Financial Statements

HEARTS FOR MOMS, INC.

December 31, 2025

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(With Independent Auditor's Report Thereon)

HEARTS FOR MOMS, INC.

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Independent Auditors' Report

To the Board of Directors
Hearts for Moms, Inc.
West Palm Beach, Florida

Opinion

We have audited the accompanying financial statements of Hearts For Moms, Inc., (a nonprofit organization) which comprise the statement of financial position as of December 31, 2025, and the related statement of activities, 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 Hearts For Moms, Inc. as of December 31, 2025 and the results of its operations and its cash flows for the year then ended in conformity 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 Hearts For Moms, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related 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 these 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 Hearts For Moms, Inc.'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 of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 Hearts For Moms, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hearts For Moms, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Schafer, Tschopp & Mitchell, LLLP

May 29, 2026
Maitland, Florida

HEARTS FOR MOMS, INC.

Statement of Financial Position

December 31, 2025

Assets

Cash and cash equivalents	$ 541,914
Accounts receivable	1,300
Inventory	1,915
Prepaid expenses and other assets	21,388
Property and equipment - at cost, net of accumulated depreciation of $7,333	3,016
Right of use - operating lease	79,557
Total assets	$ 649,090

Liabilities and Net Assets

Liabilities:	
Accounts payable and accrued expenses	$ 20,719
Operating lease	79,557
Total liabilities	100,276
Net assets without donor restrictions	548,814
Total liabilities and net assets	$ 649,090

See accompanying notes to financial statements.

HEARTS FOR MOMS, INC.

Statement of Activities

For the year ended December 31, 2025

Changes in net assets without donor restrictions:	
Revenues:	
Grants	$ 160,500
Contributions	280,546
Special events, net of expenses of $232,675	354,145
Investment income	1,669
In-kind donations	150,210
Total revenues without donor restrictions	947,070
Expenses:	
Program services	652,462
Supporting services:	
Management and general	263,780
Fundraising	20,717
Total expenses	936,959
Increase in net assets without donor restrictions	10,111
Net assets at beginning of year	538,703
Net assets at end of year	$ 548,814

See accompanying notes to financial statements.

HEARTS FOR MOMS, INC.

Statement of Functional Expenses

Year ended Decemebr 31, 2025

		Supporting Services		
	Program Services	**Management and General**	**Fund Raising**	**Total**
Salaries and wages	$ 180,123	74,959	-	255,082
Employee benefits and payroll taxes	31,827	13,245	-	45,072
Program expenses	435,891	-	-	435,891
Advertising and promotions	-	-	20,717	20,717
Bank and credit card charges	-	22,557	-	22,557
Depreciation	-	2,345	-	2,345
Education and training	4,621	-	-	4,621
Insurance	-	3,934	-	3,934
Office expenses	-	33,053	-	33,053
Occupancy	-	51,573	-	51,573
Professional fees	-	57,876	-	57,876
Travel and meetings	-	4,238	-	4,238
Other expenses	-	-	-	-
	$ 652,462	263,780	20,717	936,959

See accompanying notes to financial statements.

HEARTS FOR MOMS, INC.

Statement of Cash Flows

Year ended December 31, 2025

Cash flows from operating activities:	
Increase (decrease) in net assets	$ 10,111
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	2,345
Changes in assets and liabilities:	
Accounts receivable	118,700
Prepaid expenses	(7,592)
Accounts payable and accrued expenses	(279)
Net cash provided by operating activities	123,285
Cash flows from investing activities:	
Purchase of property and equipment	(1,249)
Net cash provided by (used in) investing activities	(1,249)
Net increase in cash	122,036
Cash at Beginning of Year	419,878
Cash at End of Year	$ 541,914
Cash paid during the year for:	
Interest	$ -
Income taxes	-

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

(a) Organization

The summary of significant accounting policies is presented to assist in the understanding of the financial statements of Hearts For Moms, Inc. (the Organization). The financial statements and notes are representation of management who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Hearts For Moms, Inc., a not-for-profit corporation, was incorporated in 2017 under the laws of the State of Florida. The Organization's purpose is to share God's message of faith, hope, and love by walking alongside single moms through every step of their journey. In response to the growing crisis caused by the high cost of living, they offer one of the fastest solutions to preventing homelessness by subsidizing housing and other basic needs to help stabilize families and keep them together. Without this support, many moms face eviction, which could lead to losing custody of their children and entering the foster care system. The Organization offers such services as housing, education, transportation, childcare, mental wellness. They also have skill development classes and offer mentors and financial coaches for each of the moms.

(b) Basis of Accounting

The financial statements of Hearts For Moms, Inc. have been prepared on the accrual basis of accounting. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) Topic 958.

(c) Revenue Recognition

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor 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 depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

(1) Summary of Significant Accounting Policies (Continued)

(c) Revenue Recognition (Continued)

Non-cash contributions received by the Organization are recorded at management's estimate of the fair market value at the date received.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash invested in liquid instruments with an original maturity of three months or less.

(e) Property and Equipment

Fixed assets are recorded at cost or, if donated, at the fair market value on the date of receipt. Depreciation of fixed assets is calculated using the straight-line method over the estimated useful lives of the respective assets. Depreciation expense for the year ended December 31, 2025 was $2,345.

(f) Unearned Revenue

Prepayments of membership dues are recorded as unearned revenue. These prepayments are recognized as income during the year to which they relate.

(g) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(h) Functional Expenses

The costs of providing the various functions and other activities have been detailed in the statement of functional expenses. Salaries and other expenses which are associated with a specific function are charged directly to that function. Other expenses which benefit more than one function are allocated to the various functions based on the percentage of each function's salary expense to total salary expense or upon area usage.

(2) Contributed Services

A number of unpaid volunteers have made contributions of their time in the management, administration and productions of the organization. The value of this contributed time is not reflected in these financial statements because they did not meet the criteria for recognition as contributed services.

(3) Property and Equipment

Property and equipment at December 31, 2025, consists of the following:

Furniture and equipment	$ 3,850
Computer equipment	2,033
Leasehold improvements	4,466
	10,349
Less accumulated depreciation	(7,333)
	$ 3,016

(4) Income Taxes

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code on income related to its tax-exempt purpose. The Organization had no unrelated business income during the year ended December 31, 2025, accordingly, no tax liability or provision has been provided for in the accompanying financial statements.

The Organization has adopted the provisions of the Income Tax Topic of the ASC. These provisions clarify the accounting for uncertainty in tax positions and prescribe guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statement of activities. As of December 31, 2025, the Association had no uncertain tax positions that quality for recognition or disclosure in the financial statements.

The Organization's income tax returns are subject to review and examination by federal authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The tax returns for the fiscal years ended from 2022 forward are open to examination by federal authorities.

(5) Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash with financial institutions, and occasionally balances exceed the amount covered by FDIC insurance.

(6) Subsequent Events

The Organization has evaluated subsequent events through May 29, 2026, which is the date the financial statements were issued. All subsequent events requiring recognition as of May 29, 2026 have been incorporated into these financial statements.

(7) Leases

The Organization conducts its operations from leased facilities. The Organization signed a three-year lease for its main office in December 2024 that will expire in February of 2028. The new monthly rent amount is $3,083 per month with an increase of 4% each annual renewal. Rent expense for 2025 for the operating lease was $30,828.

The Organization has adopted FASB ASC 842, Leases. The standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

The Organization elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Company also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the right of use assets.

(8) Leases (Continued)

The following table shows ROU assets and lease liabilities, and the associated financial statement line items as of December 31, 2025:

Lease-Related Assets and Liabilities

Right-of-use assets:	
Operating leases	$ 79,557
Lease liabilities:	
Operating lease	$ 79,557

Lease liability maturities as of December 31, 2025, are as follows:

	Operating Leases
2026	$ 35,296
2027	37,785
2028	6,476
	$ 79,557