

**THE SHIRLEY PROCTOR PULLER
FOUNDATION, INC.**

FINANCIAL REPORT

December 31, 2025 and 2024



THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Shirley Proctor Puller Foundation, Inc.
South St. Petersburg, Florida

Opinion

We have audited the financial statements of Shirley Proctor Puller Foundation, Inc. (the "Organization", a Florida nonprofit 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 (collectively 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 Auditors' 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.

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 that the financial statements are available to be issued.



Auditors' Responsibilities for the Audits 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 it 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 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 audits.

Meloney + Novotny LLC

Clearwater, Florida
June 9, 2026

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

| | <u>2025</u> | <u>2024</u> |
|--|---------------------|---------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 727,713 | \$ 575,643 |
| Investments | 35,554 | 29,044 |
| Grants and contributions receivable | 642,614 | 413,063 |
| Prepaid expenses | <u>178,320</u> | <u>85,542</u> |
| Total current assets | 1,584,201 | 1,103,292 |
| Grants and contributions receivable - long-term | 275,000 | 275,000 |
| Property and Equipment, net | <u>487,099</u> | <u>413,076</u> |
| | | |
| Total assets | <u>\$ 2,346,300</u> | <u>\$ 1,791,368</u> |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Accounts payable | \$ 36,690 | \$ 21,241 |
| Accrued expenses | <u>17,982</u> | <u>17,543</u> |
| Total current liabilities | 54,672 | 38,784 |
| | | |
| Net Assets | | |
| Without donor restrictions | 1,206,973 | 900,707 |
| With donor restrictions | <u>1,084,655</u> | <u>851,877</u> |
| Total net assets | <u>2,291,628</u> | <u>1,752,584</u> |
| | | |
| Total liabilities and net assets | <u>\$ 2,346,300</u> | <u>\$ 1,791,368</u> |

The accompanying notes are an integral part of these financial statements.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 2025

| | Without Donor Restrictions | With Donor Restrictions | Totals |
|--|----------------------------------|-------------------------------|---------------------|
| Public Support and Other Revenues | | | |
| Public Support: | | | |
| Grants and contributions | \$ 2,588,945 | \$ 946,562 | \$ 3,535,507 |
| In-kind contributions | 419,883 | - | 419,883 |
| Total public support | <u>3,008,828</u> | <u>946,562</u> | <u>3,955,390</u> |
| Other revenues: | | | |
| Program income - tuition | 5,848 | - | 5,848 |
| Other | 42,334 | - | 42,334 |
| Total other revenues | <u>48,182</u> | <u>-</u> | <u>48,182</u> |
| Net assets released from restrictions | <u>713,784</u> | <u>(713,784)</u> | <u>-</u> |
| Total public support and other revenues | <u>3,770,794</u> | <u>232,778</u> | <u>4,003,572</u> |
| Expenses | | | |
| Program services: | | | |
| M.A.S.T.R. Kids ® | 2,690,694 | - | 2,690,694 |
| High School M.A.S.T.R. Plan | 291,413 | - | 291,413 |
| Food Pantry | 65,274 | - | 65,274 |
| Disaster Relief | 20,498 | - | 20,498 |
| Total program services | <u>3,067,879</u> | <u>-</u> | <u>3,067,879</u> |
| Supporting services: | | | |
| General and administration | 336,898 | - | 336,898 |
| Fundraising | 59,751 | - | 59,751 |
| Total supporting services | <u>396,649</u> | <u>-</u> | <u>396,649</u> |
| Total expenses | <u>3,464,528</u> | <u>-</u> | <u>3,464,528</u> |
| Change in Net Assets | 306,266 | 232,778 | 539,044 |
| Net Assets | | | |
| Beginning of period | <u>900,707</u> | <u>851,877</u> | <u>1,752,584</u> |
| End of period | <u>\$ 1,206,973</u> | <u>\$ 1,084,655</u> | <u>\$ 2,291,628</u> |

The accompanying notes are an integral part of these financial statements.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 2024

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Totals</u> |
|--|---|--|---------------------|
| Public Support and Other Revenues | | | |
| Public Support: | | | |
| Grants and contributions | \$ 1,963,860 | \$ 851,877 | \$ 2,815,737 |
| In-kind contributions | 285,017 | - | 285,017 |
| Total public support | <u>2,248,877</u> | <u>851,877</u> | <u>3,100,754</u> |
| Other revenues: | | | |
| Program income - tuition | 4,605 | - | 4,605 |
| Other | 29,207 | - | 29,207 |
| Total other revenues | <u>33,812</u> | <u>-</u> | <u>33,812</u> |
| Net assets released from restrictions | <u>50,000</u> | <u>(50,000)</u> | <u>-</u> |
| Total public support and other revenues | 2,332,689 | 801,877 | 3,134,566 |
| Expenses | | | |
| Program services: | | | |
| M.A.S.T.R. Kids ® | 1,871,250 | - | 1,871,250 |
| High School M.A.S.T.R. Plan | 194,721 | - | 194,721 |
| Total program services | <u>2,065,971</u> | <u>-</u> | <u>2,065,971</u> |
| Supporting services: | | | |
| General and administration | 281,021 | - | 281,021 |
| Fundraising | 50,582 | - | 50,582 |
| Total supporting services | <u>331,603</u> | <u>-</u> | <u>331,603</u> |
| Total expenses | <u>2,397,574</u> | <u>-</u> | <u>2,397,574</u> |
| Change in net assets | (64,885) | 801,877 | 736,992 |
| Net Assets | | | |
| Beginning of period | <u>965,592</u> | <u>50,000</u> | <u>1,015,592</u> |
| End of period | <u>\$ 900,707</u> | <u>\$ 851,877</u> | <u>\$ 1,752,584</u> |

The accompanying notes are an integral part of these financial statements.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2025

| | Program Services | | | | Supporting Services | | Total Expenses |
|------------------------------------|-------------------|-----------------------------|-------------|-----------------|----------------------------|-------------|----------------|
| | M.A.S.T.R. KIDS ® | High School M.A.S.T.R. Plan | Food Pantry | Disaster Relief | General and Administration | Fundraising | |
| Personnel expenses: | | | | | | | |
| Salaries | \$ 1,454,804 | \$ 110,832 | \$ 6,679 | \$ - | \$ 140,432 | \$ - | \$ 1,712,747 |
| Payroll taxes | 111,125 | 8,576 | 519 | - | 10,609 | - | 130,829 |
| Benefits | 57,124 | 2,258 | 84 | - | 17,999 | - | 77,465 |
| Total personnel expenses | 1,623,053 | 121,666 | 7,282 | - | 169,040 | - | 1,921,041 |
| Other expenses: | | | | | | | |
| In-kind donations | 219,156 | 49,020 | 55,687 | - | 47,920 | 48,100 | 419,883 |
| Supplies | 77,456 | 14,800 | - | - | 1,413 | 644 | 94,313 |
| Insurance | 84,004 | 16,072 | 355 | - | 3,640 | - | 104,071 |
| Contract services | 205,670 | 7,834 | 908 | - | 39,748 | 980 | 255,140 |
| Rent | 91,050 | 3,386 | 1,042 | - | 374 | - | 95,852 |
| Accounting and audit | - | - | - | - | 44,098 | 148 | 44,246 |
| Repairs and maintenance | 32,352 | 5,545 | - | - | - | - | 37,897 |
| Furniture and equipment | 38,359 | 21,306 | - | - | 2,043 | - | 61,708 |
| Training and conference | 38,947 | 631 | - | - | 6,903 | - | 46,481 |
| Office | 46,616 | 7,922 | - | - | 4,474 | 89 | 59,101 |
| Field trip/extracurricular cost | 70,370 | 42,144 | - | - | - | 8,069 | 120,583 |
| Printing and postage | 1,340 | 20 | - | - | 1,545 | 1,431 | 4,336 |
| Website | 2,875 | - | - | - | 2,186 | - | 5,061 |
| Advertising and promotion | 378 | - | - | - | 2,478 | 271 | 3,127 |
| Software | 22,180 | 480 | - | - | 1,942 | - | 24,602 |
| Disaster and emergency support | 3,900 | - | - | 20,498 | - | - | 24,398 |
| Other | 2,586 | 587 | - | - | 9,094 | 19 | 12,286 |
| Total expenses before depreciation | 2,560,292 | 291,413 | 65,274 | 20,498 | 336,898 | 59,751 | 3,334,126 |
| Depreciation | 130,402 | - | - | - | - | - | 130,402 |
| Total expenses | \$ 2,690,694 | \$ 291,413 | \$ 65,274 | \$ 20,498 | \$ 336,898 | \$ 59,751 | \$ 3,464,528 |

The accompanying notes are an integral part of these financial statements.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2024

| | Program Services | | Supporting Services | | Total Expenses |
|------------------------------------|-------------------|-----------------------------|----------------------------|-------------|----------------|
| | M.A.S.T.R. KIDS ® | High School M.A.S.T.R. Plan | General and Administration | Fundraising | |
| Personnel expenses: | | | | | |
| Salaries | \$ 1,030,467 | \$ 82,867 | \$ 98,175 | \$ - | \$ 1,211,509 |
| Payroll taxes | 80,600 | 5,876 | 7,436 | - | 93,912 |
| Benefits | 31,462 | 1,023 | 12,962 | - | 45,447 |
| Total personnel expenses | 1,142,529 | 89,766 | 118,573 | - | 1,350,868 |
| Other expenses: | | | | | |
| In-kind donations | 157,226 | 30,437 | 49,354 | 48,000 | 285,017 |
| Supplies | 118,053 | 36,890 | 1,492 | 812 | 157,247 |
| Insurance | 81,738 | 3,352 | 6,524 | - | 91,614 |
| Contract services | 96,932 | 8,038 | 40,969 | 400 | 146,339 |
| Rent | 51,853 | 112 | 1,095 | - | 53,060 |
| Accounting and audit | - | - | 11,750 | - | 11,750 |
| Repairs and maintenance | 9,150 | - | - | - | 9,150 |
| Furniture and equipment | 45,549 | - | - | - | 45,549 |
| Training and conference | 8,352 | 66 | 21,098 | 259 | 29,775 |
| Travel | 16,348 | - | - | - | 16,348 |
| Office | 5,675 | - | 22,466 | 660 | 28,801 |
| Field trip cost | 8,259 | 22,385 | - | - | 30,644 |
| Printing and postage | 4,477 | - | 437 | 438 | 5,352 |
| Website | - | - | 1,557 | - | 1,557 |
| Advertising and promotion | 103 | 615 | 3,677 | 13 | 4,408 |
| Software | 15,761 | 3,060 | 1,996 | - | 20,817 |
| Other | - | - | 33 | - | 33 |
| Total expenses before depreciation | 1,762,005 | 194,721 | 281,021 | 50,582 | 2,288,329 |
| Depreciation | 109,245 | - | - | - | 109,245 |
| Total expenses | \$ 1,871,250 | \$ 194,721 | \$ 281,021 | \$ 50,582 | \$ 2,397,574 |

The accompanying notes are an integral part of these financial statements.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

Years ended December 31, 2025 and 2024

| | <u>2025</u> | <u>2024</u> |
|--|--------------------------|--------------------------|
| Cash Flows from Operating Activities | | |
| Change in net assets | \$ 539,044 | \$ 736,992 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 130,403 | 109,245 |
| Net unrealized gain on investments | (6,510) | (7,591) |
| (Increase) decrease in assets: | | |
| Grants and contributions receivable | (229,551) | (514,197) |
| Prepaid expenses | (92,778) | 26,735 |
| Increase (decrease) in liabilities: | | |
| Accounts payable | 15,449 | 16,213 |
| Accrued expenses | 439 | 8,271 |
| Deferred revenue | - | (8,750) |
| Net cash provided by operating activities | <u>356,496</u> | <u>366,918</u> |
| Cash Flows from Investing Activities | | |
| Purchases of property and equipment | <u>(204,426)</u> | <u>(35,251)</u> |
| Net cash used in investing activities | <u>(204,426)</u> | <u>(35,251)</u> |
| Net change in cash and cash equivalents | 152,070 | 331,667 |
| Cash and Cash Equivalents Balance | | |
| Beginning of period | <u>575,643</u> | <u>243,976</u> |
| End of period | <u><u>\$ 727,713</u></u> | <u><u>\$ 575,643</u></u> |

The accompanying notes are an integral part of these financial statements.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE A - NATURE OF ACTIVITIES

The Shirley Proctor Puller Foundation, Inc. (the "Organization" or "SPPF") incorporated as a not-for-profit organization in 2014. The Organization has three separate service locations in South St. Petersburg, Florida: Friendship Missionary Baptist Church located at 31st Street South, John Hopkins Middle School, Campbell Park Resource Center located at 26th Street South, and Gibbs High School located at 850 34th Street S. SPPF was named in honor of the late Shirley Proctor Puller, a dedicated Pinellas County teacher and educator, who was a passionate advocate of children's literacy.

The primary mission of the Organization is to advance reading, math, and science literacy, helping to close the achievement gap for children in the "at-risk" communities of St. Petersburg, Florida. The vision is a fully engaged, highly literate youth population in St. Petersburg, Florida, who have achieved excellence in reading, math, and science, resulting in unlimited post-graduate opportunities. The Organization provides these tools and support through the M.A.S.T.R. Kids ® and High School M.A.S.T.R. Plan Programs as well as free book distributions at community events to continually promote reading as a catalyst for literacy.

During 2025, the Organization took over operations of a local food pantry, which serves the community in which they operate. Additionally, during 2025, the Organization received specific funding to provide disaster relief to the Organization's employees impacted by Hurricanes Helene and Milton. The Organization plans to expand its mission with respect to the food pantry and deems the disaster relief to be a temporary program.

SPPF is governed by an independent, volunteer Board of Directors (the "Board"), who oversees the Organization's operations. Revenues to support the Organization are primarily received by grants through the Juvenile Welfare Board (the "JWB"), United Way, and community and private foundations, as well as individual and corporate donations of cash, materials, and services.

NOTE B - BASIS OF ACCOUNTING

1. *Basis of Accounting*

SPPF prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2025 and 2024

NOTE B - BASIS OF ACCOUNTING (CONTINUED)

2. *Basis of Presentation*

For accounting and reporting purposes, the revenues and gains (losses) of SPPF are classified in net assets based on the existence or absence of donor-imposed restrictions. A description of the classes of net assets are as follows:

- a. Net assets without donor restrictions – Net assets for use in general operations and not subject to donor-imposed stipulations.
- b. Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of SPPF and/or the passage of time.

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of SPPFs' significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. *Cash and Cash Equivalents*

For purposes of the statement of cash flows, cash and cash equivalents includes all of SPPFs' checking and savings accounts and cash equivalents with original maturities of three months or less. SPPFs' checking and savings accounts are insured up to specified limits through the Federal Deposit Insurance Corporation. The cash balances may periodically exceed the insured limits. The cash balances exceeded insured limits by \$14,839 and \$266,626 at December 31, 2025 and 2024, respectively. However, SPPF believes it is not exposed to any significant credit risk on its cash balances and has not experienced any loss in such accounts.

2. *Grants and Contributions Receivable*

Grants and contributions receivable represent amounts due to SPPF under various grants and contributions through the JWB, United Way, and community and private foundations. The balances are presented net of estimated allowances for credit losses. Management determines the allowance for credit losses by identifying troubled accounts and by using historical experience applied to an aging of accounts. Management determined no allowance for credit losses was necessary at December 31, 2025 and 2024. As of December 31, 2025, and 2024 the balance of grants receivable was \$917,614, and \$688,063, respectively. All grants and contributions receivable are due within one year, except for two grants receivable totaling \$550,000, which are due in equal annual installments over two years. Management has not discounted these receivables.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2025 and 2024

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. *Revenue Recognition*

Grants and Contributions Revenue

Certain grant revenue including revenue from government entities is conditional upon incurring qualifying expenses or meeting conditions of the grant in accordance with the provisions of the grants. Amounts received are recognized as revenue when SPPF has incurred expenditures or met conditions in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures or meeting conditions are reported as deferred revenue in the statement of financial position. As of December 31, 2025 and 2024, SPPF recorded no advance payments as deferred revenue in the statement of financial position. When eligible expenditures are incurred or conditions are met and the grant funds have not yet been received, a grant receivable is reported on the statement of financial position. Grants to be received within one year are classified with current assets.

Contributions including grants received from private foundations are recognized as revenue upon the earlier of the receipt of a donor's unconditional written pledge to contribute or upon receipt of the contribution. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions, if the restrictions expire in the fiscal year in which the contributions are recognized.

In-kind, Goods, Property, and Services

Support arising from in-kind, goods, property, and services is recognized in the financial statements at its estimated fair value. U.S. GAAP requires recognition of in-kind services, if such services (1) create or enhance nonfinancial assets or (2) require specialized skills and are provided by individuals possessing those skills, who would typically charge a fee. For the year ended December 31, 2025 and 2024, volunteers provided services to assist the Organization's management and fundraising functions for which no amount has been recorded in the financial statements because the services did not meet the criteria for recognition under U.S. GAAP.

4. *Investments*

SPPF is required to present its investments with readily determinable fair values at fair value within the statements of financial position. Net unrealized and realized gains and losses are to be reported within the statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2025 and 2024

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. *Property and Equipment*

Property and equipment is stated at cost. The company capitalizes property and equipment acquisitions and improvements when the cost exceeds \$2,500. Depreciation is computed using the straight-line method over the anticipated useful lives of the assets.

| | |
|------------------------|------------|
| Vehicles | 5 years |
| Leasehold improvements | 3-10 years |
| Website | 5 years |
| Equipment | 5 years |

Expenditures for maintenance and repairs which do not extend the life of the applicable asset are charged to expense as incurred.

If donors stipulate how long the assets must be used or restrict the use of such assets for a specific purpose, the contributions are recorded as restricted support. In the absence of such stipulations, gifts of property are recorded as unrestricted support.

6. *Fair Value Measurement*

SPPF estimates the fair value of financial securities using available market information and other generally accepted valuation methodologies. The inputs used to measure fair value are classified into three levels:

Level 1: Inputs consist of unadjusted quoted prices in active markets for identical assets.

Level 2: Inputs consist of observable inputs other than quoted prices in active markets for identical assets (Level 1) but are corroborated by market data.

Level 3: Inputs are unobservable with little or no market data.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2025 and 2024

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. *Fair Value Measurement (Continued)*

Following is a description of the valuation methodology used for the investments, which are measured at fair value. There have been no changes in the methodologies from 2024 to 2025:

Corporate Stock and Exchange Traded Funds: Valued at the daily closing price reported on the active market on which the stocks and funds are traded. Classified as Level 1.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by SPPF are open-end mutual funds that are registered with the Securities and Exchange Commission. This fund is required to publish their daily price and to transact at that price. Classified as Level 1.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while SPPF believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

7. *Functional Allocation of Expenses*

The cost of providing the various programs and other activities have been reported in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted based on employee time spent on each specific function or benefit each function received from the applicable expenses.

8. *Income Taxes*

SPPF is a nonprofit organization as defined in Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

SPPFs' evaluation on December 31, 2025 and 2024, revealed no uncertain tax positions that would have a material impact on the financial statements. SPPF does not believe that any reasonably possible changes in tax positions will occur within the next twelve months that will have a material impact on the financial statements.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2025 and 2024

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. *Use of Management's 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

10. *Leases*

SPPF determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. SPPF determines these identified assets are leased because SPPF has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because SPPF determines it does not have the right to control and direct the use of the identified asset.

SPPF recognizes right-of-use ("ROU") assets and lease liabilities at the inception of a contract that is or contains a lease. ROU assets and lease liabilities are recognized at the present value of future payments over the lease term as defined in the agreement. If the rate implicit in the lease is not readily determinable, SPPF has elected to adopt the practical expedient to use the risk-free rate to discount future lease payments. Lease term is defined as the non-cancellable period of the lease plus any options to extend the lease when it is reasonably certain that SPPF will exercise the option. Lease expense on such leases is recognized on a straight-line basis over the term of the lease.

SPPF has elected not to record ROU assets and lease liabilities with an initial term of 12 months or less. During the years ended December 31, 2025 and 2024, all lease agreements had an initial term of 12 months or less.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2025 and 2024

NOTE D - FINANCIAL ASSETS AND LIQUIDITY

The following table reflects SPPFs' financial assets as of December 31, 2025 and 2024 available for general expenditures within one year:

| | <u>2025</u> | <u>2024</u> |
|--|-------------------|-------------------|
| Financial Assets | | |
| Cash and cash equivalents | \$ 727,713 | \$ 575,643 |
| Investments | 35,554 | 29,044 |
| Grants receivable | <u>642,614</u> | <u>413,063</u> |
| | \$ 1,405,881 | \$ 1,017,750 |
| Less those not available for general expenditures within one year: | | |
| Assets restricted by donors with purpose restrictions | <u>809,655</u> | <u>576,877</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 596,226</u> | <u>\$ 440,873</u> |

As part of SPPFs' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. SPPF also continues to receive revenues to provide financial assets to pay its expenditures.

NOTE E – INVESTMENTS

The fair value of SPPFs investments as of December 31, 2025 and 2024, presented by hierarchy level, are as follows:

| | <u>December 31, 2025</u> | | | |
|---------------------------------|--------------------------|----------------|----------------|------------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Mutual fund - Money market fund | \$ 1,230 | \$ - | \$ - | \$ 1,230 |
| Corporate stock | 26,550 | - | - | 26,550 |
| Exchange traded fund - equity | <u>7,774</u> | - | - | <u>7,774</u> |
| | <u>\$ 35,554</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 35,554</u> |
| | <u>December 31, 2024</u> | | | |
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Mutual fund - Money market fund | \$ 864 | \$ - | \$ - | \$ 864 |
| Corporate stock | 21,902 | - | - | 21,902 |
| Exchange traded fund - equity | <u>6,278</u> | - | - | <u>6,278</u> |
| | <u>\$ 29,044</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 29,044</u> |

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2025 and 2024

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|--------------------------------|-------------------|-------------------|
| Leasehold improvements | \$ 199,860 | \$ 199,860 |
| Vehicles | 627,280 | 434,407 |
| Website | 30,500 | 30,500 |
| Equipment | <u>16,304</u> | <u>4,751</u> |
| | 873,944 | 669,518 |
| Less: Accumulated depreciation | <u>(386,845)</u> | <u>(256,442)</u> |
| | <u>\$ 487,099</u> | <u>\$ 413,076</u> |

Depreciation expense was \$130,402 and \$109,245 for the years ended December 31, 2025 and December 31, 2024, respectively.

If the Organization does not renew options to maintain their occupied space the remaining net book value of leasehold improvements will be written off upon vacating the space. Net book value of leasehold improvements at December 31, 2025 and 2024 totaled \$120,936 and \$147,461, respectively.

NOTE G - CONCENTRATIONS

JWB provided 38% and 50% of the Organization's public support and other revenues, excluding those derived from in-kind goods and services, during the year ended December 31, 2025 and 2024, respectively.

NOTE H – LINE-OF-CREDIT

SPPF has a revolving line-of credit with Valley National Bank, which allows for borrowings up to \$100,000 as of December 31, 2025. Amounts borrowed under the line-of credit are payable on demand. The debt is secured by all business assets owned by SPPF. The line-of-credit bears interest at the Wall Street Journal Prime Rate plus 1.0%, which was 8.65% as of December 31, 2025. There was no balance on this line-of-credit at December 31, 2025 and 2024.

NOTE I – RETIREMENT PLAN

SPPF has adopted the Paychex Pooled Employer 401(k) Plan (the "Plan") on April 26, 2023. The Plan covers all SPPF employees, who meet certain eligibility requirements. Under the Plan, eligible employees may elect to defer a portion of their compensation and contribute it to their individual retirement account. SPPF contributes a fixed matching contribution equal to 100 percent of the employee's contributions up to 2 percent of eligible compensation. Retirement plan expense for the year ended December 31, 2025 and 2024 was \$23,166 and \$14,144, respectively.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2025 and 2024

NOTE J – CONTRIBUTED GOODS AND SERVICES

The Organization received goods and services recognized as in-kind support for the years ended December 31, 2025 and 2024, as follows:

| | 2025 | | | |
|--------------------|-------------------|------------------------|------------------|-------------------|
| | Program | General Administration | Fundraising | Total |
| Pro bono CEO | \$ 48,000 | \$ 24,000 | \$ 48,000 | \$ 120,000 |
| Pro bono CIO | - | 20,000 | - | 20,000 |
| IT service | - | 933 | - | 933 |
| Software | 14,245 | 2,944 | - | 17,189 |
| Nonperishable food | 66,506 | - | - | 66,506 |
| Miscellaneous | - | 2,392 | - | 2,392 |
| Rent | 192,863 | - | - | 192,863 |
| Total | <u>\$ 321,614</u> | <u>\$ 50,269</u> | <u>\$ 48,000</u> | <u>\$ 419,883</u> |

| | 2024 | | | |
|--------------------|-------------------|------------------------|------------------|-------------------|
| | Program | General Administration | Fundraising | Total |
| Pro bono CEO | \$ 48,000 | \$ 24,000 | \$ 48,000 | \$ 120,000 |
| Pro bono CIO | - | 20,000 | - | 20,000 |
| IT service | - | 612 | - | 612 |
| Software | 19,633 | 3,024 | - | 22,657 |
| Nonperishable food | 13,725 | - | - | 13,725 |
| Miscellaneous | 630 | 1,718 | - | 2,348 |
| Rent | 105,675 | - | - | 105,675 |
| Total | <u>\$ 187,663</u> | <u>\$ 49,354</u> | <u>\$ 48,000</u> | <u>\$ 285,017</u> |

All donated services and assets were utilized by SPPFs' programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets. Donated professional services are valued at the standard hourly rates and annual salaries charged for those services. Donated food and software are valued at the estimated wholesale prices that would be received for selling similar products in the United States.

NOTE K – COMMITMENTS AND CONTINGENCIES

SPPF rents classroom space under an agreement with Pinellas County Schools. During 2025, the agreement was extended through September 2030. Under the agreement, SPPF pays annual rent in the amount of \$1 to Pinellas County Schools. SPPF has determined the agreement does not contain a lease as it does not convey the right to control the use of identified property. Additionally, SPPF or Pinellas County Schools may terminate the agreement upon nine-months' written notice. SPPF has recognized the difference in fair market value rent and actual rent within in-kind support for the years ended December 31, 2025 and 2024.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2025 and 2024

NOTE L – NET ASSETS

Net assets with donor restrictions consist of funds restricted by donors and grantors. Restricted amounts are subject to the passage of time and the purpose of The Shirley Proctor Puller Foundation, Inc. delivering on its mission to advance reading, math, and science literacy for children in the "at-risk" communities of St. Petersburg, Florida through its M.A.S.T.R KIDS and High School M.A.S.T.R. Plan programs. The following schedule summarizes the source of the balance of net assets with donor restrictions as of December 31, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|-----------------------------------|---------------------|-------------------|
| City of St. Pete | \$ - | \$ 24,515 |
| Foundation for Healthy St. Pete | 42,974 | 12,222 |
| New York Life Aim High | - | 13,030 |
| White Family Foundation | - | 4,050 |
| Parallel Foundation | 493,213 | 728,060 |
| Community Foundation of Tampa Bay | 47,468 | 50,000 |
| Jacarlene Foundation | 500,000 | - |
| St. Petersburg Bar Foundation | 1,000 | - |
| Pinellas Community Foundation | - | 20,000 |
| | <u>\$ 1,084,655</u> | <u>\$ 851,877</u> |

NOTE M - SUBSEQUENT EVENTS

SPPF has evaluated subsequent events through the date of the independent auditors' report, which is the date the financial statements were available to be issued. SPPF has determined that it does not have the right to control and direct the underlying assets