of an operational mission or training accident. One hundred percent of all monies donated to support the scholarship fund are used only for that purpose, and are not used to cover any of the cost to administer this program. Unspent scholarship contributions are accounted for as net assets with donor restrictions. Since many of the children who may eventually benefit from this program are still young, the excess contributions are invested to build a funding base to help ensure that scholarships are available for these children in the future.

Changes in scholarship fund net assets as of December 31, 2025 are as follows:

	Board Designated	With Donor Restrictions	Total
Beginning of year	$16,089,911	$16,017,575	$32,107,486
Contributions	-	1,717,405	1,717,405
Investment Income	739,789	-	739,789
Scholarships	-	(3,707,301)	(3,707,301)
Net Gains/(Losses)	2,420,280	-	2,420,280
End of year	$19,249,980	$14,027,679	$33,277,659

NOTE 9: ENDOWMENT FUND

As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The original value of the donated gift, $1,003,955, is recorded as a perpetual endowment and investment income on the endowment is recorded as restricted until the restriction is met. If the restriction is met in the same period, the income is reflected as unrestricted support.

NOTE 9: ENDOWMENT FUND (continued)

The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to the program supported by its endowment funds. The Organization has a spending policy of appropriating interest and dividend income for distribution each year. To achieve that objective, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Changes in endowment net assets as of December 31, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Poppy's Wish Vacation Program Activity			
Beginning of year – cash	$ -	$ -	$ -
Unrestricted resources	25,502	-	25,502
Expenses	(25,502)	-	(25,502)
Subtotal	$ -	$ -	$ -
Investment			
Beginning of year	$ 32,064	$ 1,376,142	$ 1,408,206
Investment income	-	117,865	117,865
Net gains/(losses)	-	65,881	65,881
Release of restriction	25,502	(25,502)	-
Subtotal	$ 57,566	$ 1,534,386	$ 1,591,952
Endowment net assets, end of year	$ 57,566	$ 1,534,386	$ 1,591,952

NOTE 10: NET ASSETS

Net assets without donor restrictions:	
Designated for scholarship program	$ 19,249,980
Unrestricted, undesignated net assets	20,150,321
Total net assets without donor restrictions	$ 39,400,301
Net assets with donor restrictions:	
For scholarships	$ 14,027,679
For Heroes to Homeowners program	2,917,308
For Support our Troops program	820,733
For Poppy's Wish Vacation program	530,431
For Home Repair program	37,434
Perpetual endowment for Poppy's Wish Vacation program	1,003,955
Total net assets with donor restrictions	$ 19,337,540
Total net assets	$ 58,737,841

NOTE 11: PENSION PLAN

The Organization maintains a defined contribution pension plan under IRS Code Section 403(B). The Organization contributes a match of up to 5% of an employee's salary. Contributions totaling $47,653 for the year ended December 31, 2025 were made by the Organization, in addition to the elective deferrals made by employees.

NOTE 12: ALLOCATION OF JOINT EXPENSES WITH A FUNDRAISING COMPONENT

In 2025, the Organization conducted activities that included requests for contributions as well as program components. Those activities included ongoing direct mail and email campaigns. The cost of conducting those activities included a total of $947,439 of joint costs for the year ended December 31, 2025. The direct mail program supports the Organization's public policy educational outreach activities.

Cost allocated to programs	$ 784,532
Cost allocated to fundraising	162,546
Cost allocated to management	361
Total Costs	$ 947,439

NOTE 13: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The following table reflects the Organization's financial assets as of December 31, 2025, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions or internal board designations.

Financial Assets at year-end:	
Cash	$ 9,451,106
Investments	44,182,009
Receivables	7,905
Total Financial Assets	$ 53,641,020
Financial Assets limited to use:	
Donor Restricted	$(19,337,540)
Board Designated	(19,249,980)
Total Financial Assets limited to use	$(38,587,520)
Financial Assets available to meet cash needs for general expenditures within one year:	$ 15,053,500

NOTE 14: IN-KIND DONATIONS

The Organization received the following in-kind donations during the year ended December 31, 2025:

In-Kind Donations	Valuation	Restriction	How Used
Event Supplies	28,617	WHOW	Utilized
Troop Gifts	1,281,540	SOT Program	Utilized
Total In-Kind Donations reported on statement of activities:	$ 1,310,157		
Auction Items	$ 397,816	SOT Program	Monetized
Total In-Kind Donations reported as Contributions:	$ 397,816		

The Organization received supplies for program events, valued at the cost of the supplies.

The Organization received various donations, such as cars, vacation packages, and gift cards to be used as troop gifts in its Support Our Troops program. The value is based on the average selling price from third-party vendors for similar items.

NOTE 14: IN-KIND DONATIONS (continued)

The Organization received various donations to be auctioned in support of its Support Our Troops program. These donations were auctioned and amounts received were recorded as contributions in the statement of activities.

NOTE 15: LEASES

The Organization has a long-term finance lease for equipment. The equipment lease has a remaining lease term of 3.75 years. The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less.

Additional information about the Organization's leases is as follows:

Finance Lease cost (included in amortization expense)	$ 5,046
Finance Lease cost (included in interest expense)	872
Short-term Lease cost (included in equipment rental)	3,397
Total Lease cost	$ 9,315

Total Cash Outlays were:	
Finance Lease	$ 5,583
Short-term Lease	3,397
Total Cash Outlays	$ 8,980

Weighted Average Remaining Lease Term – Finance Lease	3.75 years
Weighted Average Discount Rate – Finance Lease	4.32%

The maturities of lease liability as for December 31, 2025 were as follows:

Year Ending December 31st:	
2026	$ 5,583
2027	5,583
2028	5,583
2029	4,186
Total Lease Payments	$20,935
Less Interest	(1,437)
Present Value of Lease Liability	$19,498

The lease asset and liability were calculated utilizing the risk-free discount rate, according to the Organization's elected policy.

NOTE 16: FOREIGN OPERATIONS

In July 2023, a donation of a condominium was made to the Organization via transferring 100% ownership, to the Organization, of a corporation, Tee Box Limitada, SRL, that owns the condominium.

This wholly owned for-profit subsidiary, Tee Box Limitada SRL, is in Costa Rica. As of December 31, 2025, current assets of the subsidiary are cash totaling $11,286 and the condominium totaling $524,103, net of depreciation. In 2025, Revenues totaled $10 and expenses totaled $18,981.

Account balances related to foreign operations are reflected in the financial statements in United States dollars.

The condominium is used primarily in support of program activities which provide recreation and healing to veterans and military families.

NOTE 17: SUMMARIZED COMPARATIVE INFORMATION

The 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 the Organization's financial statements for the year ended December 31, 2024, from which the summarized information was derived. Certain 2024 amounts have been reclassified to conform with the 2025 financial statement presentation.

NOTE 18: BEQUEST CONTRIBUTIONS

Freedom Alliance received bequest contributions of $345,163 in 2025 and $5,700,463 in 2024 from the estates of deceased donors. These contributions are included in contribution revenue in the statement of activities. Management considers these bequests to be nonrecurring in nature and not indicative of the Organization's ongoing operating revenues.

NOTE 19: SUBSEQUENT EVENTS

Management evaluated events and transactions that occurred after the statement of financial position date for potential recognition and disclosure through June 1, 2026, the date on which the financial statements were available to be issued.