American Promise, Inc.

Financial Statements
and Independent Auditor's Report

December 31, 2025 and 2024

American Promise, Inc.

Financial Statements
December 31, 2025 and 2024

Contents

ROGERS & COMPANY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
American Promise, Inc.

Opinion

We have audited the accompanying financial statements of American Promise, Inc. ("API"), 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 API 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 API 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 API 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 API'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 API'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 API'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, Inc.

Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 452,369	$ 483,262
Investments	1,307,130	1,996,874
Contributions and grants receivable, net	278,774	371,898
Due from affiliate	311,976	941,708
Prepaid expenses	10,480	3,013
Total assets	$ 2,360,729	$ 3,796,755
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 137,333	$ 164,230
Total liabilities	137,333	164,230
Net Assets		
Without donor restrictions	1,951,179	3,260,628
With donor restrictions	272,217	371,897
Total net assets	2,223,396	3,632,525
Total liabilities and net assets	$ 2,360,729	$ 3,796,755

See accompanying notes.

American Promise, Inc.

Statement of Activities
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions and grants	$ 2,318,446	$ 166,148	$ 2,484,594
In-kind contributions	95,653	-	95,653
Investment return	46,727	-	46,727
Other income	184	-	184
Released from restrictions	265,828	(265,828)	-
Total revenue and support	2,726,838	(99,680)	2,627,158
Expenses			
Program services	2,939,521	-	2,939,521
Supporting services:			
Management and general	522,757	-	522,757
Fundraising	574,009	-	574,009
Total supporting services	1,096,766	-	1,096,766
Total expenses	4,036,287	-	4,036,287
Change in Net Assets	(1,309,449)	(99,680)	(1,409,129)
Net Assets, beginning of year	3,260,628	371,897	3,632,525
Net Assets, end of year	$ 1,951,179	$ 272,217	$ 2,223,396

American Promise, Inc.

Statement of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions and grants	$ 3,135,945	$ 202,161	$ 3,338,106
In-kind contributions	28,317	-	28,317
Investment return	88,590	-	88,590
Other income	4,226	-	4,226
Released from restrictions	1,191,744	(1,191,744)	-
Total revenue and support	4,448,822	(989,583)	3,459,239
Expenses			
Program services	2,103,349	-	2,103,349
Supporting services:			
Management and general	674,558	-	674,558
Fundraising	413,509	-	413,509
Total supporting services	1,088,067	-	1,088,067
Total expenses	3,191,416	-	3,191,416
Change in Net Assets	1,257,406	(989,583)	267,823
Net Assets, beginning of year	2,003,222	1,361,480	3,364,702
Net Assets, end of year	$ 3,260,628	$ 371,897	$ 3,632,525

See accompanying notes.

American Promise, Inc.

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

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total Supporting Services	Total
Personnel expenses	$ 813,588	$ 310,858	$ 331,547	$ 642,405	$ 1,455,993
Operational expenses	63,870	32,336	37,225	69,561	133,431
Professional services	14,221	75,317	95,248	170,565	184,786
Communications and marketing	568,216	2,736	4,503	7,239	575,455
Lobbying	1,346,235	623	-	623	1,346,858
Annual conference, events, and activities	48,218	1,955	43,915	45,870	94,088
Travel expenses	56,684	892	22,446	23,338	80,022
In-kind expenses	28,489	28,040	39,125	67,165	95,654
Bad debt	-	70,000	-	70,000	70,000
Total Expenses	$ 2,939,521	$ 522,757	$ 574,009	$ 1,096,766	$ 4,036,287

American Promise, Inc.

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

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
Personnel expenses	$ 649,918	$ 441,312	$ 217,867	$ 659,179	$ 1,309,097
Operational expenses	59,879	77,243	37,613	114,856	174,735
Professional services	58,550	113,124	57,531	170,655	229,205
Communications and marketing	512,551	15,275	17,617	32,892	545,443
Lobbying	605,810	-	-	-	605,810
Annual conference, events, and activities	169,212	-	53,134	53,134	222,346
Travel expenses	37,190	4,867	21,406	26,273	63,463
In-kind expenses	10,239	9,737	8,341	18,078	28,317
Bad debt	-	13,000	-	13,000	13,000
Total Expenses	$ 2,103,349	$ 674,558	$ 413,509	$ 1,088,067	$ 3,191,416

See accompanying notes.

American Promise, 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	$ (1,409,129)	$ 267,823
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Net realized and unrealized loss (gain) on investments	18,892	(10,563)
Change in present value discount on receivables	(13,079)	(7,162)
Change in operating assets and liabilities:		
(Increase) decrease in:		
Contributions and grants receivable	106,203	953,668
Due from affiliate	629,732	(516,402)
Prepaid expenses	(7,467)	12,320
(Decrease) increase in:		
Accounts payable and accrued expenses	(26,897)	31,418
Net cash (used in) provided by operating activities	(701,745)	731,102
Cash Flows from Investing Activities		
Purchases of investments	(1,173,785)	(8,895,752)
Proceeds from the sale of investments	1,844,637	8,189,377
Net cash provided by (used in) investing activities	670,852	(706,375)
Net (Decrease) Increase in Cash and Cash Equivalents	(30,893)	24,727
Cash and Cash Equivalents, beginning of year	483,262	458,535
Cash and Cash Equivalents, end of year	$ 452,369	$ 483,262

See accompanying notes.

American Promise, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

1. Nature of Operations

American Promise, Inc. ("API") mobilizes citizens and elected representatives in support of the For Our Freedom Amendment, a constitutional reform that would permit federal and state policy makers to decide whether and how to set reasonable limits on political spending. API leads the non-partisan, national effort to restore power to ordinary citizens to address the influence of corporations, unions, super PACs, and foreign entities in American elections. API has built a devoted community of volunteers, claimed victory in nearly half of all statehouses, and sent a clear message to our country's leaders: Americans are ready to end the corruption, move past the dysfunction, and put power back in the hands of the people.

API focuses its advocacy and organizing programs in the following three areas:

Grassroots Advocacy

API's citizen empowerment programming focuses on building distributed networks of grassroots advocates to advance the For Our Freedom Amendment in state and federal legislatures.

State Initiatives

API provides legal expertise, organizing strategy and execution, and direct lobbying support for statewide campaigns and legislative efforts in support of a constitutional amendment. As of 2025, 23 states have passed resolutions calling on Congress to move forward with an amendment to address this issue.

Congressional Initiatives

API works with Democrats, Republicans, and Independent members of Congress to expand cross-partisan support for the For Our Freedom Amendment.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

API'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. API 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

API 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.

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 API's investment portfolio, are not considered to be cash equivalents for purposes of cash flows.

2. Summary of Significant Accounting Policies (continued)

Contributions and Grants Receivable

Contributions and grants receivable represent unconditional amounts committed to API 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

API 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 API 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.

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.

2. Summary of Significant Accounting Policies (continued)

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, API 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

API 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, API 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 API'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. API also has a policy to maintain at minimum a three-month cash supply on hand at all times.

3. Liquidity and Availability (continued)

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	$ 452,369	$ 483,262
Investments	1,307,130	1,996,874
Contributions and grants receivable, net	278,774	371,898
Due from affiliate	311,976	941,708
Total financial assets	2,350,249	3,793,742
Less: net assets with donor restrictions	(272,217)	(371,897)
Total available for general expenditures	$ 2,078,032	$ 3,421,845

4. Concentrations of Risk

Credit Risk

Financial instruments that potentially subject API to significant concentrations of credit risk consist of cash and cash equivalents, and investments. API 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). API 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.

Revenue Risk

For the years ended December 31, 2025 and 2024, 45% and 72% of API’s contributions and grants revenue was generated from two grantors and donors, respectively. Any significant reduction in revenue and support may impact API’s financial position and operations.

5. Investments and Fair Value Measurements

API follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 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. API recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

In general, and where applicable, API 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 API'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	$ 1,196,954	$ -	$ -	$ 1,196,954
Cash equivalents	110,176	-	-	110,176
Total investments	$ 1,307,130	$ -	$ -	$ 1,307,130

The following table presents API'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	$ 1,996,562	$ -	$ -	$ 1,996,562
Cash equivalents	312	-	-	312
Total investments	$ 1,996,874	$ -	$ -	$ 1,996,874

5. Investments and Fair Value Measurements (continued)

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

	2025	2024
Interest and dividends	$ 65,619	$ 78,027
Realized and unrealized (loss) gain	(18,892)	10,563
Total investment return	$ 46,727	$ 88,590

API's investment portfolio is not actively managed, rather it is self-directed; therefore, API 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	$ 146,261	$ 157,464
Due in one to five years	140,000	235,000
Total contributions and grants receivable	286,261	392,464
Less: present value discount on multi-year receivables	(7,487)	(20,566)
Contributions and grants receivable, net	$ 278,774	$ 371,898

7. Net Assets With Donor Restrictions

Net assets with donor restrictions consist entirely of amounts restricted by donors for future periods and totaled $272,217 and $371,897 at December 31, 2025 and 2024, respectively.

8. Commitments and Contingencies

Office Lease Agreement

API maintains a lease agreement to occupy office space with American Promise Education Fund, Inc. ("APEF") in Concord, Massachusetts, which includes office space, shared electronic equipment, and certain other office services. Effective October 1, 2024, API entered into a lease agreement for three office spaces and storage for monthly payments of $5,860. The agreement automatically renews for successive six-month periods unless either party provides notice of termination.

API has elected the short-term lease exemption under FASB ASC Topic 842, *Leases.* Accordingly, leases with terms of 12 months or less are not recognized in the statements of financial position, and lease payments are recognized as lease expense on a straight-line basis over the lease term.

Total occupancy expense for the years ended December 31, 2025 and 2024 are presented net of amounts reimbursed by APEF and totaled $15,816 and $17,520, respectively.

9. Related Party Transactions

Cost-Sharing Agreement

API is affiliated with APEF, a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC), and maintains a cost-sharing agreement with APEF. While the organizations are closely connected, API and APEF operate independently. Because neither entity 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, API and APEF co-host events and conferences. API 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.

9. Related Party Transactions (continued)

Cost-Sharing Agreement (continued)

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 from affiliate in the accompanying statements of financial position.

Contributions and Donated Services from the Board of Directors

API receives contributions from members of its Board of Directors and their family members, which totaled $391,412 and $2,678,192 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.

API's Co-Founder also provides CEO services on a pro bono basis, which was recognized as in-kind contributions at $77,707 and $28,317, based on 27% and 18% of a salaried position for the years ended December 31, 2025 and 2024, respectively.

10. 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	$ 77,707	$ 28,317
Donated IT services	12,031	-
Donated legal services	5,562	-
Donated advertising services	353	-
Total in-kind contributions	$ 95,653	$ 28,317

11. Retirement Plan

During the year ended December 31, 2024, API adopted a qualified 401(k) retirement plan. The plan allows eligible employees of API to defer a percentage of their earnings from current taxation. In addition to any deferrals, API may make an additional match on a discretionary basis. For the years ended December 31, 2025 and 2024, API did not make any contributions to the plan.

12. 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.

13. Income Taxes

API is exempt from the payment of income taxes on its exempt activities under IRC Section 501(c)(4). 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 API's tax positions and concluded that no uncertain tax positions qualify for either recognition or disclosure in the financial statements.