LOWCOUNTRY FOUNDATION FOR WOUNDED MILITARY HEROES

16 Years Honoring Our Heroes

# FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2025

MULLINS P.C.
A CPA firm dedicated to serving nonprofits

**Independent Accountant's Review Report**

Board of Directors
Lowcountry Foundation for Wounded Military Heroes
Bluffton, South Carolina

We have reviewed the accompanying financial statements of Lowcountry Foundation for Wounded Military Heroes (the Foundation), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

***Management's Responsibility 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.

***Accountant's Responsibility***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

***Accountant's Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Mullins PC

Certified Public Accountants

Bethesda, Maryland
April 9, 2026

**7625 Wisconsin Avenue, Suite 317 | Bethesda, Maryland 20814**

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**Lowcountry Foundation for Wounded Military Heroes**

**Statement of Financial Position**
**December 31, 2025**

**Assets**

| | | |
|---|---|---|
| Cash and Cash Equivalents | $ | 161,307 |
| Contributions and Grants Receivable - Net | | 2,500 |
| **Total Assets** | $ | 163,807 |

**Liabilities and Net Assets**

| | | |
|---|---|---|
| **Liabilities** | $ | - |
| **Net Assets** | | |
| Without Donor Restrictions | | 133,457 |
| With Donor Restrictions | | 30,350 |
| **Total Net Assets** | | 163,807 |
| **Total Liabilities and Net Assets** | $ | 163,807 |

***See Accompanying Notes to Financial Statements***

***See Independent Accountant's Review Report***

**Lowcountry Foundation for Wounded Military Heroes**

**Statement of Activities**
**For The Year Ended December 31, 2025**

| | Without Donor Restrictions | With Donor Restrictions | **Total** |
|---|---|---|---|
| **Support and Revenues** | | | |
| Contributions and Grants | $ 64,049 | $ 80,350 | **$ 144,399** |
| Sponsorships | 166,890 | 92,520 | **259,410** |
| Special Event Revenue - Net of Direct Benefit to Donors of $101,811 | 44,395 | - | **44,395** |
| Investment Income - Net | 8,148 | - | **8,148** |
| Net Assets Released from Restrictions | 142,520 | (142,520) | **-** |
| **Total Support and Revenues** | 426,002 | 30,350 | **456,352** |
| **Expenses** | | | |
| Program Services | 417,307 | - | **417,307** |
| Supporting Services | | | |
| General and Administrative | 2,436 | - | **2,436** |
| Fundraising | 5,261 | - | **5,261** |
| Total Supporting Services Expense | 7,697 | - | **7,697** |
| **Total Expenses** | 425,004 | - | **425,004** |
| **Change in Net Assets** | 998 | 30,350 | **31,348** |
| **Net Assets, Beginning of Year** | 132,459 | - | **132,459** |
| **Net Assets, End of Year** | $ 133,457 | $ 30,350 | **$ 163,807** |

***See Accompanying Notes to Financial Statements***

***See Independent Accountant's Review Report***

**Lowcountry Foundation for Wounded Military Heroes**

**Statement of Functional Expenses**
**For The Year Ended December 31, 2025**

| | Program Services | General and Administrative | Fundraising | **Total** |
|---|---|---|---|---|
| Grants and Donations | $ 410,000 | $ - | $ - | **$ 410,000** |
| Advertising and Marketing | - | - | 523 | **523** |
| Office Expenses | 2,708 | 903 | 4,738 | **8,349** |
| Bank and Merchant Fees | 1,522 | 507 | - | **2,029** |
| Insurance | 3,077 | 1,026 | - | **4,103** |
| **Total** | $ 417,307 | $ 2,436 | $ 5,261 | **$ 425,004** |

***See Accompanying Notes to Financial Statements***

***See Independent Accountant's Review Report***

**Lowcountry Foundation for Wounded Military Heroes**

**Statement of Cash Flows**
**For The Year Ended December 31, 2025**

| | | |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Increase (Decrease) in Net Assets | **$** | **31,348** |
| Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities | | |
| (Increase) Decrease in Assets | | |
| Contributions and Grants Receivable - Net | | **(2,500)** |
| Increase (Decrease) in Liabilities | | |
| Accounts Payable and Accrued Expenses | | **(443)** |
| Net Cash Provided by (Used in) Operating Activities | | **28,405** |
| Increase (Decrease) in Cash and Cash Equivalents | | **28,405** |
| Cash and Cash Equivalents, Beginning of Year | | **132,902** |
| **Cash and Cash Equivalents, End of Year** | **$** | **161,307** |

***See Accompanying Notes to Financial Statements***

***See Independent Accountant's Review Report***

## 1. ORGANIZATION

The Lowcountry Foundation for Wounded Military Heroes, Inc. (the Foundation) is a tax-exempt nonprofit organization recognized under Section 501(c)(3) of the Internal Revenue Code. The Organization was founded in Bluffton, South Carolina and is dedicated to supporting post 9/11 combat-wounded veterans and their families who reside in, or have a connection to, the South Carolina Lowcountry and the Georgia Coastal Empire. The Foundation raises funds and provides financial support to vetted charitable programs that deliver services such as service dog training, scholarships for children of fallen Special Operations service members, housing assistance, and other supportive services for wounded veterans. The Foundation operates primarily through fundraising activities, including sponsorships, donations, and special events, and is supported largely by volunteers.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires the Foundation to report information regarding its financial position and activities in accordance with the accrual basis of accounting and the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

The Foundation has elected the simultaneous release policy available for donor restricted contributions that were initially conditional contributions, which allows a nonprofit organization to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized.

### Use of Estimates

The preparation of financial statements in conformity with US 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 during the reporting period. Actual results could differ from those estimates.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Cash Equivalents

The Foundation reports as cash and cash equivalents all highly liquid investments with maturities of less than three months at the date of receipt. Money funds, in the amount of $155,446 at December 31, 2025, are included in cash and cash equivalents on the statement of financial position.

### Contributions and Grants Receivable

Contributions and grants receivable represent unconditional promises to give, and are recorded at either net realizable value, or at net present value based on projected cash flows. Amounts receivable in more than one year were discounted using a discount rate that considers a market and credit risk during the year ended December 31, 2025. 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 is recorded as management believes that all receivables are fully collectible within one year.

### Property and Equipment

Property and equipment are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, ranging from three to ten years. The cost of maintenance and repairs is recorded as expenses are incurred. As of December 31, 2025, there was no property and equipment.

### Revenue Recognition

Contributions and grants that are nonreciprocal are recognized as revenue when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. The Foundation reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of the Foundation's programs or to a future year. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Foundation evaluates sponsorship arrangements to determine whether the transaction is reciprocal or nonreciprocal. Sponsorships in which the sponsor receives only incidental benefits, such as acknowledgment of the sponsor's name or logo in programs, signage, or promotional materials, are considered nonreciprocal transactions and are accounted for as contributions. Accordingly, sponsorship revenue is recognized when cash or an unconditional promise to give is received.

The Foundation conducts special events in which a portion of the participant payment represents a contribution and a portion represents payment for the direct benefit received by the participant. The Foundation records special event revenue equal to the total amount received. The fair value of the direct benefits provided to donors is reported as contra-revenue on the statement of activities.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### In-Kind Contributions

In-kind contributions are recorded at the respective fair values of the goods or services received. Volunteers donate significant amounts of time to program services, administrative, and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by GAAP. No significant contributions of such goods or services were received during the year ended December 31, 2025.

### Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses that are attributable to one program or supporting function are directly allocated based on the nature of the expense. The categories of expenses that are attributable to more than one program or supporting function have been allocated among the programs and supporting services based on time and effort.

Fundraising activities are carried out primarily by volunteers and members of the Board of Directors. These services do not meet the criteria for recognition of contributed services in accordance with GAAP. Accordingly, there were immaterial amounts of fundraising expenses recorded for the year ended December 31, 2025.

### Income Taxes and Uncertain Tax Positions

The Foundation is exempt from Federal income tax, on its exempt purpose activities, under Section 501(c)(3) of the Internal Revenue Code (IRC). The Foundation is subject to income tax on its unrelated business income under the IRC. The Foundation had no unrelated business income for the year ended December 31, 2025.

For the year ended December 31, 2025, the Foundation has documented its consideration of FASB ASC 740-10, *Income Taxes,* that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

### Subsequent Events

Management has evaluated subsequent events through April 9, 2026, the date which the financial statements were available to be issued.

## 3. CONCENTRATION OF CREDIT RISK

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

At December 31, 2025, the Foundation’s balances did not exceed the insured FDIC limit.

## 4. NET ASSETS

As of December 31, 2025, net assets with donor restrictions were as follows:

| | Beginning of Year | Contributions | Releases | **End of Year** |
|---|---|---|---|---|
| Wexford K9s | $ - | $ 172,870 | $ (142,520) | **$ 30,350** |

Net assets without donor restrictions were not board-designated at December 31, 2025.

## 5. AVAILABILITY AND LIQUIDITY

The following represents the Foundation's financial assets at December 31, 2025:

| | |
|---|---|
| Financial Assets at Year End: | |
| Cash and Cash Equivalents | $ 161,307 |
| Contributions and Grants Receivable - Net | 2,500 |
| Total Financial Assets | 163,807 |
| Less Amounts Not Available To Be Used Within One Year: | |
| Net Assets With Donor Restrictions | 30,350 |
| Net Assets With Donor Restrictions To Be Used Within Twelve Months | (30,350) |
| Board Designated Funds | - |
| | - |
| Financial Assets Available to Meet General Expenditures Over the Next Twelve Months | $ 163,807 |

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.