

412 FOUNDATION

**REVIEWED FINANCIAL STATEMENTS
CASH BASIS**

YEAR ENDED DECEMBER 31, 2024

412 FOUNDATION

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
412 Foundation

We have reviewed the accompanying financial statements of the 412 Foundation (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—cash basis as of December 31, 2024, and the related statement of revenue, expenses and change in net assets—cash basis and functional expenses—cash basis 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 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 the cash basis of accounting, as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with the 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 conformity with the cash basis of accounting as described in Note 1. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of 412 Foundation and to meet our 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 the cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Palermo/Kissinger & Assoc., P.C.

Palermo/Kissinger & Associates, P.C.
Washington, Pennsylvania

September 11, 2025

**412 FOUNDATION
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS -
CASH BASIS
DECEMBER 31, 2024**

ASSETS

CURRENT ASSETS

Cash and equivalents	<u>\$ 19,200</u>
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TOTAL ASSETS	<u><u>\$ 19,200</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	<u>\$ -</u>
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TOTAL LIABILITIES	<u>-</u>
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NET ASSETS

Net assets without donor restrictions	<u>19,200</u>
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TOTAL NET ASSETS	<u>19,200</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 19,200</u></u>
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SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT

412 FOUNDATION
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - CASH BASIS
YEAR ENDED DECEMBER 31, 2024

**SUPPORT AND REVENUE WITHOUT
DONOR RESTRICTIONS:**

Contributions	\$ 167,720
Contributed services	4,200
Special events, net expenses of \$34,407	49,433
Other revenue	<u>758</u>

**TOTAL SUPPORT AND REVENUE
WITHOUT DONOR RESTRICTIONS**

222,111

Net assets released from restrictions

32,100

**TOTAL SUPPORT AND REVENUE AND RECLASSIFICATIONS
WITHOUT DONOR RESTRICTIONS**

254,211

EXPENSES

Program services	247,867
Management and general	5,815
Fundraising	<u>983</u>

TOTAL EXPENSES

254,665

**DECREASE IN NET ASSETS WITHOUT
DONOR RESTRICTIONS**

(454)

**SUPPORT AND REVENUE WITH
DONOR RESTRICTIONS:**

Restricted contributions	32,100
Net assets released from restrictions	<u>(32,100)</u>

INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS

-

DECREASE IN NET ASSETS

(454)

NET ASSETS AS OF BEGINNING OF YEAR

19,654

NET ASSETS AS OF END OF YEAR

\$ 19,200

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT

412 FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS
YEAR ENDED DECEMBER 31, 2024

	Supportive Services			Total
	Program Services	Management and General	Fundraising	Supportive Services
Educational assistance	\$ 12,119	\$ -	\$ -	\$ -
Rent assistance	107,310	-	-	-
Home modifications	73,807	-	-	-
Transportation assistance	38,460	-	-	-
Medical assistance	8,998	-	-	-
Other direct assistance	6,660	-	-	-
Supplies	461	1,615	231	1,846
Professional fees	-	4,200	-	4,200
Bank fees	52	-	752	752
TOTAL FUNCTIONAL EXPENSES	\$ 247,867	\$ 5,815	\$ 983	\$ 6,798
				\$ 254,665

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT

**412 FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

412 Foundation was formed in 2020 to share God's love with others by providing financial support and encouragement to people facing adversity.

Basis of Accounting

The accompanying financial statements have been prepared on the cash basis of accounting. The cash basis of accounting is a comprehensive basis of accounting that differs from generally accepted accounting principles. Under the cash basis of accounting, 412 Foundation recognizes revenue when received and expenses when paid. Management believes the use of the cash basis of accounting is an acceptable basis of accounting for the organization due to the size, complexity, and liquidity of the organization.

Financial Statement Presentation

The financial statements of the 412 Foundation are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Presentation of Financial Statements of Not-for-Profit Entities, dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). ASC 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

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 Organization. The Organization's board may designate assets without restrictions for specific operational purposes.

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 Organization or by the passage of time. At December 31, 2024, there were no net assets with donor restrictions.

Fair Value Measurement

The Organization applies Accounting Standards Codification (ASC) 820-10 for fair value measurements of financial instruments that are recognized or disclosed at fair value in the financial statements. ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820-10 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

**412 FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES –
Continued**

Revenue Recognition

Under generally accepted accounting principles for not-for-profit Organizations, contributions received are recorded as unrestricted or restricted support depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a 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.

Revenue and Support

The 412 Foundation derives its revenue and support primarily from grants and contributions. Under ASC 606, revenue is recognized when performance obligations are satisfied, and revenue is earned for each of the major revenue categories. The 412 Foundation also applies the guidance under ASC Topic 958 Non-Profit Entities, to recognize support received that is not subject to revenue recognition under ASC 606.

Contributed Services

Contributions of services are recognized only if the services rendered (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. For the year ended December 31, 2024, the 412 Foundation recognized \$4,200 in contributed services.

The programs of the 412 Foundation are staffed by volunteers and board members who provided substantial hours and services to the community at no cost to the organization. These contributed services do not meet the criteria to be recognized as contributions and are only being noted through footnote disclosure.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted in a systematic and rational matter as determined by management.

The expenses that are allocated include the following:

Expenses
Supplies

Method of Allocation
Time and effort

**412 FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES –
Continued**

Income Taxes

The Internal Revenue Service has determined that the 412 Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for income taxes has been recorded in these financial statements. In addition, the Organization has been determined by the Internal Revenue Section not to be a “private foundation” within the meaning of Section 509 (a) of the Internal Revenue Code. Federal taxes on unrelated business income, if applicable, are provided at statutory rates.

The 412 Foundation has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10 (formerly Interpretation Number 48 (FIN 48)), *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes. ASC 740-10 prescribes a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. The standard also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Management has determined that there are no material uncertain tax positions or unrecognized tax benefits and there is no material impact on the financial statements. In addition, there were no penalties or interest recognized on the statements of activity as a result of the adoption. The 412 Foundation’s ASC 740-10 evaluation was performed for the years ended 2021 to 2024, which are the years that remain subject to examination by the Internal Revenue Service and various state agencies as of December 31, 2024.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Subsequent events

In connection with the preparation of the financial statements, management has evaluated events subsequent to December 31, 2024 and through September 11, 2025, which is the date the financial statements were available to be issued.

NOTE 2 – LIQUIDITY

The 412 Foundation’s financial assets available within one year of December 31, 2024 for general expenses consists of cash in the amount of \$19,200. As part of the 412 Foundation’s liquidity management, it has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due.

**412 FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

NOTE 3 - COMMITMENTS AND CONTINGENCIES

Grants require the fulfillment of certain conditions as set forth in the grant instrument. Failure to fulfill the conditions could result in the return of the funds to grantors. Although this is a possibility, the Board deems the contingency remote since, by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants.