

ALEX'S LEMONADE STAND FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2025 and 2024

ALEX'S LEMONADE STAND FOUNDATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Alex's Lemonade Stand Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alex's Lemonade Stand Foundation (the "Foundation"), 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 each of 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 Alex's Lemonade Stand Foundation as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for each of 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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.

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; this includes 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 Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 Foundation'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 Foundation'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

EisnerAmper LLP

EISNERAMPER LLP
Philadelphia, Pennsylvania
May 8, 2026



ALEX'S LEMONADE STAND FOUNDATION

Statements of Financial Position

	December 31,	
	2025	2024
ASSETS		
Cash and cash equivalents	\$ 21,917,018	\$ 21,514,189
Investments	8,709,113	7,686,828
Contributions and other receivables, net	3,510,527	4,629,596
Inventories	93,968	104,229
Cash and cash equivalents held for endowment	186,006	30,560
Investments held for endowment	5,143,355	4,276,670
Property and equipment, net	379,155	291,459
Intangible assets, net	96,673	119,173
Operating lease right-of-use assets	131,585	443,399
Other assets	446,512	273,825
	\$ 40,613,912	\$ 39,369,928
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 368,633	\$ 1,755,345
Deferred revenue	599,241	531,640
Grants payable	3,468,060	5,314,080
Current portion of operating lease liabilities	147,181	341,295
Total current liabilities	4,583,115	7,942,360
Long-term operating lease liabilities	-	147,181
Total liabilities	4,583,115	8,089,541
Commitments		
NET ASSETS		
Without donor restrictions:		
Designated by the Board of Directors for specific purposes	859,972	842,411
Undesignated	22,032,387	18,386,343
Total without donor restrictions	22,892,359	19,228,754
With donor restrictions	13,138,438	12,051,633
Total net assets	36,030,797	31,280,387
	\$ 40,613,912	\$ 39,369,928

See notes to financial statements.

ALEX'S LEMONADE STAND FOUNDATION

Statements of Activities and Changes in Net Assets

	Year Ended December 31,					
	2025			2024		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support and revenue:						
Contributions:						
Lemonade stands and other events	\$ 18,145,944	\$ -	\$ 18,145,944	\$ 16,642,396	\$ -	\$ 16,642,396
Grants and other	7,115,553	1,783,377	8,898,930	5,039,685	3,561,189	8,600,874
Gala and other special events to donors of \$497,272 in 2025 and \$490,466 in 2024	3,602,552	-	3,602,552	3,198,972	-	3,198,972
Licenses and royalties	1,098,374	-	1,098,374	967,340	-	967,340
Merchandise sales, net cost of merchandise sold of \$67,920 in 2025 and \$83,241 in 2024	38,275	-	38,275	37,667	-	37,667
Contributed services	536,397	-	536,397	514,931	-	514,931
Interest and dividend income	903,728	205,268	1,108,996	782,830	146,922	929,752
Realized and unrealized gains on investments, net	639,893	357,050	996,943	372,613	205,118	577,731
Net assets released from restrictions	1,258,890	(1,258,890)	-	3,026,382	(3,026,382)	-
	33,339,606	1,086,805	34,426,411	30,582,816	886,847	31,469,663
Expenses:						
Program services:						
Pediatric cancer research	20,275,074	-	20,275,074	21,473,384	-	21,473,384
Public awareness and education	1,974,426	-	1,974,426	1,748,059	-	1,748,059
Family services	1,560,765	-	1,560,765	1,487,080	-	1,487,080
Data lab	1,684,118	-	1,684,118	1,748,361	-	1,748,361
Total program services	25,494,383	-	25,494,383	26,456,884	-	26,456,884
Supporting services:						
General and administrative	2,050,722	-	2,050,722	1,704,598	-	1,704,598
Fundraising	2,130,896	-	2,130,896	1,883,643	-	1,883,643
Total supporting services	4,181,618	-	4,181,618	3,588,241	-	3,588,241
	29,676,001	-	29,676,001	30,045,125	-	30,045,125
Change in net assets	3,663,605	1,086,805	4,750,410	537,691	886,847	1,424,538
Net assets at beginning of year	19,228,754	12,051,633	31,280,387	18,691,063	11,164,786	29,855,849
Net assets at end of year	\$ 22,892,359	\$ 13,138,438	\$ 36,030,797	\$ 19,228,754	\$ 12,051,633	\$ 31,280,387

See notes to financial statements.

ALEX'S LEMONADE STAND FOUNDATION

Statement of Functional Expenses Year Ended December 31, 2025

	Program Services					Supporting Services			Total
	Pediatric Cancer Research	Public Awareness and Education	Family Services	Data Lab	Subtotal	General and Administrative	Fundraising	Subtotal	
Grants to others	\$ 19,237,653	\$ -	\$ 100,000	\$ 118,582	\$ 19,456,235	\$ -	\$ -	\$ -	\$ 19,456,235
Salaries	448,047	1,059,375	365,379	1,058,729	2,931,530	1,083,983	915,796	1,999,779	4,931,309
Payroll taxes and benefits	99,664	231,446	80,563	244,246	655,919	281,796	205,360	487,156	1,143,075
Consulting	1,500	137,878	30,868	63,640	233,886	124,555	-	124,555	358,441
Legal and accounting	-	-	-	-	-	174,707	-	174,707	174,707
Computer/software expense	36,000	68,823	-	-	104,823	26,801	24,188	50,989	155,812
Licenses and fees	3,217	7,491	2,609	7,629	20,946	30,486	267,627	298,113	319,059
Office supplies	1,607	3,761	1,547	36	6,951	22,772	3,293	26,065	33,016
Travel	4,590	7,510	8,542	31,524	52,166	27,733	53,815	81,548	133,714
Patient and family travel and support	-	-	870,150	-	870,150	-	-	-	870,150
Symposiums	391,472	-	-	12,359	403,831	-	-	-	403,831
Subscriptions	2,680	50,735	2,373	11,433	67,221	15,741	7,964	23,705	90,926
Postage and shipping	796	30,613	38,477	175	70,061	19,294	41,976	61,270	131,331
Printing	297	17,288	19,057	1,714	38,356	5,265	82,551	87,816	126,172
Miscellaneous	-	26	49	-	75	55,726	12,575	68,301	68,376
Promotional materials	905	189,063	2,990	4,464	197,422	5,288	18,351	23,639	221,061
Lemonade stands and other event fundraising support	-	59	-	-	59	23	362,573	362,596	362,655
Professional services - public relations	-	423	-	-	423	-	-	-	423
Office rent	40,249	93,951	32,706	-	166,906	105,331	83,070	188,401	355,307
Office repairs and maintenance	635	1,505	526	-	2,666	2,192	1,326	3,518	6,184
Insurance	3,180	7,410	2,578	7,536	20,704	7,816	6,562	14,378	35,082
Telephone	2,123	4,950	1,724	5,043	13,840	5,222	4,376	9,598	23,438
Website services	-	24,274	-	109,331	133,605	7,424	24,274	31,698	165,303
Depreciation	459	1,081	627	7,677	9,844	21,916	955	22,871	32,715
Amortization	-	36,764	-	-	36,764	26,651	14,264	40,915	77,679
Total expense included in expense section on the statement of activities and changes in net assets	<u>20,275,074</u>	<u>1,974,426</u>	<u>1,560,765</u>	<u>1,684,118</u>	<u>25,494,383</u>	<u>2,050,722</u>	<u>2,130,896</u>	<u>4,181,618</u>	<u>29,676,001</u>
Plus expenses included with revenue on the statement of activities and changes in net assets:									
Special events - cost of direct benefit to donors:									
Food and beverages	-	-	-	-	-	-	125,370	125,370	125,370
Facility costs	-	-	-	-	-	-	360,141	360,141	360,141
Noncash prizes	-	-	-	-	-	-	11,761	11,761	11,761
Total special events - cost of direct benefit to donors	-	-	-	-	-	-	497,272	497,272	497,272
Cost of merchandise sold	-	67,920	-	-	67,920	-	-	-	67,920
Total expenses	<u>\$ 20,275,074</u>	<u>\$ 2,042,346</u>	<u>\$ 1,560,765</u>	<u>\$ 1,684,118</u>	<u>\$ 25,562,303</u>	<u>\$ 2,050,722</u>	<u>\$ 2,628,168</u>	<u>\$ 4,678,890</u>	<u>\$ 30,241,193</u>

See notes to financial statements.

ALEX'S LEMONADE STAND FOUNDATION

Statement of Functional Expenses (continued) Year Ended December 31, 2024

	Program Services					Supporting Services			Total
	Pediatric Cancer Research	Public Awareness and Education	Family Services	Data Lab	Subtotal	General and Administrative	Fundraising	Subtotal	
Grants to others	\$ 20,595,415	\$ -	\$ 100,000	\$ 116,492	\$ 20,811,907	\$ -	\$ -	\$ -	\$ 20,811,907
Salaries	365,723	1,036,103	326,352	1,060,769	2,788,947	927,536	830,285	1,757,821	4,546,768
Payroll taxes and benefits	81,230	230,247	72,052	245,129	628,658	248,170	183,900	432,070	1,060,728
Consulting	-	70,050	35,600	47,861	153,511	94,127	2,500	96,627	250,138
Legal and accounting	-	-	-	-	-	200,821	-	200,821	200,821
Computer/software expense	60,656	54,033	523	349	115,561	22,461	16,397	38,858	154,419
Licenses and fees	2,754	7,838	2,454	8,043	21,089	23,913	220,146	244,059	265,148
Office supplies	2,820	8,393	2,492	893	14,598	21,739	6,557	28,296	42,894
Travel	12,073	5,882	9,187	38,676	65,818	10,980	75,144	86,124	151,942
Patient and family travel and support	-	-	832,416	-	832,416	-	-	-	832,416
Symposiums	305,341	-	-	15,488	320,829	-	-	-	320,829
Subscriptions	2,392	44,586	1,925	9,212	58,115	16,304	11,990	28,294	86,409
Postage and shipping	1,319	13,104	44,515	-	58,938	12,488	46,838	59,326	118,264
Printing	2,934	11,300	13,056	240	27,530	697	84,234	84,931	112,461
Meetings and conferences	-	-	-	85	85	3,710	1,292	5,002	5,087
Promotional materials	1,765	95,676	11,002	4,027	112,470	1,968	19,914	21,882	134,352
Lemonade stands and other event fundraising support	-	-	-	-	-	-	261,199	261,199	261,199
Professional services - public relations	-	3,000	-	-	3,000	-	-	-	3,000
Office rent	31,227	87,920	27,653	48,293	195,093	83,916	70,274	154,190	349,283
Office repairs and maintenance	259	722	235	50	1,266	1,163	585	1,748	3,014
Insurance	4,049	6,480	3,453	6,789	20,771	3,000	4,122	7,122	27,893
Telephone	1,979	5,602	1,756	5,731	15,068	5,284	4,475	9,759	24,827
Website services	-	21,548	1,120	127,831	150,499	5,317	21,548	26,865	177,364
Depreciation	1,448	4,116	1,289	12,403	19,256	15,686	3,284	18,970	38,226
Amortization	-	41,459	-	-	41,459	5,318	18,959	24,277	65,736
Total expense included in expense section on the statement of activities and changes in net assets	21,473,384	1,748,059	1,487,080	1,748,361	26,456,884	1,704,598	1,883,643	3,588,241	30,045,125
Plus expenses included with revenue on the statement of activities and changes in net assets:									
Special events - cost of direct benefit to donors:									
Food and beverages	-	-	-	-	-	-	146,999	146,999	146,999
Facility costs	-	-	-	-	-	-	327,997	327,997	327,997
Noncash prizes	-	-	-	-	-	-	15,450	15,450	15,450
Total special events - cost of direct benefit to donors	-	-	-	-	-	-	490,446	490,446	490,446
Cost of merchandise sold	-	83,241	-	-	83,241	-	-	-	83,241
Total expenses	\$ 21,473,384	\$ 1,831,300	\$ 1,487,080	\$ 1,748,361	\$ 26,540,125	\$ 1,704,598	\$ 2,374,089	\$ 4,078,687	\$ 30,618,812

See notes to financial statements.

ALEX'S LEMONADE STAND FOUNDATION

Statements of Cash Flows

	Year Ended December 31,	
	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 4,750,410	\$ 1,424,538
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	32,715	38,226
Amortization	77,679	65,736
Change in operating lease of right-of-use asset	311,814	306,367
Realized and unrealized gains on investments	(996,943)	(577,731)
Contributions restricted for endowment	(280,575)	(224,186)
Noncash contributions of intangible assets	-	(149)
(Increase) decrease in assets:		
Contributions and other receivables	1,119,069	(560,740)
Inventories	10,261	(28,568)
Other assets	(172,687)	(115,907)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(1,386,712)	(83,605)
Deferred revenue	67,601	202,115
Grants payable	(1,846,020)	1,179,501
Lease liabilities	(341,295)	(326,847)
Net cash provided by operating activities	<u>1,345,317</u>	<u>1,298,750</u>
Cash flows from investing activities:		
Purchase of property and equipment	(175,590)	(218,746)
Purchase of investments	(3,553,519)	(1,593,799)
Proceeds from sales of investments	<u>2,661,492</u>	<u>544,987</u>
Net cash used in investing activities	<u>(1,067,617)</u>	<u>(1,267,558)</u>
Cash flows from financing activities:		
Proceeds from contribution restricted for endowment	<u>280,575</u>	224,186
Net increase in cash and cash equivalents and restricted cash	558,275	255,378
Cash and cash equivalents and restricted cash at beginning of year	<u>21,544,749</u>	<u>21,289,371</u>
Cash and cash equivalents and restricted cash at end of year	\$ 22,103,024	\$ 21,544,749

See notes to financial statements.

ALEX'S LEMONADE STAND FOUNDATION

Notes to Financial Statements December 31, 2025 and 2024

NOTE A - NATURE OF ACTIVITIES

Alex's Lemonade Stand Foundation (the "Foundation") was established as a Pennsylvania nonprofit organization on January 17, 2005 for the following purposes:

- To raise funds for pediatric cancer care, treatment and research, including impactful research focused on new cures and treatments.
- To raise public awareness about pediatric cancer.
- To encourage and educate others, especially children, to raise funds for such purposes.
- To provide families with services via support programs to care and ease financial burden of families while their children are undergoing treatment for cancer. The Foundation's Travel for Care program helps to offset travel expenses for families who must travel to receive potentially lifesaving treatment for a child. In addition, the Foundation's SuperSibs program is dedicated to comforting, encouraging, and empowering siblings as their brother or sister fights cancer.
- To accelerate the pace of finding cures for childhood cancer by empowering scientists and doctors to harness the power of big data through the data lab. The Foundation's Childhood Cancer Data Lab is dedicated to childhood cancer by translating research data into one consistent format so that all researchers can access and understand.

The Foundation is supported through a mix of community and corporate fundraising events, corporate sponsorships and grants, grants from philanthropic sources and license and merchandising arrangements. Funds are used primarily to support grants to leading research institutions in the United States for pediatric cancer research and clinical trials. Smaller amounts support education and public awareness activities undertaken directly by the Foundation's staff.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Foundation have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to not-for-profit organizations.

[1] Classification of net assets:

The Foundation reports information regarding its financial position and activities based on the existence or absence of donor-imposed or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

(i) *Net assets without donor restrictions:*

Net assets without donor restrictions represent net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board of Directors has established three Board-designated funds, which include the Spinal Cord Research Fund, Pediatric Oncology Student Training Award Fund, and Fund for the Future.

ALEX'S LEMONADE STAND FOUNDATION

**Notes to Financial Statements
December 31, 2025 and 2024**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[1] Classification of net assets: (continued)

(i) *Net assets without donor restrictions: (continued)*

Board-designated net assets as of December 31, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Spinal Cord Research Fund	\$ 620,266	\$ 620,266
Pediatric Oncology Student Training Award Fund	92,981	86,155
Fund for the Future	<u>146,725</u>	<u>135,990</u>
	<u>\$ 859,972</u>	<u>\$ 842,411</u>

The Spinal Cord Research Fund is designated for spinal cord research. The Pediatric Oncology Student Training Award Fund and the Fund for the Future are endowment funds that are designated for grants to pediatric oncology students (see Note J).

(ii) *Net assets with donor restrictions:*

Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, or through appropriation of endowment income or corpus pursuant to an endowment spending rate policy and are reported in the statements of activities and changes in net assets as net assets released from restrictions. Donor-imposed restrictions which are satisfied in the year of donation, are reported as net assets without donor restrictions.

[2] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses, including functional allocations, during the reporting period. Actual results could differ from those estimates.

[3] Cash and cash equivalents, and cash and cash equivalents held for endowment:

Cash and cash equivalents consist of cash accounts at financial institutions and nonbank money market funds. The Foundation considers all highly liquid instruments purchased with original maturities of three months or less to be cash equivalents. Cash and highly liquid financial instruments restricted to endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

ALEX'S LEMONADE STAND FOUNDATION

Notes to Financial Statements December 31, 2025 and 2024

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[3] Cash and cash equivalents, and cash and cash equivalents held for endowment: (continued)

The following table provides a reconciliation of cash, cash equivalents, and such amounts considered to be restricted as to use which include cash and cash equivalents held for endowment that are reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 21,917,018	\$ 21,514,189
Cash and cash equivalents held for endowment	<u>186,006</u>	<u>30,560</u>
Total cash and cash equivalents and restricted cash shown in the statements of cash flows	<u>\$ 22,103,024</u>	<u>\$ 21,544,749</u>

[4] Investments:

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included in the statements of activities and changes in net assets. Invested cash and investments in money markets are valued at cost which approximates fair value. Dividend and interest income is recorded as earned. Gains and losses on sales of investments are determined using the average cost method. Restricted investment income from investments whose restrictions are satisfied in the same period as the income is recognized is classified as net assets without donor restrictions. Investments received as gifts are initially recorded at fair value at the date of receipt.

The Foundation invests in a professionally-managed portfolio that contains various types of securities (see Note G). Such investments are exposed to market and credit risk. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the values of such investments, it is at least reasonably possible that the amounts reported in the financial statements could change materially in the near term.

[5] Contributions and other receivables:

Contributions and other receivables are periodically reviewed by management for collectability. Bad debts are provided for on the allowance method based on historical experience and management's evaluation of outstanding contributions and other receivables. Accounts are written off when they are deemed uncollectible. Management has determined that an allowance is not deemed necessary as of December 31, 2025 or 2024.

[6] Inventories:

Inventories consisting of merchandise held for sale are stated at the lower of cost and net realizable value as determined by the average cost method. Net realizable value is defined as the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation.

ALEX'S LEMONADE STAND FOUNDATION

Notes to Financial Statements December 31, 2025 and 2024

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[7] Property and equipment and depreciation and amortization:

Property and equipment are stated at cost, less accumulated depreciation and amortization. Equipment and other fixed assets in excess of \$5,000 are capitalized and recognized in the statements of financial position. Contributed property and equipment are recorded at fair value at the date of donation. Depreciation and amortization are calculated using the straight-line method over the assets' estimated useful lives of three to seven years. Maintenance and repairs are charged to operations when incurred.

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of December 31, 2025 and 2024, and in the opinion of management, there was no impairment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

[8] Intangible assets:

Intangible assets were obtained through the acquisition of a not-for-profit organization on March 1, 2019, which consist of copyrights, book files, marketing materials, trademarks, domain and social media accounts, customer list and contracts with author of books. These intangible assets are being amortized on the straight-line method over ten years in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350.

In 2025 and 2024, the Foundation received contributions in the form of cryptocurrencies in the amount of \$-0- and \$149, respectively. These contributions are valued and recorded at the time the contribution is made at the market value. These intangible assets are considered indefinite and therefore are not amortized. During each of the years ended December 31, 2025 and 2024, the Foundation recognized an impairment loss of \$-0- on cryptocurrencies.

Amortized intangible assets consisted of the following as of December 31, 2025 and 2024:

	December 31,	
	2025	2024
Gross cost - assets obtained through acquisition	\$ 225,000	\$ 225,000
Accumulated amortization	(153,750)	(131,250)
Net cost - assets obtained through acquisition	71,250	93,750
Cryptocurrencies	25,423	25,423
Net intangible assets	\$ 96,673	\$ 119,173

Total amortization of intangible assets was approximately \$22,500 for each of the years ended December 31, 2025 and 2024.

ALEX'S LEMONADE STAND FOUNDATION

**Notes to Financial Statements
December 31, 2025 and 2024**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[8] Intangible assets: (continued)

Scheduled amortization of intangible assets as of December 31, 2025 is as follows:

<u>Year Ending December 31,</u>	
2026	\$ 22,500
2027	22,500
2028	22,500
2029	<u>3,750</u>
	<u>\$ 71,250</u>

[9] Revenue recognition - contributions:

Funding for the Foundation's activities is achieved almost entirely through contributions made through lemonade stands and other events, and grants, including unconditional promises to give. These donations provide funding to be used to support the mission of the Foundation. As the donors are not receiving a benefit as a result of these transactions, the donations are considered to be contributions to the Foundation. Some contributions require that funds be expended for a specific purpose, and are considered to be net assets with donor restrictions.

The Foundation recognizes contributions as revenue when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

The Foundation records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference, which is included in gala and special events on the statements of activities and changes in net assets. The recognition of revenue is conditional on the event taking place, as this is the point in time when the performance obligation of hosting the event occurs, and attendees can no longer request a refund for their tickets purchased. As of December 31, 2025 and 2024, there were conditional contributions associated with special events of \$599,241 and \$531,640, respectively, that were included in deferred revenue. Amounts will be recognized as revenue when such events occur.

Licenses and royalties:

Licenses and royalties revenue reflects royalties generated by the use of the Foundation's name and logo by third parties. Revenue is reported based on license and royalty agreements between the Foundation and third parties. Revenue is recognized at a point in time when the Foundation is notified by the third parties that a sale and/or usage occurred of the licensed merchandise. The consideration is payable at the conclusion or anniversary of the agreement. Revenue recognized in 2025 and 2024 was \$1,098,374 and \$967,340, respectively. There were receivables of \$53,513 and \$-0- associated with licenses and royalties as of December 31, 2025 and 2024, respectively. There were no contract liabilities associated with licenses and royalties as of December 31, 2025 and 2024.

ALEX'S LEMONADE STAND FOUNDATION

Notes to Financial Statements December 31, 2025 and 2024

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[10] Revenue recognition - services:

Merchandise sales:

Merchandise sales consist of items sold on the Foundation's website, such as apparel and accessories. Merchandise revenue is recognized at a point in time when the merchandise is shipped to the customer, as this is when the performance obligation has been satisfied by transferring the control of the goods to the customer. The amount recognized is the amount that reflects the consideration expected to be received in exchange for providing the merchandise. Customers are charged upon placing the order.

[11] Contributed services and other nonfinancial assets:

The Foundation recognizes contributions of services received if such services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Contributed services are valued at the estimated fair value based on current rates for similar services.

During 2025, the Foundation received contributed services of \$536,397, which consist of \$40,000 for Amazon Web Services, \$129,145 for legal services, \$42,757 for investment advisory, which are allocated among program and general and administrative expenses, and \$324,495 for photography services, which are included in family services in the accompanying statement of activities and changes in net assets.

During 2024, the Foundation received contributed services of \$514,931, which consist of \$40,000 for Amazon Web Services, \$125,862 for legal services, \$39,609 for investment advisory, which are allocated among program and general and administrative expenses, and \$309,460 for photography services, which are included in family services in the accompanying statement of activities and changes in net assets.

In addition, the Foundation receives services from a large number of volunteers who give significant amounts of their time to the Foundation's administration and management, fundraising, and education and public awareness program services. No amounts have been included for these types of donated services, as they do not meet the criteria outlined above.

[12] Grants payable:

The Foundation's grant spending is approved by the Foundation's Board of Directors. The Foundation has established scientific advisory and review boards to review grant applications. The scientific boards make grant recommendations, based upon the Foundation's guidelines and criteria, to the Foundation's Executive Directors who have final authority over grant-making decisions. The Foundation records grants payable when the grants are approved by the Foundation's Executive Directors, which is when the Foundation considers the grant awards to be unconditionally promised. A grant is deemed to be conditional if it includes one or more measurable barriers and a right of return or forfeiture. All grant liabilities as of December 31, 2025 and 2024 are payable within one year of the respective statements of financial position dates.

Conditional commitments and intentions to award grants to others are not recorded as an expense until the measurable barriers have been met (see Note M).

ALEX'S LEMONADE STAND FOUNDATION

Notes to Financial Statements December 31, 2025 and 2024

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[13] Functional allocation of expenses:

Directly identifiable expenses are charged to program services, general and administrative, and fundraising. Salaries, payroll taxes, and benefits are charged to the different functions based on the employees' actual functions performed. Expenses related to more than one function are allocated among the functions benefited, as follows: computer/software expense, licenses and fees, office supplies, travel, office rent, office repairs and maintenance, office utilities, insurance, telephone, depreciation, and amortization - based on employee gross salaries or estimates of time and effort depending on the employee's function.

[14] Income taxes:

The Internal Revenue Service has classified the Foundation as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"); as an organization, contributions to which are deductible under Section 170(c) of the Code; and as an organization that is not a private foundation as defined in Section 509(a) of the Code.

U.S. GAAP requires management to evaluate tax positions taken and recognize a tax liability if the Foundation has taken an uncertain tax position that more likely than not would not be sustained upon examination by a government authority. Management has analyzed the tax positions taken by the Foundation and has concluded that as of December 31, 2025 and 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

The Foundation recognizes accrued interest and penalties associated with uncertain tax positions, if any. There were no income tax related interest and penalties recorded for either of the years ended December 31, 2025 or 2024.

[15] Advertising and promotional costs:

Advertising and promotional costs are expensed in the year incurred. Advertising expense for the years ended December 31, 2025 and 2024 was \$221,061 and \$134,352, respectively.

[16] Leases:

The Foundation determines if an arrangement is a lease at inception.

Operating leases are recorded as operating lease right-of-use ("ROU") assets and operating lease liabilities (current portion and long-term portion) on the accompanying statements of financial position. Operating lease ROU assets and the related lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The operating lease ROU assets also include lease incentives and initial direct costs incurred. For operating leases, interest on the lease liability and the amortization of ROU asset result in straight-line rent expense over the lease term.

Leases may include options to extend or terminate the lease, which are included in the ROU operating lease assets and operating lease liability when they are reasonably certain of exercise. Operating lease expense associated with minimum lease payments is recognized on a straight-line basis over the lease term. When additional payments are based on usage or vary based on other factors, they are considered variable lease payments and are excluded from the measurement of the right-of-use asset and lease liability. These payments are recognized as an expense in the period in which the related obligation was incurred.

ALEX'S LEMONADE STAND FOUNDATION

Notes to Financial Statements December 31, 2025 and 2024

NOTE C - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following as of December 31, 2025 and 2024:

	December 31,	
	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 21,917,018	\$ 21,514,189
Investments	8,709,113	7,686,828
Contributions and other receivables	3,510,527	4,629,596
Cash and cash equivalents held for endowment	186,006	30,560
Investments held for endowment	5,143,355	4,276,670
	39,466,019	38,137,843
Less: amounts not available to be used within one year:		
Contributions receivable greater than a year	1,246,616	2,453,904
Net assets with donor restrictions subject to the Foundation's spending policy and appropriation Board-designated for specific purpose	4,645,428	3,895,034
	859,972	842,411
	6,752,016	7,191,349
Financial assets available to meet cash needs for general expenditures within one year	\$ 32,714,003	\$ 30,946,494

General expenditures include program services expenses, general and administrative expenses, and fundraising expenses expected to be paid in the subsequent year.

The Foundation's total investments consist of operating investments, donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowment funds of \$4,645,428 and \$3,895,034 as of December 31, 2025 and 2024, respectively, are not available for general expenditure.

The Foundation evaluates its endowment spending policy for the next fiscal year after the second quarter results of that year. In the third quarter or fourth quarter of that year, the Board of Directors determine its election on the endowment spending policy.

As part of the Foundation's liquidity management plan, the Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in money market funds and other short-term investments.

ALEX'S LEMONADE STAND FOUNDATION

Notes to Financial Statements December 31, 2025 and 2024

NOTE D - CONTRIBUTIONS AND OTHER RECEIVABLES

Contributions and other receivables, which are receivable in more than one year, are discounted at a risk-free rate of return appropriate for the expected term of the promise to give, and approximate the net present value of the estimated future cash flows. In determining fair value, the Foundation considers the creditworthiness of the donors, the Foundation's past collection experience and its procedures to collect promises to give.

Contributions, pledges and grants receivable as of December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Less than one year	\$ 2,263,911	\$ 2,175,692
One year to five years	1,693,760	3,033,003
	<hr/>	<hr/>
Total receivables	3,957,671	5,208,695
	<hr/>	<hr/>
Less: total discounts to net present value	447,144	579,099
	<hr/>	<hr/>
Total net receivables	<u>\$ 3,510,527</u>	<u>\$ 4,629,596</u>

Pledges which are receivable in more than one year are discounted at rates ranging from 2.58% to 5.69%.

NOTE E - CONCENTRATION OF CREDIT RISK

The Foundation maintains cash in various financial institutions with insurance provided by the Federal Deposit Insurance Corporation up to \$250,000. The Foundation also maintains cash and cash equivalents in various nonbank money market funds that are uninsured. As of December 31, 2025 and 2024, the Foundation has uninsured balances of approximately \$21,223,000 and \$20,678,000, respectively.

NOTE F - INVESTMENTS

Investments consist of the following as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Investments:		
Mutual funds:		
Equity funds	\$ 6,144,529	\$ 5,602,159
Exchange-traded funds	2,564,584	1,987,611
Corporate equities	-	97,058
	<hr/>	<hr/>
	8,709,113	7,686,828
	<hr/>	<hr/>
Investments restricted for endowment:		
Mutual funds:		
Equity funds	3,257,300	3,012,680
Bond funds	1,886,055	1,263,990
	<hr/>	<hr/>
	5,143,355	4,276,670
	<hr/>	<hr/>
	<u>\$ 13,852,468</u>	<u>\$ 11,963,498</u>

ALEX'S LEMONADE STAND FOUNDATION

Notes to Financial Statements December 31, 2025 and 2024

NOTE G - FAIR VALUE MEASUREMENTS

The fair value of each investment is determined at the statement of financial position date in accordance with FASB ASC Topic 820, *Fair Value Measurements and Disclosures*. Accordingly, fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants in the market in which the reporting entity transacts, and fair value measurements are separately disclosed by level within the fair value hierarchy.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in inactive markets; or inputs that are derived principally from or corroborated by observable market data.
- Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or other valuation techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The financial instruments within the fair value hierarchy are based on the lowest level of any input that is significant to the fair value measurement. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities.

The following is a description of the valuation methodologies used for instruments measured at fair value. These valuation methodologies were applied to all of the Foundation's assets and liabilities that are carried at fair value as of December 31, 2025 and 2024.

Mutual funds - the fair value of securities is the market value based on quoted market prices in a market deemed to be active, when available, or market prices provided by recognized broker dealers (Level 1).

Corporate equities - Valued at the closing price reported on the active market on which the individual securities are traded.

The following tables set forth, by level, the Foundation's investments at fair value, within the aforementioned fair value hierarchy, as of December 31, 2025 and 2024:

	Investment Assets at Fair Value as of December 31, 2025			
	Total	Level 1	Level 2	Level 3
Mutual funds:				
Equity funds	\$ 9,401,829	\$ 9,401,829	\$ -	\$ -
Exchange-traded funds	4,450,639	4,450,639	-	-
Total investment assets at fair value	<u>\$ 13,852,468</u>	<u>\$ 13,852,468</u>	<u>\$ -</u>	<u>\$ -</u>

ALEX'S LEMONADE STAND FOUNDATION

Notes to Financial Statements December 31, 2025 and 2024

NOTE G - FAIR VALUE MEASUREMENTS (CONTINUED)

	Investment Assets at Fair Value as of December 31, 2024			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds:				
Equity funds	\$ 8,614,839	\$ 8,614,839	\$ -	\$ -
Exchange-traded funds	3,251,601	3,251,601	-	-
Corporate equities	97,058	97,058	-	-
Total investment assets at fair value	<u>\$ 11,963,498</u>	<u>\$ 11,963,498</u>	<u>\$ -</u>	<u>\$ -</u>

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. For the years ended December 31, 2025 and 2024, there were no transfers into or out of Levels 1, 2, or 3.

NOTE H - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Equipment and vehicle	\$ 330,527	\$ 282,900
Software and website development	<u>1,602,509</u>	<u>1,474,546</u>
	1,933,036	1,757,446
Less: accumulated depreciation and amortization	<u>1,553,881</u>	<u>1,465,987</u>
	<u>\$ 379,155</u>	<u>\$ 291,459</u>

Depreciation for the years ended December 31, 2025 and 2024 was \$32,715 and \$38,226, respectively. Amortization of software and website development for the years ended December 31, 2025 and 2024 was \$55,179 and \$43,236, respectively.

ALEX'S LEMONADE STAND FOUNDATION

Notes to Financial Statements December 31, 2025 and 2024

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or period as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Subject to expenditures for specified purpose:		
Spinal cord research	\$ -	\$ 61,322
Crazy 8 research initiative	4,381,219	4,065,854
Target research grants	473,556	644,134
Travel for Care program	2,377,750	1,850,080
Other programs	1,260,485	1,535,209
	<u>8,493,010</u>	<u>8,156,599</u>
Endowments:		
Subject to appropriation and expenditure when a specified event occurs:		
Restricted by donors for:		
Pediatric Oncology Student Training	289,696	165,180
Travel for Care program	1,197,902	852,600
	<u>1,487,598</u>	<u>1,017,780</u>
Perpetual in nature, earnings from which are subject to endowment spending policy and appropriation:		
Investments in perpetuity:		
Pediatric Oncology Student Training	698,355	540,507
Travel for Care program	2,454,475	2,331,747
Family services	2,500	2,500
Research	2,500	2,500
	<u>3,157,830</u>	<u>2,877,254</u>
Total endowments	<u>4,645,428</u>	<u>3,895,034</u>
	<u>\$ 13,138,438</u>	<u>\$ 12,051,633</u>

ALEX'S LEMONADE STAND FOUNDATION

Notes to Financial Statements December 31, 2025 and 2024

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from donor restriction by incurring expenses satisfying the restricted purpose or by the passage of time specified by the donors as follows for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Satisfaction of purpose restrictions:		
Spinal Cord Research	\$ 61,322	\$ -
Crazy 8 Research Initiative	-	1,210,557
Target research grants	591,633	786,746
Travel for Care program	189,620	390,145
Other programs	323,815	553,534
	<u>1,166,390</u>	<u>2,940,982</u>
Restricted purpose spending-rate distributions and appropriations:		
Pediatric Oncology Student Training	17,600	15,800
Travel for Care program	74,900	69,600
	<u>92,500</u>	<u>85,400</u>
	<u>\$ 1,258,890</u>	<u>\$ 3,026,382</u>

NOTE J - BOARD-DESIGNATED AND DONOR-RESTRICTED ENDOWMENTS

The Foundation has a Board-designated endowment consisting of two basic funds: Pediatric Oncology Student Training Award Fund and Fund for the Future. The Foundation also has donor-restricted endowment funds that are included in nets assets with donor restrictions.

The Foundation's donor-restricted endowments consist of five funds: Rita's Fund for Hope, Shirley Stein POST Award Fund, David Cohn Fund for the Future, Bellin Travel Fund, and Michael and Rosemary Gillet Fund for Early Career Childhood Cancer Scientists. These endowments were established to support the Foundation's pediatric oncology student training and Travel for Care program. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors for endowment, are classified based on the existence or absence of donor-imposed restrictions.

[1] Interpretation of relevant law:

The Commonwealth of Pennsylvania has not adopted Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). State law allows nonprofit organizations to make an election to adopt a total return investment policy as provided by Act 141 (1988) of Pennsylvania legislature, 15 Pa. C.S.A. Section 5548, *Total Return Election*.

ALEX'S LEMONADE STAND FOUNDATION

Notes to Financial Statements December 31, 2025 and 2024

NOTE J - BOARD-DESIGNATED AND DONOR-RESTRICTED ENDOWMENTS (CONTINUED)

[2] Return objectives and risk parameters:

Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity, as well as Board-designated funds. Accordingly, the investment objective is the preservation of capital, as well as providing a predictable stream of funding to the program supported by its endowments without bearing risk of market fluctuation.

[3] Strategies employed for achieving objectives:

To satisfy its long-term rate-of-return objectives, the Foundation relies on a strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). As a result, the Foundation has elected to adopt an asset allocation consisting of equity and fixed-income securities. The Foundation's current asset allocation for endowment funds targets a composition of approximately 60% in equity mutual funds and 40% in fixed-income mutual funds.

[4] Spending policy:

In accordance with donor instructions, earnings on the donor-restricted endowments are considered restricted; as such, earnings may only be used for the program purpose specified by the donors. Interest and dividend income on the funds' investments is appropriated as determined by the Board of Directors. The Foundation has adopted a formal spending policy. During each of the years ended December 31, 2025 and 2024, it was elected by the Board to appropriate 4%, based on the total average investment balance value, of the endowments based on September 30 point valuations (subject to annual review).

[5] Funds with deficiencies:

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original gift (underwater endowments). Such deficiencies are recorded as net assets with donor restrictions. In the event that an endowment fund is underwater, all income and distributions will be reinvested into the endowment fund until the market value of the endowment fund has recovered. As of December 31, 2025 and 2024, there were no deficiencies of this nature.

Endowment funds as of December 31, 2025 and 2024 comprise the following:

	2025		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Board-designated endowment funds:			
Pediatric Oncology Student Training Award Fund	\$ 92,981	\$ -	\$ 92,981
Fund for the Future	146,725	-	146,725
Donor-restricted endowment funds:			
Original donor-restricted gift amount	-	3,157,830	3,157,830
Accumulated investment gains	-	1,487,598	1,487,598
	\$ 239,706	\$ 4,645,428	\$ 4,885,134

ALEX'S LEMONADE STAND FOUNDATION

Notes to Financial Statements December 31, 2025 and 2024

NOTE J - BOARD-DESIGNATED AND DONOR-RESTRICTED ENDOWMENTS (CONTINUED)

	2024		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Board-designated endowment funds:			
Pediatric Oncology Student Training Award Fund	\$ 86,155	\$ -	\$ 86,155
Fund for the Future	135,990	-	135,990
Donor-restricted endowment funds:			
Original donor-restricted gift amount	-	2,877,254	2,877,254
Accumulated investment gains	-	1,017,780	1,017,780
	<u>\$ 222,145</u>	<u>\$ 3,895,034</u>	<u>\$ 4,117,179</u>

The Foundation's endowments had the following activity for the years ended December 31, 2025 and 2024:

	2025				Total
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions			
	Board- Designated	Subject to Appropriation	Perpetual in Nature	Subtotal	
Endowment net assets at beginning of year	<u>\$ 222,145</u>	<u>\$ 1,017,780</u>	<u>\$2,877,254</u>	<u>\$3,895,034</u>	<u>\$4,117,179</u>
Investment return, net	17,561	562,318	-	562,318	579,879
Contributions	-	-	280,576	280,576	280,576
Appropriation of endowment assets pursuant to spending-rate policy	-	(92,500)	-	(92,500)	(92,500)
Change in net assets	<u>17,561</u>	<u>469,818</u>	<u>280,576</u>	<u>750,394</u>	<u>767,955</u>
Endowment net assets at end of year	<u>\$ 239,706</u>	<u>\$ 1,487,598</u>	<u>\$3,157,830</u>	<u>\$4,645,428</u>	<u>\$4,885,134</u>

ALEX'S LEMONADE STAND FOUNDATION

Notes to Financial Statements December 31, 2025 and 2024

NOTE J - BOARD-DESIGNATED AND DONOR-RESTRICTED ENDOWMENTS (CONTINUED)

	2024				
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions			Total
	Board- Designated	Subject to	Perpetual in	Subtotal	
		Appropriation	Nature		
Total		Total			
Endowment net assets at beginning of year	\$ 208,333	\$ 751,140	\$ 2,653,068	\$ 3,404,208	\$ 3,612,541
Investment return, net	13,812	352,040	-	352,040	365,852
Contributions	-	-	224,186	224,186	224,186
Appropriation of endowment assets pursuant to spending-rate policy	-	(85,400)	-	(85,400)	(85,400)
Change in net assets	13,812	266,640	224,186	490,826	504,638
Endowment net assets at end of year	<u>\$ 222,145</u>	<u>\$ 1,017,780</u>	<u>\$ 2,877,254</u>	<u>\$ 3,895,034</u>	<u>\$ 4,117,179</u>

NOTE K - RETIREMENT PLAN

The Foundation offered eligible employees the opportunity to participate in a Simple IRA plan whereby employees may elect to contribute up to 100% of their income on a pre-tax basis, subject to limitations specified by the Internal Revenue Code. The Foundation matched each employee's contribution on a one-to-one basis, up to 3% of compensation. Effective February 1, 2024, the Simple IRA Plan was terminated and the account balances of the participants were transferred to a 401(k) Plan established by the Foundation. Under the terms of the 401(k) plan, eligible employees may elect to contribute eligible income on a pre- and post-tax basis, subject to limitation specified by the Internal Revenue Code. The Foundation matches each employee's contribution 100% up to 4% of eligible compensation.

The Foundation made matching contributions into the plans of \$176,432 and \$144,755 during the years ended December 31, 2025 and 2024, respectively.

NOTE L - OPERATING LEASE

The Foundation has a lease agreement for office space that has been recorded in accordance with ASC 842 as operating lease agreements. The lease expires in May 2026. Monthly base rent under this lease is approximately \$26,600 with increases over the life of certain leases.

The liabilities under the operating lease is recorded at the present value of the minimum lease payments. Lease expense of \$316,769 for each of the years ended December 31, 2025 and 2024, relating to operating leases, consisting of right-of-use asset amortization and lease liability interest, is included in office rent on the statements of functional expenses.

ALEX'S LEMONADE STAND FOUNDATION

Notes to Financial Statements December 31, 2025 and 2024

NOTE L - OPERATING LEASE (CONTINUED)

The following maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of December 31, 2025 is approximately as follows:

<u>Year Ending December 31,</u>	<u>Debt</u>
2026	\$ 147,583
	147,583
Less: amount representing interest	<u>(402)</u>
Total	<u>\$ 147,181</u>

<u>Operating Leases Reported as of December 31,</u>	<u>2025</u>	<u>2024</u>
Current portion of lease liabilities	<u>\$ 147,181</u>	\$ 341,295
Lease liabilities, net of current portion	<u>-</u>	<u>147,181</u>
Total	<u>\$ 147,181</u>	<u>\$ 488,476</u>

<u>Year Ended December 31,</u>	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	<u>\$ 346,250</u>	<u>\$ 337,250</u>

As of December 31, 2025 and 2024, the operating lease ROU assets were \$131,585 and \$443,399, respectively, and operating lease liabilities related to these agreements were \$147,181 and \$488,476, respectively. As of December 31, 2025 and 2024, the weighted average remaining lease term of these agreements is 0.5 and 1.5 years, respectively, and weighted average discount rate is 1.63%.

ALEX'S LEMONADE STAND FOUNDATION

**Notes to Financial Statements
December 31, 2025 and 2024**

NOTE M - CONDITIONAL COMMITMENTS

The Foundation has conditional commitments to fund various medical research grants. The future funding of the grants is conditional upon a noncompetitive review and demonstration of satisfactory completion of proposed research objectives and appropriate budget expenditures and, therefore, the conditional future payments are not recorded in the financial statements. Conditional commitments for future grant payments as of December 31, 2025 are as follows:

<u>Year Ending December 31,</u>	
2026	\$ 13,295,831
2027	10,741,389
2028	6,393,087
2029	<u>1,800,000</u>
	<u>\$ 32,230,307</u>

NOTE N - SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through May 8, 2026, which is the date the financial statements were available to be issued.

Effective January 1, 2026, the Foundation executed a sublease for office space, which will replace its existing lease.