PORTO CHARITIES, INC.

AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

DUNHAM, AUKAMP & RHODES, PLC
Certified Public Accountants
Chantilly, Virginia

PORTO CHARITIES, INC.

TABLE OF CONTENTS

Dunham, Aukamp & Rhodes, PLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Porto Charities, Inc.
Arlington, Virginia

Opinion

We have audited the accompanying financial statements of Porto Charities, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 Porto Charities, Inc. 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. 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 Porto Charities, Inc. 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Porto Charities, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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, forger, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 Porto Charities, Inc.'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 Porto Charities, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Dunbar, Bender & Zapf, PC

Certified Public Accountants
Chantilly, Virginia

July 28, 2026

PORTO CHARITIES, INC.

STATEMENTS OF FINANCIAL POSITION
For the Years Ended December 31,

ASSETS

	2025	2024
Current Assets		
Cash and cash equivalents	$ 546,353	$ 410,363
Investments	398,158	292,492
Contributions receivable	3,709	20,302
Prepaid expenses	44,933	46,219
Total Current Assets	993,153	769,376
Total Assets	$ 993,153	$ 769,376

LIABILITIES AND NET ASSETS

	2025	2024
Liabilities		
Accounts payable and accrued liabilities	$ 15,602	$ 15,182
Total Liabilities	15,602	15,182
Net Assets		
Without donor restrictions		
Undesignated	730,047	587,561
Board designated - Note 5	176,626	166,633
With donor restrictions	70,878	-
Total Net Assets	977,551	754,194
Total Liabilities and Net Assets	$ 993,153	$ 769,376

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

PORTO CHARITIES, INC.

STATEMENTS OF ACTIVITIES
For the Years Ended December 31,

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support						
Grants and contributions	$ 705,087	$ 70,878	$ 775,965	$ 746,846	$ -	$ 746,846
Special events, net of $42,963 and $45,132 expenses	43,692	-	43,692	36,239	-	36,239
Investment income	31,325	-	31,325	15,131	-	15,131
In-kind contributions	11,338	-	11,338	5,600	-	5,600
Total Revenues and Support	791,442	70,878	862,320	803,816	-	803,816
Expenses						
Program services	457,997	-	457,997	359,575	-	359,575
Management and general	102,389	-	102,389	90,006	-	90,006
Fundraising	78,577	-	78,577	58,397	-	58,397
Total Expenses	638,963	-	638,963	507,978	-	507,978
Change in Net Assets	152,479	70,878	223,357	295,838	-	295,838
Net Assets, Beginning of Year	754,194	-	754,194	458,356	-	458,356
Net Assets, End of Year	$ 906,673	$ 70,878	$ 977,551	$ 754,194	$ -	$ 754,194

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

PORTO CHARITIES, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31,

2025

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total Supporting Services	Total Expenses
Grants	$ 250,000	$ -	$ -	$ -	$ 250,000
Salaries and wages	59,136	44,352	44,352	88,704	147,840
Program events	106,667	13,334	13,334	26,668	133,335
Office expense	9,170	6,877	6,877	13,754	22,924
Legal and accounting	-	20,426	-	20,426	20,426
Payroll taxes and benefits	7,613	5,709	5,709	11,418	19,031
Information technology	6,578	1,097	3,290	4,387	10,965
Advertising	8,098	-	900	900	8,998
Scholarship	5,250	2,250	-	2,250	7,500
Sponsorship	2,865	2,150	2,150	4,300	7,165
Postage and printing	2,620	1,965	1,965	3,930	6,550
Insurance	-	4,229	-	4,229	4,229
Total Expenses	$ 457,997	$ 102,389	$ 78,577	$ 180,966	$ 638,963

2024

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total Supporting Services	Total Expenses
Grants	$ 206,000	$ -	$ -	$ -	$ 206,000
Program events	78,284	9,785	9,785	19,570	97,854
Salaries and wages	38,392	28,794	28,794	57,588	95,980
Payroll taxes and benefits	17,091	12,819	12,819	25,638	42,729
Legal and accounting	-	23,235	-	23,235	23,235
Advertising	9,917	-	1,102	1,102	11,019
Information technology	6,083	1,014	3,041	4,055	10,138
Consultants	-	10,000	-	10,000	10,000
Office expense	3,808	2,856	2,856	5,712	9,520
Insurance	-	1,452	-	1,452	1,452
Bank charges	-	51	-	51	51
Total Expenses	$ 359,575	$ 90,006	$ 58,397	$ 148,403	$ 507,978

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

PORTO CHARITIES, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	$ 223,357	$ 295,838
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Changes in assets and liabilities:		
Decrease in contributions receivable	16,593	34,364
Decrease (Increase) in prepaid expenses	1,286	(46,219)
Increase in accounts payable	420	6,104
Net cash provided by operating activities	241,656	290,087
Cash Flows from Investing Activities		
Purchases of investments	(105,666)	(181,283)
Net cash used in investing activities	(105,666)	(181,283)
Net change in cash and cash equivalents	135,990	108,804
Cash and Cash Equivalents		
Beginning of year	410,363	301,559
End of year	$ 546,353	$ 410,363

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

PORTO CHARITIES, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Organization and Summary of Significant Accounting Policies

Porto Charities, Inc. (the Organization) is a nonprofit entity that was incorporated on March 26, 2009, under the laws of the Commonwealth of Virginia. The Organization was organized to actively assist young people with intellectual and developmental disabilities within the Catholic Diocese of Arlington, Virginia.

The following is a summary of significant accounting policies followed in the preparation of these financial statements:

(a) Basis of Accounting – The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenue is recognized when earned and expense is recognized when the obligation is incurred.

(b) Financial Statement Presentation – The financial statement presentation follows the recommendations of Financial Accounting Standards Board (FASB) ASC 958, *Not-for-Profit Entities*. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Without Donor Restriction – represents resources, which have met applicable award restrictions, and/or resources generated by sources other than from the award.

With Donor Restrictions – represents resources recognized as restricted support until such a time when all associated restrictions have been met or contains a stipulation that permanently restricted the use of such funds but allows earnings from the funds to be used in a certain manner prescribed by the donor. As of December 31, 2025 and 2024, the Organization had $70,878 and $0, respectively, of net assets with donor restrictions.

(c) Support and Expenses – Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets in the year notification is received from the donor. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reported in the statement of activity as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as without donor restrictions support.

(d) Statements of Cash Flows – The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

(e) Investments – Investments are stated at their fair market values. Net investment income is recorded in net assets without donor restrictions.

(f) Contributions Receivable – Contributions receivable are presented at fair value. An allowance for credit losses is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the customer or donor. No allowance for credit losses was deemed necessary by management as all amounts are believed collectible.

PORTO CHARITIES, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 1 – Organization and Summary of Accounting Policies (Continued)

(g) Property and Equipment – Property and equipment in excess of $1,000 are capitalized and stated at cost. Depreciation expense is computed using the straight-line method over the estimated useful lives of the respective assets, generally three to five years. Expenditures for maintenance and repairs are charged against income as incurred; betterments that increase the value or materially extend the life of the related assets are capitalized.

(h) Income Taxes – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code on all income other than unrelated business income. Accordingly, no provision for income tax has been provided in the accompanying financial statements. The Organization has been determined not to be a private Organization as defined under Section 509(a).

(i) Uncertain Tax Positions – As of December 31, 2025, the Organization had no material uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The tax years subject to examination by the taxing authorities are the years ended December 31, 2022 through 2024.

(j) Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

(k) Concentrations of Credit and Market Risk – Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash and cash equivalents and investments. At times during the year, the Organization maintained cash balances at financial institutions in excess of Federal Depositary Insurance Corporation limits. Management has implemented policies that will minimize the Organization's risk to such limits. The Organization's investments do not represent significant concentrations of market risk in as much as the investment portfolio is adequately diversified amongst issuers.

(l) Advertising Costs – Advertising costs are expensed as incurred and totaled $8,998 and $11,019 for the years ended December 31, 2025 and 2024, respectively.

(m) Prior Year Reclassifications – Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the previously reported results of operations.

NOTE 2 – Functional Allocation of Expenses

The Organization's operating costs have been allocated between program services, management and general, and fundraising expenses based on direct identification when possible, and allocation if a single expenditure benefits more than one program or function. Expenditures that require allocation are allocated on a personnel-cost basis.

NOTE 3 – Investments

In accordance with FASB ASC 820, Fair Value Management, the Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the organization has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

- *Treasury Bills and Fixed Income Securities* - Valued at the net asset value of shares held by the Organization at year end based on the quoted market prices of the underlying assets.

PORTO CHARITIES, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 3 – Investments (Continued)

Investments in mutual funds and marketable securities are stated at their market values (level 1 inputs). Investments as of December 31, 2025 and 2024 consisted of the following:

2025	Level 1	Level 2	Level 3	Total
U.S. Treasury bills	$398,158	$ -	$ -	$398,158
Total	$398,158	$ -	$ -	$398,158

2024	Level 1	Level 2	Level 3	Total
U.S. Treasury bills	$292,492	$ -	$ -	$292,492
Total	$292,492	$ -	$ -	$292,492

Investment income for the years ended December 31, 2025 and 2024 was as follows:

	2025	2024
Interest and dividends	$31,325	$15,131
Total	$31,325	$15,131

NOTE 4 – Net Assets With Donor Restrictions

Net assets with donor restrictions consist of contributions from donors who have stipulated time or purpose restrictions. Assets are released from restriction and reclassified to net assets without donor restrictions as the Organization fulfills the donor stipulation or upon passage of time.

At December 31, 2025 and 2024, net assets with donor restrictions consisted of the following:

	2025	2024
Employment	$52,872	$ -
Scholarships	18,006	-
Total	$70,878	$ -

NOTE 5 – Board Designated Net Assets

Due to the absence of donor restrictions, the following net assets are included in net assets without donor restrictions but have been designated by the Organization's Board of Directors for future school grants program.

	2025	2024
Special Kids/Special Needs Campaign	$176,626	$166,633

PORTO CHARITIES, INC.

NOTES TO FINANCIAL STATEMENTS
(Concluded)

NOTE 6 – Liquidity and Availability of Financial Assets

The Organization has the following financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the Statement of Financial Position date. The contributions and accounts receivable are subject to implied time restrictions, but all amounts are expected to be collected within one year. The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments. The Organization has a goal to maintain financial assets on hand to meet 90 days of normal operating expenses, which are, on average, approximately $143,000. The Organization has the following financial assets that could readily be made available within one year of the statement of financial position date to fund expenses without limitations:

	2025	2024
Cash and cash equivalents	$546,353	$410,363
Investments	398,158	292,492
Contributions receivable	3,709	20,302
Total	$948,220	$723,157

NOTE 7 – Subsequent Events

The Organization has evaluated subsequent events through July 28, 2026, the date on which the financial statements were available to be issued.