American Promise Education Fund, Inc.

Financial Statements
and Independent Auditor's Report

December 31, 2025 and 2024

American Promise Education Fund, Inc.

Financial Statements
December 31, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
American Promise Education Fund, Inc.

Opinion

We have audited the accompanying financial statements of American Promise Education Fund, Inc. ("APEF"), which comprise the statement of financial position as of December 31, 2025; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of APEF and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of APEF as of December 31, 2024, were audited by other auditors whose report, dated June 30, 2025, expressed an unmodified opinion on those statements.

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.

Responsibilities of Management for the Financial Statements (continued)

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 APEF's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the 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 APEF'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 APEF's ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

Rogers + Company PLLC

McLean, Virginia
June 29, 2026

American Promise Education Fund, Inc.

Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 2,230,955	$ 620,743
Investments	925,724	524,527
Contributions and grants receivable, net	931,426	1,081,875
Prepaid expenses	12,197	3,098
Total assets	$ 4,100,302	$ 2,230,243
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 60,661	$ 68,133
Due to affiliate	311,976	941,708
Total liabilities	372,637	1,009,841
Net Assets		
Without donor restrictions	2,739,235	103,324
With donor restrictions	988,430	1,117,078
Total net assets	3,727,665	1,220,402
Total liabilities and net assets	$ 4,100,302	$ 2,230,243

See accompanying notes.

American Promise Education Fund, Inc.

Statement of Activities
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions and grants	$ 5,359,826	$ 1,010,279	$ 6,370,105
In-kind contributions	277,214	-	277,214
Investment return	18,311	-	18,311
Released from restrictions	1,138,927	(1,138,927)	-
Total revenue and support	6,794,278	(128,648)	6,665,630
Expenses			
Program services	2,876,259	-	2,876,259
Supporting services:			
Management and general	647,477	-	647,477
Fundraising	634,631	-	634,631
Total supporting services	1,282,108	-	1,282,108
Total expenses	4,158,367	-	4,158,367
Change in Net Assets	2,635,911	(128,648)	2,507,263
Net Assets, beginning of year	103,324	1,117,078	1,220,402
Net Assets, end of year	$ 2,739,235	$ 988,430	$ 3,727,665

American Promise Education Fund, Inc.

Statement of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions and grants	$ 2,747,013	$ 1,169,504	$ 3,916,517
In-kind contributions	140,560	-	140,560
Investment return	9,841	-	9,841
Released from restrictions	457,670	(457,670)	-
Total revenue and support	3,355,084	711,834	4,066,918
Expenses			
Program services	2,532,026	-	2,532,026
Supporting services:			
Management and general	1,074,589	-	1,074,589
Fundraising	542,059	-	542,059
Total supporting services	1,616,648	-	1,616,648
Total expenses	4,148,674	-	4,148,674
Change in Net Assets	(793,590)	711,834	(81,756)
Net Assets, beginning of year	896,914	405,244	1,302,158
Net Assets, end of year	$ 103,324	$ 1,117,078	$ 1,220,402

American Promise Education Fund, Inc.

Statement of Functional Expenses
For the Year Ended December 31, 2025

		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	Total
Personnel expenses	$ 2,053,067	$ 468,159	$ 363,968	$ 832,127	$ 2,885,194
Operational expenses	128,696	41,161	33,817	74,978	203,674
Professional services	840	90,323	80,258	170,581	171,421
Communications and marketing	318,708	1,905	19,250	21,155	339,863
Annual conference, events, and activities	119,680	4,457	50,456	54,913	174,593
Travel expenses	58,672	7,324	40,412	47,736	106,408
In-kind expenses	196,596	34,148	46,470	80,618	277,214
Total Expenses	$ 2,876,259	$ 647,477	$ 634,631	$ 1,282,108	$ 4,158,367

American Promise Education Fund, Inc.

Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total Supporting Services	Total
Personnel expenses	$ 1,514,128	$ 802,952	$ 339,062	$ 1,142,014	$ 2,656,142
Operational expenses	166,368	84,765	50,222	134,987	301,355
Professional services	51,960	137,100	55,329	192,429	244,389
Communications and marketing	316,123	14,769	10,290	25,059	341,182
Annual conference, events, and activities	288,379	1,721	51,751	53,472	341,851
Travel expenses	81,881	8,677	22,638	31,315	113,196
In-kind expenses	113,187	14,605	12,767	27,372	140,559
Bad debt	-	10,000	-	10,000	10,000
Total Expenses	$ 2,532,026	$ 1,074,589	$ 542,059	$ 1,616,648	$ 4,148,674

See accompanying notes.

American Promise Education Fund, Inc.

Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	$ 2,507,263	$ (81,756)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized loss on investments	2,724	1,121
Change in present value discount on receivables	(10,079)	17,996
Change in operating assets and liabilities:		
(Increase) decrease in:		
Contributions and grants receivable	160,528	(824,870)
Prepaid expenses	(9,099)	1,463
(Decrease) increase in:		
Accounts payable and accrued expenses	(7,472)	12,307
Due to affiliate	(629,732)	516,402
Net cash provided by (used in) operating activities	2,014,133	(357,337)
Cash Flows from Investing Activities		
Purchases of investments	(1,134,082)	(1,229,714)
Proceeds from the sale of investments	730,161	904,675
Net cash used in investing activities	(403,921)	(325,039)
Net Increase (Decrease) in Cash and Cash Equivalents	1,610,212	(682,376)
Cash and Cash Equivalents, beginning of year	620,743	1,303,119
Cash and Cash Equivalents, end of year	$ 2,230,955	$ 620,743

See accompanying notes.

1. Nature of Operations

American Promise Education Fund, Inc. ("APEF") works with Americans to play an active role in our system of self-government, educating citizens on the influence of big money, foreign money, super PACs, corporations and unions in our elections; the historic role that citizen-advocates have played in amending the Constitution; and the ways in which the For Our Freedom Amendment can secure the rights of individual citizens and the interests of our nation. APEF equips grassroots leaders with the skills required to build durable coalitions, communicate effectively, and fully engage in our system of self-government.

APEF provides civic education across three main programmatic areas:

Local and National Convenings

Each year, APEF hosts a series of convenings featuring leaders from various disciplines ranging from constitutional scholarship to business. These events help APEF reach new audiences, communicate the broad implications of the issue, and enlist new allies in the fight for constitutional reform. Together, APEF share insights on the crisis of money in politics, receive training to become stronger citizen-advocates, and brainstorm new ways to work together in support of the For Our Freedom Amendment.

Citizen Empowerment

APEF programming brings together citizens of all backgrounds to learn about the principles of self-government, the influence of money in politics, and the historic role of citizen-led constitutional amendments in the United States. APEF's programming provides training, resources, and convenings for citizen leaders to engage at the local level, publish op-eds and letters to the editor, and maximize the impact of their civic engagement efforts. With ongoing support from staff, volunteers connect with and educate their communities and peers about the issues and the proposed amendment.

Partnerships

APEF works across the political spectrum as well as with individuals, organizations, and entities that help to move APEF's constitutional solution forward. Partnerships is a key way that APEF build awareness as well as support with various constituencies.

1. Nature of Operations (continued)

Research & Communications

APEF continues to scale its media and visibility footprint, focused on communicating the influence of big and dark money, as well as the efficacy and feasibility of a constitutional amendment. These efforts are underpinned by rigorous research, which includes gold-standard opinion polling, issue briefings, and white papers.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

APEF's financial statements and footnotes are prepared in accordance with generally accepted accounting principles in the United States of America (GAAP). Net assets are reported based on the presence or absence of donor-imposed restrictions as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. APEF reports contributions and grants restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions and grants are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Cash Equivalents

APEF considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase. Excluded from this definition of cash equivalents are amounts held for investments.

2. Summary of Significant Accounting Policies (continued)

Investments

Investments are recorded at fair value based on quoted market prices. Realized and unrealized gains and losses are reported in investment return in the accompanying statements of activities. Money market and short-term investment funds, held as a portion of APEF's investment portfolio, are not considered to be cash equivalents for purposes of cash flows.

Contributions and Grants Receivable

Contributions and grants receivable represent unconditional amounts committed to APEF and are reflected at either net realizable value, or at net present value based on projected cash flows. Contributions and grants receivable due in more than one year are discounted to present value based on management's estimate of the risk-adjusted rate of return which was 3.35% and 3.98% at December 31, 2025 and 2024, respectively. Management determines the allowance for doubtful accounts based upon review of outstanding receivables, historical collection information, and existing economic conditions. No allowance for doubtful accounts has been established at both December 31, 2025 and 2024, as all amounts are deemed fully collectible.

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

APEF recognizes contributions and grants 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.

Conditional contributions and grants include donor-imposed conditions that represent barriers that must be overcome before APEF is entitled to the transferred or promised assets. Failure to overcome the barrier gives the donor a right of return of the assets transferred or gives the promisor a right of release from its obligation. Conditional contributions and grants are recognized as revenue, either with or without donor restrictions, when the donor-imposed conditions are substantially met and the barriers are overcome. Donor restrictions are satisfied when qualifying expenditures are incurred for donor-specified purposes.

2. Summary of Significant Accounting Policies (continued)

In-Kind Contributions

The value of contributions that enhance a nonfinancial asset, which are considered specialized and can be estimated, and would have been purchased if not donated, are reflected in the accompanying statements of activities as in-kind contributions. In-kind contributions are recognized as revenue and expense in the accompanying statements of activities at their estimated fair value, as provided by the donor, at the date of receipt, or calculated fair value of use of property in the period the property is used.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

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

Reclassifications

Certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 presentation. These reclassifications have no effect on the change in net assets previously reported.

Subsequent Events

In preparing these financial statements, APEF has evaluated events and transactions for potential recognition or disclosure through June 29, 2026, the date the financial statements were available to be issued.

3. Liquidity and Availability

APEF regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, APEF considers all expenditures related to its ongoing activities as described in Note 1, as well as the conduct of services undertaken to support those activities to be general expenditures. As part of APEF's liquidity management, the Board of Directors has a policy to structure the financial assets to be available as its general expenditures, liabilities, and other obligations come due. APEF also has a policy to maintain at minimum a three-month cash supply on hand at all times.

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

	2025	2024
Cash and cash equivalents	$ 2,230,955	$ 620,743
Investments	925,724	524,527
Contributions and grants receivable, net	931,426	1,081,875
Total financial assets	4,088,105	2,227,145
Less: net assets with donor restrictions	(988,430)	(1,117,078)
Total available for general expenditures	$ 3,099,675	$ 1,110,067

4. Concentrations of Risk

Credit Risk

Financial instruments that potentially subject APEF to significant concentrations of credit risk consist of cash and cash equivalents, and investments. APEF maintains cash and cash equivalents, along with investments, with various financial institutions and these values, from time to time, may exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). APEF has not experienced any credit losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

4. Concentrations of Risk (continued)

Revenue Risk

For the years ended December 31, 2025 and 2024, 26% and 37% of APEF's contributions and grants revenue was generated from two and three grantors and donors, respectively. Any significant reduction in revenue and support may impact APEF's financial position and operations.

5. Investments and Fair Value Measurements

APEF follows Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements and Disclosures,* for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. APEF recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

In general, and where applicable, APEF uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

The following table presents APEF's fair value hierarchy for those assets measured on a recurring basis at December 31, 2025:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 925,636	$ -	$ -	$ 925,636
Cash equivalents	88	-	-	88
Total investments	$ 925,724	$ -	$ -	$ 925,724

5. Investments and Fair Value Measurements (continued)

The following table presents APEF's fair value hierarchy for those assets measured on a recurring basis at December 31, 2024:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 523,672	$ -	$ -	$ 523,672
Cash equivalents	855	-	-	855
Total investments	$ 524,527	$ -	$ -	$ 524,527

Investment return consists of the following for the years ended December 31:

	2025	2024
Interest and dividends	$ 21,035	$ 10,962
Realized and unrealized loss	(2,724)	(1,121)
Total investment return	$ 18,311	$ 9,841

APEF's investment portfolio is not actively managed, rather it is self-directed; therefore, APEF did not incur any investment fees for the years ended December 31, 2025 and 2024.

6. Contributions and Grants Receivable

Contributions and grants receivable consists of the following at December 31:

	2025	2024
Due in less than one year	$ 644,130	$ 789,658
Due in one to five years	300,000	315,000
Total contributions and grants receivable	944,130	1,104,658
Less: present value discount on multi-year receivables	(12,704)	(22,783)
Contributions and grants receivable, net	$ 931,426	$ 1,081,875

7. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at December 31:

	2025	2024
Purpose restricted:		
Program activities – Texas	$ 31,290	$ 35,204
Time restricted	957,140	1,081,874
Total net assets with donor restrictions	$ 988,430	$ 1,117,078

8. Related Party Transactions

Cost-Sharing Agreement

APEF is affiliated with American Promise, Inc. ("API"), a tax-exempt organization under Section 501(c)(4) of the Internal Revenue Code (IRC), and maintains a cost-sharing agreement with API. While the organizations are closely connected, APEF and API operate independently. Because neither organization has a controlling financial interest in the other, consolidated financial statements are not presented.

Pursuant to the cost-sharing agreement, office space, staff, consultants, information technology, and certain other expenditures are shared. In addition, APEF and API co-host events and conferences. APEF pays its proportionate share of office lease costs, personnel costs, and certain other shared expenses as such costs are incurred. Compensation costs for personnel providing services that benefit both entities are initially paid by API. A portion of these shared costs is charged to APEF monthly based on management's analysis of specific tasks performed, scope of services provided, and other reasonable allocation methodologies.

For the years ended December 31, 2025 and 2024, APEF reimbursed API $4,516,699 and $3,738,887, respectively, for its proportionate share of event and conference costs, personnel costs, consultants, occupancy, and operating expenses. Of these amounts, unpaid balances of $311,976 and $941,708 at December 31, 2025 and 2024, respectively, are included as due to affiliate in the accompanying statements of financial position.

8. Related Party Transactions (continued)

Contributions and Donated Services from the Board of Directors

APEF receives contributions from members of its Board of Directors and their family members, which totaled $702,822 and $755,649 for the years ended December 31, 2025 and 2024, respectively. These contributions are recorded in contributions and grants revenue in the accompanying statements of activities for the years then ended.

APEF's Co-Founder provides CEO services on a pro bono basis, which was recognized as in-kind contributions at $254,486 and $131,185, based on 73% and 82% of a salaried position for the years ended December 31, 2025 and 2024, respectively.

9. In-Kind Contributions

In-kind contributions that benefit both program and supporting services consist of the following for the years ended December 31:

	2025	2024
Donated personnel expenses	$ 254,486	$ 131,185
Donated IT services	22,081	9,375
Donated advertising services	647	-
Total in-kind contributions	$ 277,214	$ 140,560

10. Allocation of Expenses from Management and General Activities

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel expenses, operational expenses, and certain professional services, which are allocated on the basis of estimates of time and effort.

11. Income Taxes

APEF is exempt from the payment of income taxes on its exempt activities under IRC Section 501(c)(3). No provision for income taxes has been made, as there were no unrelated business activities for the years ended December 31, 2025 and 2024. Management has evaluated APEF's tax positions and concluded that no uncertain tax positions qualify for either recognition or disclosure in the financial statements.