The Brother's Brother Foundation dba BBF Global Relief
Pittsburgh, Pennsylvania

Financial Statements
December 31, 2025 and 2024

and Independent Auditor's Report Thereon

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Table of Contents

Independent Auditor's Report 1

Statements of Financial Position 4

Statements of Activities and Changes in Net Assets 5

Statements of Functional Expenses 6

Statements of Cash Flows 8

Notes to the Financial Statements 9

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Independent Auditor's Report

Board of Trustees
The Brother's Brother Foundation
Pittsburgh, Pennsylvania

Opinion

We have audited the financial statements of The Brother's Brother Foundation, dba BBF Global Relief (the Organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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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 the Organization's ability to continue as a going concern within one year after the date 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 the Organization'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 the Organization'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.



Pittsburgh, Pennsylvania
June 1, 2026

The Brother's Brother Foundation

Statements of Financial Position
As of December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents		
Cash and cash equivalents	$ 2,621,628	$ 2,031,136
Restricted cash and cash equivalents	1,341,881	1,997,998
Total cash and cash equivalents	3,963,509	4,029,134
Accounts and pledges receivable	215,432	256,032
Investments	420,896	260,073
Inventories	15,048,599	16,796,420
Prepaid expenses	57,786	51,996
Property and equipment, net	2,430,794	2,593,666
Total assets	$22,137,016	$23,987,321
Liabilities and net assets		
Liabilities		
Accounts payable and accrued expenses	$ 180,092	$ 247,738
Net assets		
Net assets without donor restrictions	20,087,712	21,635,080
Net assets with donor restrictions		
Purpose-restricted	1,448,316	1,688,015
Perpetual in nature	420,896	416,488
Total net assets with donor restrictions	1,869,212	2,104,503
Net assets	21,956,924	23,739,583
Total liabilities and net assets	$22,137,016	$23,987,321

See accompanying notes to financial statements.

The Brother's Brother Foundation

Statements of Activities and Changes in Net Assets
For the years ended December 31, 2025 and 2024

	2025					2024				
	General Operating	In-Kind	Total Without Donor Restrictions	With Donor Restrictions	Total	General Operating	In-Kind	Total Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues:										
Donated materials and supplies	$ -	$103,201,801	$103,201,801	$ -	$103,201,801	$ -	$162,924,184	$162,924,184	$ -	$162,924,184
Individuals	2,270,732	-	2,270,732	770,364	3,041,096	2,529,862	-	2,529,862	912,824	3,442,686
Foundations	182,640	-	182,640	1,199,150	1,381,790	224,347	-	224,347	1,172,859	1,397,206
Program service fees	385,528	-	385,528	-	385,528	438,283	-	438,283	-	438,283
Corporations	21,978	-	21,978	7,922	29,900	20,631	-	20,631	17,307	37,938
Civic, social clubs and education	2,212	-	2,212	2,368	4,580	2,850	-	2,850	14,157	17,007
Religious organizations	30,754	-	30,754	30,829	61,583	36,694	-	36,694	54,038	90,732
	2,893,844	103,201,801	106,095,645	2,010,633	108,106,278	3,252,667	162,924,184	166,176,851	2,171,185	168,348,036
Other revenue:										
Investment and other income, net	42,073	-	42,073	12,778	54,851	55,295	-	55,295	5,879	61,174
Rental income	150	-	150	-	150	3,350	-	3,350	-	3,350
Special events revenue	-	-	-	262,500	262,500	-	-	-	192,551	192,551
Net assets released from restriction	2,521,202	-	2,521,202	(2,521,202)	-	2,310,426	-	2,310,426	(2,310,426)	-
Total support and revenues	5,457,269	103,201,801	108,659,070	(235,291)	108,423,779	5,621,738	162,924,184	168,545,922	59,189	168,605,111
Functional expenses:										
Program services	3,134,204	105,584,249	108,718,453	-	108,718,453	3,162,636	189,302,715	192,465,351	-	192,465,351
Management and general	789,143	-	789,143	-	789,143	969,779	-	969,779	-	969,779
Fundraising	698,842	-	698,842	-	698,842	677,227	-	677,227	-	677,227
Total expenses	4,622,189	105,584,249	110,206,438	-	110,206,438	4,809,642	189,302,715	194,112,357	-	194,112,357
Changes in net assets	835,080	(2,382,448)	(1,547,368)	(235,291)	(1,782,659)	812,096	(26,378,531)	(25,566,435)	59,189	(25,507,246)
Net assets at beginning of year	5,161,960	16,473,120	21,635,080	2,104,503	23,739,583	4,349,864	42,851,651	47,201,515	2,045,314	49,246,829
Net assets at end of year	$ 5,997,040	$ 14,090,672	$ 20,087,712	$ 1,869,212	$ 21,956,924	$ 5,161,960	$ 16,473,120	$ 21,635,080	$ 2,104,503	$ 23,739,583

See accompanying notes to financial statements.

The Brother's Brother Foundation

Statements of Functional Expenses
For the years ended December 31, 2025 and 2024

	2025								
	Health	Infrastructure	Disaster	Education	Total Program Services	Management and General	Fundraising	Total Management, General and Fundraising	Total
Pharmaceuticals, medical equipment and supplies	$ 86,029,821	$ -	$ 469,736	$ -	$ 86,499,557	$ -	$ -	$ -	$ 86,499,557
Salaries and employee benefits	555,693	82,174	205,457	80,953	924,277	314,418	360,245	674,663	1,598,940
Educational materials	-	162,649	13,196	18,908,847	19,084,692	-	-	-	19,084,692
Grants	403,653	22,801	935,000	47,725	1,409,179	5,785	500	6,285	1,415,464
Miscellaneous	28,993	-	376	81	29,450	(70,426)	119,347	48,921	78,371
Packaging and shipping	104,393	-	42,890	1,222	148,505	-	-	-	148,505
Consulting and outside services	-	-	6,860	1,500	8,360	19,862	74,279	94,141	102,501
Dues and subscriptions	36,332	-	12,291	-	48,623	91,626	51,768	143,394	192,017
Utilities and maintenance	76,111	-	4,881	-	80,992	83,139	7,321	90,460	171,452
Accounting and insurance	-	-	-	-	-	110,531	-	110,531	110,531
Office supplies	23,737	-	255	-	23,992	41,139	57,748	98,887	122,879
Purchased program supplies	14,030	-	105,890	-	119,920	-	-	-	119,920
Meals and travel	7,385	-	-	-	7,385	20,571	26,543	47,114	54,499
Rent	-	-	-	-	-	8,352	-	8,352	8,352
Mobile health clinic	237,280	-	-	-	237,280	-	-	-	237,280
Total Expenses Before Depreciation	87,517,428	267,624	1,796,832	19,040,328	108,622,212	624,997	697,751	1,322,748	109,944,960
Depreciation	79,251	8,330	331	8,329	96,241	164,146	1,091	165,237	261,478
Total Functional Expenses	$ 87,596,679	$ 275,954	$ 1,797,163	$ 19,048,657	$108,718,453	$ 789,143	$ 698,842	$ 1,487,985	$110,206,438

See accompanying notes to financial statements.

The Brother's Brother Foundation

Statements of Functional Expenses
For the years ended December 31, 2025 and 2024

	2024								
	Health	Infrastructure	Disaster	Education	Total Program Services	Management and General	Fundraising	Total Management, General and Fundraising	Total
Pharmaceuticals, medical equipment and supplies	$170,014,935	$ -	$ 3,400,778	$ -	$173,415,713	$ -	$ -	$ -	$173,415,713
Salaries and employee benefits	622,978	100,702	235,089	101,924	1,060,693	340,245	370,827	711,072	1,771,765
Educational materials	-	65,000	-	15,822,002	15,887,002	-	-	-	15,887,002
Grants	71,500	39,800	663,724	129,750	904,774	4,100	-	4,100	908,874
Miscellaneous	25,579	-	4,979	900	31,458	151,116	42,647	193,763	225,221
Packaging and shipping	122,689	-	84,155	3,100	209,944	79	-	79	210,023
Consulting and outside services	-	-	3,000	-	3,000	21,686	110,068	131,754	134,754
Dues and subscriptions	54,721	-	16,106	-	70,827	84,217	44,484	128,701	199,528
Utilities and maintenance	75,158	-	5,259	-	80,417	60,301	7,970	68,271	148,688
Accounting and insurance	-	-	-	-	-	104,308	-	104,308	104,308
Office supplies	14,360	-	-	-	14,360	36,035	66,390	102,425	116,785
Purchased program supplies	20,294	-	656,713	4,845	681,852	-	-	-	681,852
Meals and travel	8,802	-	791	-	9,593	18,512	34,314	52,826	62,419
Rent	-	-	-	-	-	8,156	-	8,156	8,156
Total Expenses Before Depreciation	171,031,016	205,502	5,070,594	16,062,521	192,369,633	828,755	676,700	1,505,455	193,875,088
Depreciation	78,781	8,330	331	8,276	95,718	141,024	527	141,551	237,269
Total Functional Expenses	$171,109,797	$ 213,832	$ 5,070,925	$ 16,070,797	$192,465,351	$ 969,779	$ 677,227	$ 1,647,006	$194,112,357

See accompanying notes to financial statements.

The Brother's Brother Foundation

Statements of Cash Flows
For the years ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Changes in net assets	$ (1,782,659)	$(25,507,246)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	261,478	237,269
Net realized and unrealized gain on investments	-	(1,022)
Changes in donated inventory	1,747,821	26,053,656
Decrease (Increase) in operating assets:		
Accounts and pledges receivable	40,600	(12,612)
Prepaid expenses	(5,790)	8,944
Decrease in operating liabilities:		
Accounts payable and accrued expenses	(67,646)	(52,382)
Net cash provided by operating activities	193,804	726,607
Cash flows from investing activities		
Contributions of investments	-	(57,723)
Proceeds from sale of investments transferred to cash	-	56,958
Purchase of property and equipment	(98,606)	(283,149)
Proceeds from sale of investments	265,718	-
Purchase of investments	(426,541)	-
Net cash used in investing activities	(259,429)	(283,914)
Net (decrease) increase in cash, cash equivalents, and restricted cash	(65,625)	442,693
Cash, cash equivalents, and restricted cash at beginning of year	4,029,134	3,586,441
Cash, cash equivalents, and restricted cash at end of year	$ 3,963,509	$ 4,029,134

See accompanying notes to financial statements.

1. Nature of Organization

The Brother’s Brother Foundation, dba BBF Global Relief, (Organization) helps bridge the gap between aid and sustainability by supporting localized programs and providing essential resources in the areas of Healthcare, Infrastructure, Disaster Response and Education (H.I.D.E.). All programs are designed to fulfill the Organization’s mission by providing aid and developing sustainable projects. The Organization has operations in Pittsburgh, Pennsylvania and Maryland.

The Organization depends principally upon cash donors, donations of materials and supplies, and third-party reimbursement arrangements to carry out its program activities.

2. Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

b. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts 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 period. Actual results could differ from those estimates.

c. Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. At December 31, 2025 and 2024, cash equivalents consisted primarily of money market accounts.

The Organization maintains cash balances at U.S. banks, which are insured by the Federal Deposit Insurance Corporation (FDIC) for up to $250,000 for each institution. The Organization’s cash balances at times exceeded federally insured limits. The Organization has not experienced any losses and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

2. Summary of Significant Accounting Policies (Continued)

c. Cash and Cash Equivalents (Continued)

The Organization also has restricted cash that will be used at the discretion of the donor for the Organization's various programs.

d. Contributions, Pledges, and Gifts Receivable

Unconditional written promises to give (contributions, pledges, and gifts) are recognized as an asset and contribution revenue in the period received. Promises to give are recorded at net realizable value and are discounted at an appropriate rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions, pledges, and gifts. An allowance for uncollectible promises to give is estimated by the Organization based on factors such as a review of the current status of outstanding promises to give and judgement. Conditional promises to give are recognized when the conditions on which they depend, which consist of both a barrier and a right of return or release, are met. As of December 31, 2024, $200,000 of pledge receivable is due in less than one year. During the year ended December 31, 2025, the pledge receivable was collected in full.

e. Accounts Receivable

Accounts receivable include amounts billed and currently due from customers of which the Organization has an unconditional right to receive. The amounts due are stated at their estimated net realizable value. The Organization extends credit to its customers and does not require collateral. An allowance for credit losses is maintained to provide for the estimated amount of receivables that will not be collected. The allowance is based on the Organization’s assessment of the collectibility of receivables with similar risk characteristics on a pooled basis. It is derived from assessing customer credit worthiness, historical experience and current economic conditions through a reasonable forecast period. The Organization writes off uncollectible receivables against the allowance when the likelihood of collection is remote. Recoveries of receivables previously written off are recognized as an offset to provision for credit loss in the year of recovery. As of December 31, 2025 and 2024, no allowance for credit losses is considered necessary.

2. Summary of Significant Accounting Policies (Continued)

f. Fair Value Measurements

The Organization measures certain financial instruments at fair value on a recurring basis at each reporting period. Certain assets are measured at fair value on a nonrecurring basis annually or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Fair value is estimated as the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value estimates involve uncertainty and significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially when quoted prices are unavailable. Changes in assumptions or market conditions could significantly affect these estimates.

Fair Value Hierarchy

Assets and liabilities recorded at fair value are measured and classified in accordance with a fair value hierarchy consisting of three “levels” based on the observability of valuation inputs:

- **Level 1:** Fair value measurements based on quoted prices (unadjusted) in active markets that the Organization has the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. The Organization does not adjust the quoted price for such instruments.

- **Level 2:** Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.

2. Summary of Significant Accounting Policies (Continued)

f. Fair Value Measurements (Continued)

- **Level 3:** Fair value measurements based on valuation techniques that use significant unobservable inputs. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, the Organization must make certain assumptions about the inputs a hypothetical market participant would use to value that asset or liability.

The Organization maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Financial instruments with quoted prices in active markets generally have more pricing observability and require less judgment in measuring fair value. Conversely, financial instruments for which no quoted prices are available have less observability and are measured at fair value using valuation models or other pricing techniques that require more judgment. Pricing observability is affected by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction, liquidity and general market conditions.

In certain cases, the inputs used to measure the fair value of an asset or liability may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

g. Investments

Investments are reported at fair value. Adjustments to reflect increases or decreases in fair value, referred to as unrealized gains and losses, are reported in the statements of activities and changes in net assets.

2. Summary of Significant Accounting Policies (Continued)

g. Investments (Continued)

Gains and losses on the sale of investments are determined using the specific identification method. Realized gains and losses arising from the sale of investments and ordinary income from investments are reported as changes in net assets without donor restrictions unless their use is restricted by explicit donor-imposed stipulations or law. Dividend and interest income are accrued as earned. Income and net gains (losses) on investment of endowment funds are reported in the statements of activities and changes in net assets as follows:

- As increases (decreases) in net assets with donor restrictions if the terms of the gift that gave rise to the investment require that they be added to the principal of a permanent endowment fund; or
- As increases (decreases) in net assets without donor restrictions in all other cases.

The investment portfolio is managed by professional investment advisors and managers in accordance with the Organization’s investment policy.

Investments are exposed to various risks such as interest rate, market and credit risks. The Organization's principal instruments subject to credit risk are investments. The degree and concentration of credit risk vary by type of investment. Due to the level of risk associated with certain investments, it is possible that changes in the values of investments could occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

2. Summary of Significant Accounting Policies (Continued)

h. Inventories

Inventories consist of undistributed in-kind materials at year-end. The Organization receives a substantial amount of in-kind goods from various regional and national donors, primarily consisting of medical and educational materials. These materials are included in the financial statements at amounts that approximate net realizable value on the date of donation. In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic Fair Value Measurement, net realizable value was determined using transactional data in similar markets. See Note 9 - Contributed Nonfinancial Assets for further valuation information. The Organization evaluates the net realizable value of the inventory donated during the year and may make additional adjustments based on the evaluation. During 2025 and 2024, inventory adjustments based on the net realizable value at the date of donation related mostly to the Organization’s planned decision to destroy pharmaceuticals and medical supplies and equipment not suitable for distribution, and totaled approximately $556,000 and $2,000,000 for the years ended December 31, 2025 and 2024, respectively. These inventory adjustments are included as in-kind program services on the accompanying statements of activities and changes in net assets, as well as medical equipment and supplies on the accompanying statements of functional expenses.

i. Property and Equipment

Property and equipment are recorded at the lower of cost or fair values at the date of contribution. Expenditures for additions, improvements, and other enhancements to property and equipment are capitalized, and minor replacements, maintenance, and repairs that do not extend asset life or add value are charged to expense as incurred. When property and equipment assets are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in results of operations. All purchases of property and equipment over $1,000 are capitalized. Repairs and maintenance that do not extend the lives of the applicable assets are expensed as incurred.

2. Summary of Significant Accounting Policies (Continued)

i. Property and Equipment (Continued)

In general, depreciation is the systematic and rational allocation of an asset's cost, less its residual value (if any), to the periods it benefits. Property and equipment are depreciated using the straight-line method, which results in depreciation expense being incurred evenly over the life of an asset. The estimated useful lives for each major depreciable classification of property, plant, and equipment are as follows: buildings and improvements: 35 - 40 years and equipment and furniture: 3 - 5 years. The Organization's estimate of depreciation expense incorporates management assumptions regarding the useful economic lives and residual values of the Organization's assets. The Organization periodically reviews and adjusts, as appropriate, the residual values and useful lives of its assets.

The Organization reports gifts of property and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

j. Long-lived Asset Impairment

The Organization reviews its long-lived assets, including property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If such an event or change in circumstances is present, the Organization will estimate the undiscounted future cash flows expected to result from the use of the asset and its eventual disposition. If the sum of the undiscounted future cash flows is less than the carrying amount of the related asset, the Organization will record the asset at fair value and recognize an impairment loss in changes in net assets.

There was no impairment recorded in 2025 or 2024.

2. Summary of Significant Accounting Policies (Continued)

k. Net Assets

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Trustees (the Board). Net assets without donor restrictions include net assets designated by the board for specific purposes.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. All net assets restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor 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. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as net assets without donor restrictions.

l. Program Service Fees

Program service fee revenue consists of billings for shipments of containers to developing countries and is recognized as revenue at time of the shipment.

2. Summary of Significant Accounting Policies (Continued)

m. Contributions and Grants

Contributions - Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a 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 statements of activities and changes in net assets as net assets released from restrictions.

Grants - Grants are considered nonexchange (nonreciprocal) transactions and are accounted for under contribution guidance. Unconditional grants are recognized as revenue when received or when an unconditional promise to give is made. Certain grants include donor-imposed restrictions, which are reported as net assets with donor restrictions and are reclassified to net assets without donor restrictions when the stipulated purpose or time restrictions are met. The Organization does not typically receive cost-reimbursement type grants or conditional funding arrangements. Accordingly, there are no amounts recorded as refundable advances or deferred grant revenue as of December 31, 2025 and 2024.

Contributed Nonfinancial Assets - Contributed nonfinancial assets are recorded at fair value at the date of donation. Contributions of services are reported as revenue only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. See Note 9 for additional disclosure. The Organization also receives contributed services from volunteers who donate time to the Organization's activities. No amounts have been recognized in the accompanying statements of activities and changes in net assets for those services, since they would not have been purchased had they not been donated.

2. Summary of Significant Accounting Policies (Continued)

n. Functional Allocation of Expenses

The costs of providing the Organization's program and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Expenses related directly to program services or supporting activities are charged directly while other expenses that are common to several functions are allocated based on management's estimates, among major classes of programs services and supporting activities. Accordingly, certain costs have been allocated among the programs and support services benefited based on an analysis of the percentage of total revenues and expenses of each program.

o. Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was approximately $29,000 and $48,000 in 2025 and 2024, respectively.

p. Income Taxes

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Organization's exempt function. The Organization may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Organization's exempt function. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status, identify and report unrelated business income, and determine its filing and tax obligations in jurisdictions for which it has nexus. As of December 31, 2025 and 2024, the Organization believes that it has not generated any unrelated business taxable income.

The Organization recognizes the tax benefit from an uncertain tax position only if it is “more likely than not” that the tax position would be sustained on examination by the taxing authorities, based upon the technical merits of the position. The amount recognized is the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon examination. Interest and penalties related to unrecognized tax benefits are classified as income tax expense.

2. Summary of Significant Accounting Policies (Continued)

p. Income Taxes (Continued)

Generally, the Organization is no longer subject to U.S. federal, state, and local or non-U.S. income tax examinations by tax authorities for years before 2022.

q. Subsequent Events

The Organization‘s management evaluated events that occurred after December 31, 2025 through June 1, 2026, the date when the financial statements were available to be issued.

3. Liquidity and Availability of Resources

The Organization’s financial assets available for general use at December 31, consist of the following:

	2025	2024
Financial assets available:		
Cash and cash equivalents	$ 2,621,628	$ 2,031,136
Restricted cash and cash equivalents	1,341,881	1,997,998
Accounts receivable and pledges receivable	215,432	256,032
Investments	420,896	260,073
Total financial assets available	4,599,837	4,545,239
Approved endowment income in support of operations	8,370	8,370
Less:		
Funds subject to purpose restrictions	1,448,316	1,688,015
Funds restricted in perpetuity	420,896	416,488
Financial assets available to meet cash needs for general expenditures within one year	$ 2,738,995	$ 2,449,106

3. Liquidity and Availability of Resources (Continued)

The Organization receives grants and contributions with donor restrictions to be used in accordance with the stated purpose or associated time restriction. These funds are not available to be used as operating funds in the year received. The Organization's working capital and cash flows fluctuate during the year due to the timing of cash receipts, major contributions, and specific events. Grant funds received as restricted due to time or purpose are used accordingly, while other revenue is not restricted and can be accessed for operational requirements. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization manages its cash available to meet general and program expenditures by forecasting future needs and activities, and proactively applying for anticipated funds needed.

4. Fair Value Measurements

Investments are presented in the financial statements at fair value. Fair value at December is as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
December 31, 2025				
Money Market Fund	$ 418,886	$ -	$ -	$ 418,886
Stock	2,010	-	-	2,010
Total investments	$ 420,896	$ -	$ -	$ 420,896
December 31, 2024				
Money Market Fund	$ 260,073	$ -	$ -	$ 260,073
Total investments	$ 260,073	$ -	$ -	$ 260,073

5. Inventories

	2025	2024
Pharmaceuticals	$13,413,885	$14,530,365
Medical equipment and supplies	1,340,576	1,947,417
Educational materials	80,964	77,866
Humanitarian supplies	213,174	240,772
	$15,048,599	$16,796,420

6. Property and Equipment

The historical costs of the Organization's property and equipment and related accumulated depreciation balances at December 31 were as follows:

	2025	2024
Buildings and improvements	$ 3,017,755	$ 2,988,900
Equipment and furniture	1,428,862	1,359,111
	4,446,617	4,348,011
Less - accumulated depreciation	(2,229,024)	(1,967,546)
	2,217,593	2,380,465
Land	213,201	213,201
Property and equipment, net	$ 2,430,794	$ 2,593,666

7. Net Assets With Donor Restrictions

Purpose-restricted net assets with donor restriction at December 31, 2025 and 2024 consisted of approximately $1,448,000 and $1,688,000, respectively, restricted for worldwide health and educational programs. Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose were approximately $2,521,000 and $2,310,000, for the years ended December 31, 2025 and 2024, respectively.

8. Endowment

The Organization's endowment consists of a fund established for a variety of purposes. Its endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

8. Endowment (Continued)

Interpretation of Relevant Law

The Board of the Organization has elected to be governed by the Commonwealth of Pennsylvania's Act 141 (Act 141) for the donor-restricted endowment funds. Act 141 is a total return policy that allows a nonprofit to choose to treat a percentage of the average market value of the endowment's permanently restricted investments as income each year. However, the long-term preservation of the real value of the assets must be taken into consideration when the Board elects the amount. On an annual basis, the Board must elect, in writing, a spending rate of between 2% and 7%. This percentage is applied to the average market value of the investments at the end of the prior year. Average market value is based on the previous 12 quarters. The Organization classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. The undistributed amounts earned are included net assets with donor restrictions. In accordance with Act 141, the Organization has adopted a written investment policy, of which a section specifically relates to the endowment fund. The Organization considers the following factors in making a determination to set a spending rate:

1. Protecting the corpus of the endowment fund;
2. Preserving the spending power of the assets;
3. Obtaining maximum investment return with reasonable risk and operational consideration; and
4. Complying with applicable laws.

Changes in endowment net assets for the years ended December 31 are as follows:

	With Donor Restrictions
Endowment net assets, January 1, 2024	$ 419,070
Investment return:	
Interest	5,879
Appropriation of endowment assets for expenditure	(8,461)
Change in endowment net assets	(2,582)
Endowment net assets, December 31, 2024	416,488

8. Endowment (Continued)

	With Donor Restrictions
Investment return:	
Interest	$ 12,778
Appropriation of endowment assets for expenditure	(8,370)
Change in endowment net assets	4,408
Endowment net assets, December 31, 2025	$ 420,896

Return Objectives and Risk Parameters

The Organization has a long-term objective to earn a return sufficient to preserve the purchasing power of the Organization for generations to come, as well as to provide for current needs. As a result, the annual return should at least equal the annual sum of distributions, inflation, administrative costs and management fees, plus a prudent level of growth. The Organization has adopted a total return investment approach. Current income is considered a secondary consideration.

Strategies Employed for Achieving Objectives

To satisfy its endowment investment objectives, the Organization invests in money market funds and relies on a total return strategy in which investment returns are achieved through current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy

In accordance with Act 141, and its current investment strategy, the Organization has a policy of appropriating for distribution each year between 2% and 7% of its endowment fund’s average fair market value over the prior three trailing years. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow. This is consistent with the Organization’s objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. If additional appropriation is considered necessary, the action will be authorized by the Board and the allocation will be made from the quasi-endowed funds.

8. Endowment (Continued)

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted Act 141 to permit spending from underwater endowments in accordance with prudent measures required under law. The Organization has no underwater endowment funds at December 31, 2025 and 2024. The original corpus of the endowment funds is $300,000 as of December 31, 2025 and 2024.

9. Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized in the statements of activities and changes in net assets are as follows:

Inventory	Program	Donor-imposed Restrictions	2025	2024
Pharmaceuticals	Health	Without Restrictions	$77,239,864	$137,888,465
Medical equipment and supplies	Health	Without Restrictions	7,227,301	9,307,877
Educational materials	Education	Without Restrictions	18,638,012	15,505,999
Humanitarian supplies	Disaster Response	Without Restrictions	96,624	221,843
			$103,201,801	$162,924,184

The contributed nonfinancial assets the Organization recognized in the statements of activities and changes in net assets did not have donor-imposed restrictions. It is the Organization’s policy to not monetize any of these donations and they are redistributed for charitable purposes. During 2025 and 2024, the Organization had two contributors that donated medical materials that aggregated 85% and 71%, respectively, of total contributed materials.

The Organization also assists as an agent in the shipment of gifts of kind that are designated for other charitable organizations. The value of these shipments is minimal and is not reflected in the accompanying financial statements, since the Organization does not have variance power over these transactions.

9. Contributed Nonfinancial Assets (Continued)

The Organization's valuation methodology for donated pharmaceuticals is to utilize 50% of Wholesale Acquisition Cost (WAC) as a primary reference and published reimbursement pricing guidelines from federal (Center for Medicare and Medicaid Services - CMS) and state (West Virginia State Maximum Allowable Cost - WV SMAC) sources as secondary references.

The valuation methodology for donated educational materials utilized net price, which according to publishers, is the lowest price at which the title will be available that is deemed a Level 2 input, as defined in Note 2. The valuation methodology for donated medical supplies and equipment utilized published pricing guidelines from the Medline third-party website, a global manufacturer and distributor of essential medical supplies, discounted to reflect the value of donated materials compared to new materials. The total of all net prices provided is divided by the total number of units donated to calculate an average cost per unit, which is determined as net realizable value.

10. Retirement Plans

The Organization has a noncontributory simplified employee pension plan covering all qualified personnel. Contributions to the plan are determined by the Organization but are limited to 15% of the total compensation of the participants for the year. The Organization's contributions to the plan approximated $92,000 and $96,000, respectively, for 2025 and 2024.

In addition, the Organization has a Section 403(b) plan covering substantially all employees. Participants may contribute up to 15% of their compensation. The plan does not provide for contributions by the Organization.