HOMELESS CHILDREN'S PLAYTIME PROJECT, INC.

FINANCIAL STATEMENTS

December 31, 2025 and 2024

CONTENTS

Wegner CPAs

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Homeless Children's Playtime Project, Inc.
Washington, D.C.

Opinion

We have audited the financial statements of Homeless Children's Playtime Project, 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 accompanying financial statements present fairly, in all material respects, the financial position of Homeless Children's Playtime Project, 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 (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 Homeless Children's Playtime Project, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Homeless Children's Playtime Project, 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 GAAS, 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 Homeless Children's Playtime Project, 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 Homeless Children's Playtime Project, 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.

Wegner CPAs LLP

Wegner CPAs, LLP
Alexandria, Virginia
June 29, 2026

HOMELESS CHILDREN'S PLAYTIME PROJECT, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash	$ 1,568,648	$ 1,466,273
Current portion of unconditional promises to give	493,500	32,500
Accounts receivable	-	12,000
Gift card inventory	3,760	6,055
Prepaid expenses	12,397	7,868
Total current assets	2,078,305	1,524,696
PROPERTY AND EQUIPMENT		
Equipment	50,282	50,282
Furniture and fixtures	2,653	2,653
Leasehold improvements	39,519	39,519
Software	39,901	-
Accumulated depreciation and amortization	(98,508)	(90,533)
Property and equipment, net	33,847	1,921
OTHER ASSETS		
Unconditional promises to give less current portion	1,089,299	-
Operating lease right-of-use asset	-	15,499
Finance lease right-of-use asset	4,189	5,625
Total other assets	1,093,488	21,124
Total assets	$ 3,205,640	$ 1,547,741
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 56,725	$ 76,862
Current portion of operating lease liability	-	15,499
Current portion of finance lease liability	1,458	1,436
Total current liabilities	58,183	93,797
OTHER LIABILITIES		
Finance lease liability less current portion	2,858	4,317
Total liabilities	61,041	98,114
NET ASSETS		
Without donor restrictions	1,580,300	1,415,159
With donor restrictions	1,564,299	34,468
Total net assets	3,144,599	1,449,627
Total liabilities and net assets	$ 3,205,640	$ 1,547,741

See accompanying notes.

HOMELESS CHILDREN'S PLAYTIME PROJECT, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants and contributions	$ 1,432,920	$ 1,564,299	$ 2,997,219
Event revenue	48,090	-	48,090
Contributed nonfinancial assets	198,668	-	198,668
Contract service revenue	31,914	-	31,914
Interest income	21,899	-	21,899
Total support and revenue	1,733,491	1,564,299	3,297,790
EXPENSES			
Children's Playtime Project	1,070,786	-	1,070,786
Management and General	216,586	-	216,586
Fundraising	315,446	-	315,446
Total expenses	1,602,818	-	1,602,818
NET ASSETS RELEASED FROM RESTRICTIONS			
Expiration of time restrictions	27,500	(27,500)	-
Satisfaction of purpose restrictions	6,968	(6,968)	-
Net assets released from restrictions	34,468	(34,468)	-
Change in net assets	165,141	1,529,831	1,694,972
Net assets at beginning of year	1,415,159	34,468	1,449,627
Net assets at end of year	$ 1,580,300	$ 1,564,299	$ 3,144,599

See accompanying notes.

HOMELESS CHILDREN'S PLAYTIME PROJECT, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants and contributions	$ 912,797	$ 92,510	$ 1,005,307
Event revenue	63,569	-	63,569
Contributed nonfinancial assets	140,250	-	140,250
Contract service revenue	33,914	-	33,914
Interest income	43,014	-	43,014
Total support and revenue	1,193,544	92,510	1,286,054
EXPENSES			
Children's Playtime Project	1,265,544	-	1,265,544
Management and General	202,757	-	202,757
Fundraising	222,303	-	222,303
Total expenses	1,690,604	-	1,690,604
NET ASSETS RELEASED FROM RESTRICTIONS			
Expiration of time restrictions	47,500	(47,500)	-
Satisfaction of purpose restrictions	104,868	(104,868)	-
Net assets released from restrictions	152,368	(152,368)	-
Change in net assets	(344,692)	(59,858)	(404,550)
Net assets at beginning of year	1,759,851	94,326	1,854,177
Net assets at end of year	$ 1,415,159	$ 34,468	$ 1,449,627

See accompanying notes.

HOMELESS CHILDREN'S PLAYTIME PROJECT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2025

	Children's Playtime Project	Management and General	Fundraising	Total Expenses
Bank and merchant fees	$ -	$ 9,348	$ -	$ 9,348
Computer software and platforms	11,793	1,252	1,985	15,030
Curriculum and instruction	15,563	-	-	15,563
Depreciation and amortization	8,627	783	-	9,410
Dues and membership	182	110	1,030	1,322
Field trips	7,634	-	-	7,634
Health insurance	27,031	3,440	10,833	41,304
Information technology	13,937	13,404	5,888	33,229
Insurance	13,442	1,221	-	14,663
Marketing and advertising	909	91	3,312	4,312
Office supplies	11,614	539	-	12,153
Parenting class	5,162	-	-	5,162
Payroll processing fees	8,190	744	-	8,934
Postage and shipping	28	48	500	576
Printing and publications	-	-	8,140	8,140
Professional fees	156,714	61,982	300	218,996
Rent and utilities	14,278	33,263	23	47,564
Salaries and payroll benefits	707,227	90,013	283,435	1,080,675
Snacks for kids	12,183	-	-	12,183
Staff appreciation	2,417	220	-	2,637
Supplies	44,862	-	-	44,862
Training	1,411	128	-	1,539
Transportation	7,173	-	-	7,173
Volunteer supplies	409	-	-	409
Total expenses	$ 1,070,786	$ 216,586	$ 315,446	$ 1,602,818

See accompanying notes.

HOMELESS CHILDREN'S PLAYTIME PROJECT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	Children's Playtime Project	Management and General	Fundraising	Total Expenses
Bank and merchant fees	$ -	$ 6,193	$ -	$ 6,193
Computer software and platforms	19,032	1,461	-	20,493
Curriculum and instruction	21,559	-	-	21,559
Depreciation and amortization	3,819	358	827	5,004
Dues and membership	-	266	340	606
Field trips	8,693	-	-	8,693
Health insurance	57,105	5,367	12,831	75,303
Information technology	81	32,288	-	32,369
Insurance	11,174	858	-	12,032
Marketing and advertising	2,142	359	8,822	11,323
Office supplies	10,048	142	-	10,190
Parenting class	20	-	-	20
Payroll processing fees	7,507	576	-	8,083
Postage and shipping	1,297	100	-	1,397
Printing and publications	7,682	613	301	8,596
Professional fees	91,695	66,218	-	157,913
Rent and utilities	53,191	4,179	-	57,370
Salaries and payroll benefits	895,178	83,314	199,182	1,177,674
Snacks for kids	8,152	-	-	8,152
Staff appreciation	2,522	194	-	2,716
Supplies	51,367	-	-	51,367
Training	3,535	271	-	3,806
Transportation	8,795	-	-	8,795
Volunteer supplies	950	-	-	950
Total expenses	$ 1,265,544	$ 202,757	$ 222,303	$ 1,690,604

See accompanying notes.

HOMELESS CHILDREN'S PLAYTIME PROJECT, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,694,972	$ (404,550)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation and amortization	9,410	5,004
Amortization of operating lease right-of-use asset	15,600	53,310
(Increase) decrease in assets		
Unconditional promises to give	(1,550,299)	105,787
Accounts receivable	12,000	(12,000)
Gift card inventory	2,295	(3,778)
Prepaid expenses	(4,529)	5,226
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	(20,137)	34,371
Operating lease liability	(15,600)	(53,408)
Net cash flows from operating activities	143,712	(270,038)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(39,901)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on finance lease liability	(1,436)	(1,415)
Change in cash	102,375	(271,453)
Cash at beginning of year	1,466,273	1,737,726
Cash at end of year	$ 1,568,648	$ 1,466,273
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	$ 77	$ 99

See accompanying notes.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Homeless Children's Playtime Project, Inc. (HCPP) conducts children's programs in emergency shelter, transitional housing and community-based locations in the District of Columbia and Prince George's County, Maryland. HCPP aims to provide a continuum of services designed to support resilience for children and families experiencing housing insecurity in these two jurisdictions. HCPP is primarily funded through grants and contributions.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured at the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

Accounts Receivable

Accounts receivable represents amounts due from customers for Playtime services provided. For purposes of estimating expected credit losses on current accounts receivable, HCPP has elected the practical expedient that allows it to assume that current conditions as of the date of the statement of financial position do not change for the remaining life of the asset and the accounting policy election that allows it to consider collection activity after date of the statement of financial position. HCPP has considered subsequent collection activity through June 29, 2026, which is the date the financial statements were available to be issued. Management believes credit losses on amounts that are uncollected as of this date will be immaterial.

Property and Equipment

HCPP capitalizes all expenditures for property and equipment in excess of $1,000. Depreciation is computed using the straight-line method over the useful lives of the underlying assets.

Contributions

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. 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.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Nonfinancial Assets

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by HCPP. Donated goods and materials received are recorded as contributions at their estimated fair value at the date of donation.

Revenue Recognition

HCPP provides Playtime services for local schools and organizations in which a contract is entered specifying specific deliverables and the fixed fees earned for providing the services. Revenue is recognized at the point in time when HCPP provides the particular service.

Accounts receivable from contracts with customers as of December 31, 2024 was $12,000.

Leases

HCPP does not recognize short-term leases in the statement of financial position. For these leases, HCPP recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. HCPP also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, HCPP uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include computer software and platforms, depreciation and amortization, health insurance, insurance, information technology, marketing and advertising, office supplies, postage and shipping, printing and publications, rent and utilities, salaries and payroll benefits, staff appreciation, supplies, training, transportation, and volunteer supplies, which are allocated on the basis of estimates of time and effort.

Income Tax Status

HCPP is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, HCPP qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Advertising

HCPP expenses advertising costs as the costs are incurred.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Date of Management's Review

Management has evaluated subsequent events through June 29, 2026, the date which the financial statements were available to be issued.

NOTE 2—CONCENTRATIONS

Credit Risk

HCPP maintains its cash balances in two financial institutions located in Washington, D.C. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2025 and 2024, HCPP's uninsured cash balances totaled $991,996 and $860,827, respectively.

Contributions

HCPP received a grant from a single donor which represented approximately 63% of total contributions for the year ended December 31, 2025.

NOTE 3—PROMISES TO GIVE

Unconditional promises to give consist of the following:

	2025	2024
Receivable in less than one year	$ 493,500	$ 32,500
Receivable in one to five years	1,200,000	-
Total unconditional promises to give	1,693,500	32,500
Less discount to present value	(110,701)	-
Unconditional promises to give, net	$ 1,582,799	$ 32,500

Promises to give that are receivable in one to five years at December 31, 2025 are discounted at 5%.

NOTE 4—NET ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods:

	2025	2024
Subsequent year operations	$ 1,564,299	$ 27,500
Food and snacks	-	5,010
Other restrictions	-	1,958
Net assets with donor restrictions	$ 1,564,299	$ 34,468

NOTE 5—LEASES

HCPP had an operating lease for office space which expired in May 2025. The lease was renewed on a short-term basis. HCPP also has a financing lease agreement for a copier which expires in November 2028.

The components of total lease cost are as follows:

	2025	2024
Finance lease cost		
Amortization of right-of-use asset	$ 1,436	$ 1,436
Interest on lease liability	77	99
Operating lease cost	15,600	57,210
Total lease cost	$ 17,113	$ 58,745

Other information related to leases is as follows:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	$ 77	$ 99
Financing cash flows from finance leases	1,436	1,413
Operating cash flows from operating leases	15,600	53,310
Right of use assets obtained in exchange for new operating lease liabilities	-	41,803
Weighted average remaining lease term		
Finance leases	2.92 years	3.92 years
Operating leases	0 years	0.33 years
Weighted average discount rate		
Finance leases	1.52%	1.52%
Operating leases	0.00%	5.21%

NOTE 5—LEASES (continued)

The maturities of lease liabilities as of December 31, 2025 are as follows:

2026	$ 1,512
2027	1,512
2028	1,386
Total minimum lease payments	4,410
Imputed interest	(94)
Total lease liabilities	$ 4,316

NOTE 6—RETIREMENT PLAN

HCPP sponsors a Simple IRA plan (the Plan) for employees. Participants are eligible upon the hire date of the employee. HCPP matches up to 3% of the participants' compensation. For the years ended December 31, 2025 and 2024, HCPP contributed $13,563 and $17,178, respectively, to the Plan.

NOTE 7—PAYCHECK PROTECTION PROGRAM LOANS

HCPP received loans totaling $263,117 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA) which are included in contributions on the statement of activities. On February 11, 2021, the SBA preliminary approved forgiveness of the first draw for $113,117. On August 16, 2021, the SBA approved preliminary forgiveness of the second draw for $150,000.

HCPP must retain PPP documentation in its files for six years after the date the loans are forgiven and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review HCPP's good-faith certification concerning the necessity of its loan request, whether HCPP calculated the loan amounts correctly, whether HCPP used loan proceeds for the allowable uses specified in the CARES Act, and whether HCPP is entitled to loan forgiveness in the amount claimed on its application. If SBA determines HCPP was ineligible for the loans or for forgiveness in whole or in part, SBA will seek repayment of the ineligible amount.

NOTE 8—CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets recognized within in the statement of activities include:

	2025	2024
Professional fees	$ 156,739	$ 91,695
Supplies	41,929	48,555
Total	$ 198,668	$ 140,250

HCPP recognized contributed nonfinancial assets within revenue including professional fees and supplies. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed supplies consists of food, gifts, and equipment which is used in Playtime programming. In valuing supplies, HCPP estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Contributed services recognized comprise of professional services from individuals who volunteer for after-school programming. Volunteers are required to undergo a two-part child behavioral training. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

NOTE 9—LIQUIDITY AND AVAILABILITY

The following table reflects HCPP's financial assets as of the date of the statement of financial position, reduced by amounts not available for general expenditure within one year of the date of the statement of financial position because of donor-imposed restrictions.

	2025	2024
Financial assets at year-end		
Cash	$ 1,568,648	$ 1,466,273
Unconditional promises to give	1,582,799	32,500
Accounts receivable	-	12,000
Total financial assets at end of year	3,151,447	1,510,773
Less amounts unavailable for general expenditures within one year due to:		
Restricted by donor with time and purpose restrictions	(1,089,299)	(6,968)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,062,148	$ 1,503,805

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