

# **FIDOS FOR FREEDOM, INC.**

## **AUDITED FINANCIAL STATEMENTS**

As of and for the Years Ended September 30, 2025 and 2024



# **FIDOS FOR FREEDOM, INC.**

## **TABLE OF CONTENTS**

	<b>Page</b>
<b>Independent Auditor's Report</b>	1-2
<b>Financial Statements</b>	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-17



## **INDEPENDENT AUDITOR'S REPORT**

The Board of Directors  
Fidos For Freedom, Inc.  
Laurel, Maryland

### **Opinion**

We have audited the accompanying financial statements of Fidos For Freedom, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 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 accompanying financial statements present fairly, in all material respects, the financial position of Fidos For Freedom, Inc. as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with the 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 (GAAS). 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 Fidos For Freedom, 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 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.

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 Fidos For Freedom, Inc.'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 GAAS 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.
- 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 Fidos For Freedom, 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.

*UHY LLP*

Columbia, Maryland  
January 15, 2026

**FIDOS FOR FREEDOM, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**September 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 181,862	\$ 265,988
Accounts receivable, net	64,729	7,903
Prepaid expenses and other current assets	25,785	21,717
<b>Total Current Assets</b>	<u>272,376</u>	<u>295,608</u>
Property and equipment, net	776,865	823,124
Intellectual property, net	2,977	2,206
<b>Total Assets</b>	<u>\$ 1,052,218</u>	<u>\$ 1,120,938</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 20,062	\$ 19,157
Deferred revenue	4,850	3,782
Note payable, current	13,823	13,449
<b>Total Current Liabilities</b>	<u>38,735</u>	<u>36,388</u>
Note payable, net of current portion	451,119	464,941
Tenant deposits	7,009	6,487
<b>Total Long-Term Liabilities</b>	<u>458,128</u>	<u>471,428</u>
<b>Total Liabilities</b>	<u>496,863</u>	<u>507,816</u>
 <b>NET ASSETS</b>		
With donor restrictions	10,115	5,211
Without donor restrictions	545,240	607,911
<b>Total Net Assets</b>	<u>555,355</u>	<u>613,122</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,052,218</u>	<u>\$ 1,120,938</u>

*The accompanying notes are an integral part of the financial statements.*

**FIDOS FOR FREEDOM, INC.**  
**STATEMENTS OF ACTIVITIES**  
For The Year Ended September 30, 2025

	<b>2025</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>			
Rental income	\$ 105,488	\$ -	\$ 105,488
Program service fees	7,953	-	7,953
Government grants	-	2,000	2,000
Private grants and contributions	137,010	18,424	155,434
In-kind contributions	17,500	-	17,500
Other income	3,117	-	3,117
Investment income, net	11,314	-	11,314
	<u>282,382</u>	<u>20,424</u>	<u>302,806</u>
Gross special events revenue	132,488	-	132,488
Less: cost of direct benefits to donors	<u>(37,652)</u>	<u>-</u>	<u>(37,652)</u>
Net special events revenue	<u>94,836</u>	<u>-</u>	<u>94,836</u>
Net assets released from restriction	<u>15,520</u>	<u>(15,520)</u>	<u>-</u>
Total Revenue and Support	<u>392,738</u>	<u>4,904</u>	<u>397,642</u>
<b>Expenses</b>			
Program services	231,713	-	231,713
Building	90,987	-	90,987
Management and general	51,491	-	51,491
Fundraising	81,218	-	81,218
Total Expenses	<u>455,409</u>	<u>-</u>	<u>455,409</u>
<b>CHANGE IN NET ASSETS</b>	(62,671)	4,904	(57,767)
<b>Net Assets, Beginning of Year</b>	<u>607,911</u>	<u>5,211</u>	<u>613,122</u>
<b>Net Assets, End of Year</b>	<u>\$ 545,240</u>	<u>\$ 10,115</u>	<u>\$ 555,355</u>

**FIDOS FOR FREEDOM, INC.**  
**STATEMENTS OF ACTIVITIES**  
For The Year Ended September 30, 2024

	<b>2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>			
Rental income	\$ 98,113	\$ -	\$ 98,113
Program service fees	6,614	-	6,614
Private grants and contributions	100,091	15,520	115,611
In-kind contributions	16,500	-	16,500
Other income	6,939	-	6,939
Investment income, net	18,605	-	18,605
	<u>246,862</u>	<u>15,520</u>	<u>262,382</u>
Gross special events revenue	110,098	-	110,098
Less: cost of direct benefits to donors	(41,521)	-	(41,521)
Net special events revenue	<u>68,577</u>	<u>-</u>	<u>68,577</u>
Net assets released from restriction	33,250	(33,250)	-
Total Revenue and Support	<u>348,689</u>	<u>(17,730)</u>	<u>330,959</u>
<b>Expenses</b>			
Program services	234,916	-	234,916
Building	88,527	-	88,527
Management and general	42,812	-	42,812
Fundraising	63,807	-	63,807
Total Expenses	<u>430,062</u>	<u>-</u>	<u>430,062</u>
<b>CHANGE IN NET ASSETS</b>	(81,373)	(17,730)	(99,103)
<b>Net Assets, Beginning of Year</b>	<u>689,284</u>	<u>22,941</u>	<u>712,225</u>
<b>Net Assets, End of Year</b>	<u>\$ 607,911</u>	<u>\$ 5,211</u>	<u>\$ 613,122</u>

**FIDOS FOR FREEDOM, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For The Year Ended September 30, 2025**

	<b>Program Services</b>				<b>Building</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Cost of Direct Benefits to Donors</b>	<b>Total</b>
	<b>Community Education</b>	<b>Service Dogs</b>	<b>Therapy Dogs</b>	<b>Total</b>					
Wages/Salaries	\$ 11,061	\$ 24,175	\$ 3,515	\$ 38,751	\$ 20,831	\$ 11,938	\$ 38,378	\$ -	\$ 109,898
Payroll Taxes/Direct Deposit Costs	622	1,955	267	2,844	1,422	707	3,914	-	8,887
Licenses, Permits, Fees	-	-	-	-	35	41	479	-	555
Members/Subscriptions Expense	6,767	953	667	8,387	89	960	58	-	9,494
Seminars/Staff Development	-	-	-	-	-	-	-	-	-
Office Expense	93	253	84	430	49	2,272	289	-	3,040
Insurance Expense	939	939	939	2,817	1,809	2,071	-	-	6,697
Professional Fees	-	-	-	-	-	23,750	656	-	24,406
Interest/Service Charges	2,243	2,246	2,243	6,732	5,514	823	2	-	13,071
Depreciation and Amortization	9,163	9,364	9,364	27,891	22,324	3,341	-	-	53,556
Facility Expenses	14,220	14,240	14,220	42,680	38,914	5,588	1,360	-	88,542
Client Services	-	611	-	611	-	-	-	-	611
Training Expenses	-	32,904	-	32,904	-	-	-	-	32,904
Food and Supplies	-	14,661	1,058	15,719	-	-	-	-	15,719
Veterinary Expenses	-	44,605	-	44,605	-	-	-	-	44,605
Educational Materials	1,447	-	-	1,447	-	-	-	-	1,447
Website/Online Expenses	-	-	-	-	-	-	-	-	-
Miscellaneous Program Expenses	4,649	335	911	5,895	-	-	65	-	5,960
Prizes	-	-	-	-	-	-	-	6,174	6,174
Rent and Facilities Costs	-	-	-	-	-	-	-	10,593	10,593
Food and Beverages	-	-	-	-	-	-	-	19,810	19,810
Entertainment	-	-	-	-	-	-	-	1,075	1,075
Other Expenses	-	-	-	-	-	-	36,017	-	36,017
Total expenses by function	51,204	147,241	33,268	231,713	90,987	51,491	81,218	37,652	493,061
Less expenses included with revenues on the statement of activities	-	-	-	-	-	-	-	-	-
Cost of Direct Benefit to Donors	-	-	-	-	-	-	-	(37,652)	(37,652)
Total expenses included in expense section on the statement of activities	<u>\$ 51,204</u>	<u>\$ 147,241</u>	<u>\$ 33,268</u>	<u>\$ 231,713</u>	<u>\$ 90,987</u>	<u>\$ 51,491</u>	<u>\$ 81,218</u>	<u>\$ -</u>	<u>\$ 455,409</u>

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

**FIDOS FOR FREEDOM, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For The Year Ended September 30, 2024**

	Program Services				Building	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total
	Community Education	Service Dogs	Therapy Dogs	Total					
Wages/Salaries	\$ 10,888	\$ 25,383	\$ 3,688	\$ 39,959	\$ 21,545	\$ 12,066	\$ 37,681	\$ -	\$ 111,251
Payroll Taxes/Direct Deposit Costs	619	1,946	265	2,830	1,415	702	3,892	-	8,839
Licenses, Permits, Fees	-	-	-	-	35	-	551	-	586
Members/Subscriptions Expense	4,403	1,314	652	6,369	-	1,142	1,809	-	9,320
Seminars/Staff Development	-	-	-	-	-	548	-	-	548
Office Expense	34	18	16	68	-	2,535	230	-	2,833
Insurance Expense	812	812	812	2,436	1,498	2,097	-	-	6,031
Professional Fees	-	-	-	-	-	13,000	-	-	13,000
Interest/Service Charges	2,291	2,291	2,291	6,873	5,632	841	-	-	13,346
Depreciation and Amortization	8,806	8,968	8,968	26,742	21,450	3,210	-	-	51,402
Facility Expenses	14,290	14,290	14,400	42,980	36,937	6,548	1,204	-	87,669
Client Services	-	577	-	577	-	-	-	-	577
Training Expenses	-	21,830	-	21,830	-	-	-	-	21,830
Food and Supplies	-	28,676	497	29,173	-	-	-	-	29,173
Veterinary Expenses	-	43,871	-	43,871	-	-	-	-	43,871
Educational Materials	755	-	-	755	-	123	-	-	878
Website/Online Expenses	1,562	-	-	1,562	15	-	-	-	1,577
Miscellaneous Program Expenses	5,359	1,978	1,554	8,891	-	-	-	-	8,891
Prizes	-	-	-	-	-	-	-	12,625	12,625
Rent and Facilities Costs	-	-	-	-	-	-	12,958	-	12,958
Food and Beverages	-	-	-	-	-	-	-	21,366	21,366
Entertainment	-	-	-	-	-	-	-	7,530	7,530
Other Expenses	-	-	-	-	-	-	5,482	-	5,482
Total expenses by function	49,819	151,954	33,143	234,916	88,527	42,812	63,807	41,521	471,583
Less expenses included with revenues on the statement of activities	-	-	-	-	-	-	-	(41,521)	(41,521)
Cost of Direct Benefit to Donors	-	-	-	-	-	-	-	(41,521)	(41,521)
Total expenses included in expense section on the statement of activities	<u>\$ 49,819</u>	<u>\$ 151,954</u>	<u>\$ 33,143</u>	<u>\$ 234,916</u>	<u>\$ 88,527</u>	<u>\$ 42,812</u>	<u>\$ 63,807</u>	<u>\$ -</u>	<u>\$ 430,062</u>

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

**FIDOS FOR FREEDOM, INC.**  
**STATEMENTS OF CASH FLOWS**  
For The Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Cash Flows from Operating Activities</b>		
Contributions and grants received	\$ 104,964	\$ 115,361
Program service payments received	7,953	6,614
Receipts from special events	134,488	99,058
Rents received	100,740	100,315
Interest received	11,314	18,605
Other receipts	3,117	6,939
Payments to employees and taxing authorities	(118,615)	(118,318)
Payments to vendors	(293,468)	(273,796)
Interest paid	(13,039)	(13,346)
	<u>(62,546)</u>	<u>(58,568)</u>
<b>Net cash used in operating activities</b>		
<b>Cash Flows from Investing Activities</b>		
Proceeds from sales of investments	-	63
Purchases of investments	(1,364)	-
Purchases of property and equipment	(6,767)	(44,131)
	<u>(8,131)</u>	<u>(44,068)</u>
<b>Net cash used in investing activities</b>		
<b>Cash Flows from Financing Activities</b>		
Repayment of note payable	(13,449)	(13,115)
	<u>(13,449)</u>	<u>(13,115)</u>
<b>Net cash used in financing activities</b>		
<b>Net Decrease in Cash</b>	(84,126)	(115,751)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>265,988</u>	<u>381,739</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 181,862</u>	<u>\$ 265,988</u>

The Organization received donated securities with a fair value of \$14,193 and \$5,095 during the years ended September 30, 2025 and 2024, respectively.

**FIDOS FOR FREEDOM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2025 and 2024**

**NOTE 1 - NATURE OF ORGANIZATION**

**Nature of Operations**

Fidos For Freedom, Inc. (the Organization), formerly known as Helping Paws, Inc. and Phydeaux for Freedom, Inc., was incorporated under the laws of the State of Maryland in June 1987 and is organized under Section 501(c)(3) of the Internal Revenue Code as a non-profit, tax-exempt organization. The Organization is committed to providing quality trained assistance dogs for mobility challenged individuals, people who are deaf or hard of hearing, and veterans with combat related PTSD. In addition, the Organization provides visits with therapy dogs to patients residing in healthcare facilities, to students in educational facilities, and for stress relief visits to other workplace facilities, who reap the companionship benefits both physically and emotionally. The Organization also educates the community in the use of quality trained dogs through disability awareness presentations and demonstrations. In addition, the Organization provides a Junior Volunteer Program for youth, enabling hands-on experience with training of dogs and working with physically challenged individuals while earning community service hours.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Method of Accounting**

The financial statements are prepared on the accrual basis of accounting.

**Financial Statement Presentation**

The Organization follows the Not-For-Profit Entities Presentation of Financial Statements Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), which requires it to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions based on the existence or absence of donor-imposed restrictions. Amounts contributed that are designated for future periods or donor restricted for specific purpose are reported as with donor restrictions.

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers all short-term securities purchased with an initial maturity of three months or less and money market funds to be cash equivalents.

**FIDOS FOR FREEDOM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2025 and 2024**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition**

Contributions and grants are recorded as without donor restrictions or with donor restrictions, depending on the existence and nature of any donor restrictions, and recognized as revenue upon receipt of a donor's intent to contribute, receipt of funds, or allowable grant expenditure. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. 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 restriction. Restricted contributions whose restrictions are met in the same reporting period are recorded as contributions without donor restrictions.

Other contributions, primarily from programs and special events, are recognized as revenue at a point in time when received, as the actual benefits received by the contributors are minimal. Therefore, any portion of sponsor contributions that results from quid pro quo activities is not shown separately as an exchange component of the contribution.

Rent revenue is recognized over time per the terms of the lease agreements. For tenants previously paying month-to-month, rent is recognized as revenue at the point of time the rent is received. Rent received prior to the transfer of the right to use the Organization's building is reflected as deferred revenue.

**Accounts Receivable**

Accounts receivable consists of amounts due from tenants, grants and contributions from donors. A receivable is considered past due if payments have not been received within the agreed upon invoice terms. The Organization utilizes the allowance method of accounting for current expected credit losses. The allowance for credit loss is based on past experience, future forecasts and other circumstances, which may affect the ability of payors to meet their obligations. It is the Organization's policy to write off uncollectible accounts when management determines the receivable will not be collected. Management has reviewed all receivables and has determined it is not necessary to allow for expected credit losses based on the factors noted above.

**Property and Equipment**

Property and equipment acquisitions are recorded at cost, if purchased, or at fair market value when donated. Depreciation is computed on the straight-line method over the estimated useful lives of the depreciable assets. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss is included in the change in net assets. Expenditures for property and equipment in excess of \$2,500 are capitalized. Repairs and maintenance charges that do not increase the useful lives of the assets are charged to expense as incurred.

**FIDOS FOR FREEDOM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2025 and 2024**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Long-Lived Assets**

The carrying value of long-lived assets and certain identifiable intangibles is reviewed by management for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. As of September 30, 2025, management does not believe it has any long-lived assets that are impaired.

**Income Taxes**

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified by the Internal Revenue Service as other than a private foundation. Rents received from debt financed property are subject to tax under Section 511, if applicable. The Organization did not have any material unrelated business income tax liability for the years ended September 30, 2025 and 2024. Accordingly, no provision for income taxes is made on these financial statements.

The Organization has adopted FASB ASC 740-10-25, Accounting for Uncertainty in Income Taxes. The Organization will record a liability for uncertain tax positions when it is more likely than not that a tax position would not be sustained if examined by the taxing authority. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Organization's evaluation on September 30, 2025, revealed no uncertain tax positions that would have a material impact on the financial statements, and management does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

**Donated Assets**

Donations of marketable securities and other noncash donations are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as new assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

**FIDOS FOR FREEDOM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2025 and 2024**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Donated Services**

Donated support is recorded if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations. The Organization receives substantial and valuable donations of services by volunteers who assist in the training of Assistance Dogs and Therapy Dogs. These services do not meet the criteria for accounting recognition as donated services.

**Functional Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied.

Directly identifiable expenses are charged to programs. Expenses related to more than one function are charged to programs on the basis of periodic time and square footage studies. Management and general expenses include those expenses that are not directly identifiable with any specific program function but provide the overall support and direction of the Organization. Management and general expenses are also charged to programs on the basis of periodic time and square footage studies.

**Concentration Risk**

The Organization has managed significant cash balances that are subject to concentration risk as of September 30, 2025, and 2024. The Organization's custodial account balances do not surpass the \$500,000 threshold set by the Securities Investor Protection Corporation (SIPC). Furthermore, the Organization's cash holdings in any financial institution did not exceed the coverage limits of the Federal Deposit Insurance Corporation (FDIC).

The Organization owns a building, which houses its office and operations. The Organization leases space in this building to tenants. Nearly 60% and 67% of its rent revenue and 15% and 18% of its total revenue and support for the years ended September 30, 2025 and 2024, respectively, was derived from the rent and utility reimbursement of two tenants.

**Reclassifications**

Certain prior period balances have been reclassified to conform with current period presentation. Net assets were not changed due to reclassifications.

**FIDOS FOR FREEDOM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2025 and 2024**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Recently Issued Accounting Pronouncements**

The Organization early adopted ASU 2025-05; Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets (a Private Company/Not-for-Profit entity election). In connection with this adoption, the Organization elected the current conditions practical expedient, which allows it to estimate expected credit losses using current economic conditions as of the statement of financial position date without incorporating additional forward-looking forecasts. The Organization also elected the subsequent collections accounting policy permitted by ASU 2025-05, whereby cash collections received on accounts receivable subsequent to the statement of financial position date and through the date these financial statements were available to be issued are considered in estimating expected credit losses. The Organization used this new practical expedient and accounting policy in estimating the allowance for credit losses for the year ended September 30, 2025.

**NOTE 3 - CASH AND CASH EQUIVALENTS**

The Organization considers all monies available for current use in checking, savings, money market, petty cash and undeposited funds to be cash. Cash and cash equivalents on the statement of financial position consists of the following at September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Operating accounts	\$ 79,792	\$ 70,535
Money market and savings	100,656	194,591
Petty cash	1,414	862
Total Cash	<u>\$ 181,862</u>	<u>\$ 265,988</u>

**NOTE 4 - ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following at September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Tenant rents	12,009	7,653
Contributions receivable	52,720	250
Accounts Receivable, net	<u>\$ 64,729</u>	<u>\$ 7,903</u>

Management has determined that no allowance was necessary as of September 30, 2025 and 2024.

**FIDOS FOR FREEDOM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2025 and 2024**

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following on September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Land	\$ 230,090	\$ 230,090
Building	259,464	259,464
Building improvements	948,504	941,737
Furniture and equipment	27,093	27,093
	<u>1,465,151</u>	<u>1,458,384</u>
Less: Accumulated depreciation	(688,286)	(635,260)
Property and equipment, net	<u>\$ 776,865</u>	<u>\$ 823,124</u>

Depreciation expense was \$53,026 and \$50,950 for the years ended September 30, 2025 and 2024, respectively.

**NOTE 6 - INTANGIBLES - NET**

Intangible assets consist of the following at September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Logo trademarks	\$ 5,811	\$ 4,511
Less: Accumulated amortization	(2,834)	(2,305)
Other assets - tangible, net	<u>\$ 2,977</u>	<u>\$ 2,206</u>

Amortization expense was \$529 and \$452 for the years ended September 30, 2025 and 2024, respectively.

**NOTE 7 - NOTE PAYABLE**

On June 3, 2020, the Organization obtained a \$150,000 secured note from the U.S. Small Business Administration. On September 3, 2021, the Organization modified the loan amount to \$500,000. This Economic Injury Disaster Loan was obtained under the provisions of the CARES Act, enacted on March 27, 2020, to provide economic relief to businesses that experienced a temporary loss of revenue due to COVID-19. At a fixed rate of 2.75% per annum, interest was accrued starting the date of the promissory note and only on the principal balance. Under the terms of the modified loan agreement, monthly installments of \$2,203 were deferred for a thirty-month period beginning the date of the promissory note. The beginning of repayment of the note was postponed twice by SBA and commenced in December 2022.

**FIDOS FOR FREEDOM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2025 and 2024**

**NOTE 7 - NOTE PAYABLE (Continued)**

Upon expiration of the deferment period, each payment was applied first to interest accrued to the date of receipt of each payment, and the balance, if any, was applied to principal. The note is payable thirty years from the date of the promissory note, maturing in October 2049. The note is secured by all tangible and intangible assets owned by the Organization.

The balance of the loan at September 30, 2025 was \$464,942. Aggregate annual maturities of the SBA note payable are as follows:

Year ending September 30,		
2026	\$	13,823
2027		14,208
2028		14,604
2029		15,011
2030		15,429
Thereafter		391,867
	\$	<u>464,942</u>

**NOTE 8 - NET ASSETS**

Net assets with donor restrictions were available for the following purposes at September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Dog sponsorships	\$ 10,115	\$ 5,211
Total	<u>\$ 10,115</u>	<u>\$ 5,211</u>

**NOTE 9 - LESSOR LEASES**

The Organization leases office space to tenants under noncancelable operating leases with terms of one to 15 years. The amount of office space available for lease consists of approximately 42% of the building and improvements mentioned in Note 5. The Organization is responsible for all taxes, maintenance costs, building insurance premiums, and utilities for all but its two largest tenants.

At September 30, 2025, eight of the 10 tenants are on 1- to 15-year leases. Accounting principles generally accepted in the United States of America require that the total rent receivable from long-term leases should be recognized on a straight-line basis over the lease terms. Accordingly, the difference between the actual monthly receipts and the rental income recognized on the statement of activities is reported as a receivable or deferred revenue on the statements of financial position.

**FIDOS FOR FREEDOM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2025 and 2024**

**NOTE 9 - LESSOR LEASES (Continued)**

The following is a schedule of future minimum rentals under the long-term leases at September 30, 2025:

2026	\$	77,104
2027		72,876
2028		72,685
2029		64,908
2030		67,068
Thereafter		358,865
Total of minimum expected rents	\$	<u>713,506</u>

**NOTE 10 - IN-KIND CONTRIBUTIONS**

For the year ended September 30, 2025 and 2024, contributed nonfinancial assets recognized within the statement of activities included service dogs valued at \$17,500 and \$16,500, respectively. The dogs are valued using estimated U.S. principal market prices of identical or similar animals using pricing data under a “like-kind” methodology considering the dogs’ condition and utility for use at the time of the contribution. Contributed service dogs are used in program services.

**NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization’s financial assets available to meet cash needs for general expenditures within one year of September 30 are as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 181,862	\$ 265,988
Accounts receivable, net	64,729	7,903
Total financial assets	<u>246,591</u>	<u>273,891</u>
Less: Net Assets With Donor Restrictions	(10,115)	(5,211)
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 236,476</u>	<u>\$ 268,680</u>

**FIDOS FOR FREEDOM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2025 and 2024**

**NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)**

The Organization is partially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As a part of the Organization'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.

**NOTE 12 - SUBSEQUENT EVENTS**

Management has evaluated the subsequent events after the statement of financial position date of September 30, 2025, through January 15, 2026. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.