Ed Block Courage Award Foundation, Inc.

Financial Statements together with Independent Auditor's Report

As of and For the Years Ended May 31, 2025 and 2024

C.E.A. SCHOLTES & ASSOCIATES
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Ed Block Courage Award Foundation, Inc.

Opinion

We have audited the accompanying financial statements of Ed Block Courage Award Foundation, Inc. (the Foundation), a nonprofit organization, which comprise the statements of financial position as of May 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 Ed Block Courage Award Foundation, Inc. as of May 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 Ed Block Courage Award Foundation, 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 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 Ed Block Courage Award Foundation, 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 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, 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, but not for the purpose of expressing an opinion on the effectiveness of Ed Block Courage Award Foundation, 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 Ed Block Courage Award Foundation, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of banquet revenue and expenses on page 23 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

C.E.A. Scholtes & Associates

Baltimore, Maryland
February 2, 2026

ED BLOCK COURAGE AWARD FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
As of May 31, 2025 and 2024

ASSETS

	2025	2024
Current Assets		
Cash and Cash Equivalents	$ 142,008	$ 188,181
Investments, at fair value	581,835	529,933
Accounts Receivable	28,467	60,474
Prepaid Expenses	8,747	13,831
Total Current Assets	761,057	792,419
Property and Equipment, net	11,558	6,767
Other Assets		
Right of Use Asset - Operating Lease, net	74,718	11,306
Security Deposit	2,775	1,200
Total Other Assets	77,493	12,506
Total Assets	$ 850,108	$ 811,692

LIABILITIES AND NET ASSETS

Current Liabilities		
Lease Liability - Short Term	$ 14,912	$ 11,478
Accounts Payable and Accrued Expenses	35,827	44,058
Refundable Advance	45,917	7,800
Total Current Liabilites	96,656	63,336
Other Liabilities		
Lease Liability - Long Term	32,010	-
Total Other Liabilites	32,010	-
Total Liabilites	128,666	63,336
Net Assets		
Without Donor Restrictions	244,385	299,360
With Donor Restrictions		
Temporarily Restricted	805	805
Permanently Restricted	476,252	448,191
Total Net Assets With Donor Restrictions	477,057	448,996
Total Net Assets	721,442	748,356
Total Liabilities and Net Assets	$ 850,108	$ 811,692

See accompanying notes and independent auditor's report.

ED BLOCK COURAGE AWARD FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
For the Year Ended May 31, 2025 (with comparative totals For the Year Ended May 31, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues, Gains and Other Support				
Banquet				
Sponsorships	$ 124,357	$ -	$ 124,357	$ 139,281
Contributions	7,225	-	7,225	7,196
In-Kind Contributions	112,400	-	112,400	86,025
Legacy of Courage	192,840	-	192,840	198,464
Auctions	69,698	-	69,698	78,481
NFL Advertising	24,000	-	24,000	24,000
Raffle	1,400	-	1,400	1,600
Total Banquet Revenues	531,920	-	531,920	535,047
Contributions				
Cash Gifts	38,556	5,000	43,556	5,254
In-Kind Contributions	24,230	-	24,230	10,000
Other Special Events, net of $2,975 and $0 of direct expenses, respectively	9,055	-	9,055	-
Investment Gain, net of fees	-	51,902	51,902	49,900
Other Income	9,500	-	9,500	10,087
	613,261	56,902	670,163	610,288
Satisfaction of Purpose and Time Restrictions	28,841	(28,841)	-	-
Total Revenues, Gains and Other Support	642,102	28,061	670,163	610,288
Expenses				
Program Services				
Outreach	345,448	-	345,448	230,881
Supporting Services				
Management and General	14,638	-	14,638	10,107
Fundraising	336,991	-	336,991	279,215
Total Supporting Services	351,629	-	351,629	289,322
Total Expenses	697,077	-	697,077	520,203
Change in Net Assets	(54,975)	28,061	(26,914)	90,085
Net Assets, Beginning of Year	299,360	448,996	748,356	658,271
Net Assets, End of Year	$ 244,385	$ 477,057	$ 721,442	$ 748,356

See accompanying notes and independent auditor's report.

ED BLOCK COURAGE AWARD FOUNDATION, INC.
STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Banquet			
Sponsorships	$ 139,281	$ -	$ 139,281
Contributions	7,196	-	7,196
In-Kind Contributions	86,025	-	86,025
Legacy of Courage	198,464	-	198,464
Auctions	78,481	-	78,481
NFL Advertising	24,000	-	24,000
Raffle	1,600	-	1,600
Total Banquet Revenues	535,047	-	535,047
Contributions			
Cash Gifts	5,254	-	5,254
In-Kind Contributions	10,000	-	10,000
Investment Loss, net of fees	-	49,900	49,900
Other Income	10,087	-	10,087
	560,388	49,900	610,288
Satisfaction of Time Restrictions	22,276	(22,276)	-
Total Revenues, Gains and Other Support	582,664	27,624	610,288
Expenses			
Program Services			
Outreach	230,881	-	230,881
Supporting Services			
Management and General	10,107	-	10,107
Fundraising	279,215	-	279,215
Total Supporting Services	289,322	-	289,322
Total Expenses	520,203	-	520,203
Change in Net Assets	62,461	27,624	90,085
Net Assets, Beginning of Year	236,899	421,372	658,271
Net Assets, End of Year	$ 299,360	$ 448,996	$ 748,356

See accompanying notes and independent auditor's report.

ED BLOCK COURAGE AWARD FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended May 31, 2025 (with comparative totals For the Year Ended May 31, 2024)

	2025					2024
	Program Services	Supporting Services				
	Outreach	Management and General	Fundraising	Total	Total	Total
Advertising	$ -	$ -	$ 4,808	$ 4,808	$ 4,808	$ 259
Bad Debt Expense	-	3,750	-	3,750	3,750	3,000
Bank Service Charges and Fees	-	-	142	142	142	71
Banquet	-	-	293,753	293,753	293,753	251,010
Courage House Donations	43,492	-	-	-	43,492	26,320
Courage House Network	6,177	-	-	-	6,177	328
Credit Card and Web Payment Fees	3,533	136	427	563	4,096	4,977
Depreciation	2,460	67	182	249	2,709	1,728
Dues and Subscriptions	173	7	19	26	199	199
Fundraising - Other	-	-	8,540	8,540	8,540	1,778
Insurance	2,094	86	236	322	2,416	2,889
Licenses and Permits	369	15	41	56	425	300
Marketing	1,105	46	124	170	1,275	695
Miscellaneous	127	5	14	19	146	-
NFL Tickets	7,539	311	848	1,159	8,698	9,331
Office	3,521	145	396	541	4,062	2,761
Outreach - Banquet	37,829	-	-	-	37,829	32,234
Parking, Tolls and Mileage	-	-	-	-	-	324
Payroll and Payroll Related Expenses	124,358	5,137	13,988	19,125	143,483	113,593
Payroll Fees	1,531	63	172	235	1,766	1,491
Payroll Taxes	9,614	397	1,081	1,478	11,092	8,799
Postage and Delivery	1,542	64	174	238	1,780	694
Printing	554	23	62	85	639	389
Professional Fees	70,304	2,904	7,910	10,814	81,118	27,335
Rent	19,272	1,029	2,804	3,833	23,105	17,463
Retirement Plan	2,156	135	404	539	2,695	2,430
Sponsorship Expense	-	-	-	-	-	93
Telephone	4,010	166	451	617	4,627	4,455
Travel	1,524	63	172	235	1,759	3,159
Utilities	2,164	89	243	332	2,496	2,098
Total Expenses	$ 345,448	$ 14,638	$ 336,991	$ 351,629	$ 697,077	$ 520,203

See accompanying notes and independent auditor's report.

ED BLOCK COURAGE AWARD FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended May 31, 2024

	Program Services	Supporting Services			
	Outreach	Management and General	Fundraising	Total	Total
Advertising	$ -	$ -	$ 259	$ 259	$ 259
Bad Debt Expense	-	3,000	-	3,000	3,000
Bank Service Charges and Fees	-	-	71	71	71
Banquet	-	-	251,010	251,010	251,010
Courage House Donations	26,320	-	-	-	26,320
Courage House Network	328	-	-	-	328
Credit Card and Web Payment Fees	4,280	168	529	697	4,977
Depreciation	1,478	60	190	250	1,728
Dues and Subscriptions	170	7	22	29	199
Fundraising - Other	-	-	1,778	1,778	1,778
Insurance	2,470	101	318	419	2,889
Licenses and Permits	256	11	33	44	300
Meals and Entertainment	595	24	76	100	695
NFL Tickets	4,558	187	4,586	4,773	9,331
Office	2,360	97	304	401	2,761
Outreach - Banquet	32,234	-	-	-	32,234
Parking, Tolls and Mileage	277	11	36	47	324
Payroll and Payroll Related Expenses	97,054	4,050	12,489	16,539	113,593
Payroll Fees	1,275	52	164	216	1,491
Payroll Taxes	7,523	308	968	1,276	8,799
Postage and Delivery	594	24	76	100	694
Printing	332	14	43	57	389
Professional Fees	23,371	957	3,007	3,964	27,335
Rent	14,931	611	1,921	2,532	17,463
Retirement Plan	2,078	85	267	352	2,430
Sponsorship Expense	93	-	-	-	93
Telephone	3,809	156	490	646	4,455
Travel	2,701	111	347	458	3,159
Utilities	1,794	73	231	304	2,098
Total Expenses	$ 230,881	$ 10,107	$ 279,215	$ 289,322	$ 520,203

See accompanying notes and independent auditor's report.

ED BLOCK COURAGE AWARD FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended May 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities:		
Change in Net Assets	$ (26,914)	$ 90,085
Adjustments to Reconcile Changes in Net Assets to Net Cash and Cash Equivalents (Used in) Provided by Operating Activities:		
Depreciation	2,709	1,728
Realized/Unrealized Gain, net	(42,069)	(32,479)
Reinvested Interest and Dividends, net	(9,833)	(17,421)
In-Kind Donation of Property and Equipment	(7,500)	-
Amortization of Right of Use Asset	25,304	15,897
Changes in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	32,007	(32,424)
Decrease (Increase) in Prepaid Expenses	5,084	(6,210)
Increase in Security Deposits	(1,575)	-
Decrease in Lease Liability	(53,272)	(15,811)
(Decrease) Increase in Accounts Payable and Accrued Expenses	(8,231)	28,286
Increase in Refundable Advance	38,117	3,100
Net Cash and Cash Equivalents (Used in) Provided by Operating Activities	(46,173)	34,751
Cash Flows from Investing Activities:		
Cash Paid for Property and Equipment	-	(2,555)
Net Cash and Cash Equivalents Used in Investing Activities	-	(2,555)
Net (Decrease) Increase in Cash and Cash Equivalents	(46,173)	32,196
Cash and Cash Equivalents, Beginning of Year	188,181	155,985
Cash and Cash Equivalents, End of Year	$ 142,008	$ 188,181

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Non-Cash Investing and Financing Activities:		
Capitalization of Right of Use Asset and Lease Liability	$ 88,716	$ -

See accompanying notes and independent auditor's report.

1. Nature of Organization and Summary of Significant Accounting Policies

This summary of significant accounting policies of Ed Block Courage Award Foundation, Inc. (the Foundation) is presented to assist in the understanding of the Foundation's financial statements. The financial statements and notes are the representations of the Foundation's management, who are responsible for its integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been applied in the preparation of the financial statements.

Nature of Organization

The Foundation promotes the prevention of child abuse through awareness, building partnerships and providing for the care and treatment of abused children. Efforts of the Foundation are supported by the National Football League (NFL) and the Professional Football Athletic Trainers Society (PFATS). The Foundation has evolved from a local Baltimore, Maryland charity, to a national organization with a presence throughout the country. The primary awareness and fundraising vehicle utilized by the Foundation is the annual Ed Block Courage Awards gala (characterized as “Banquet” in the accompanying statements of activities and functional expenses), in which one player from each NFL team is honored for his commitment to the principles of sportsmanship, courage and community involvement.

Fundraising initiatives primarily benefit the Foundation’s Courage House National Support Network for Kids (NSNK). Named after the NFL team in that respective city, a “courage house” is a facility that provides support and quality care for abused children and their families in that community. Upon its establishment, a new courage house receives substantial dedication funding from the Foundation and annual financial support thereafter. The Foundation provides technical assistance to courage houses on the development of fundraising programs, primarily through the utilization of the facility’s partnership with its respective NFL club, to enhance its objectives and raise significant funds for their cause. The model is designed to provide financial assistance, create community awareness of the issues of child abuse, strengthen communities and nurture a close humanitarian relationship between the courage houses and their respective NFL team, as to build sustainable programs for the most vulnerable members of society. As of May 31, 2025, there were 27 courage houses in NSNK, and the Foundation’s goal is to establish a courage house in each city in which an NFL team is located.

Basis of Accounting

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America (US GAAP) on the accrual basis of accounting, whereby, revenue is recognized when earned and expenses are recognized when incurred.

1. Nature of Organization and Summary of Significant Accounting Policies – (continued)

Basis of Presentation and Net Assets

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 958, Not-for-Profit Entities. Under ASC No. 958, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are the net assets that are not restricted by donor imposed stipulations.

Net assets with donor restrictions result from contributions whose use by the Foundation is limited by donor imposed stipulations, that either expire by the passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations (temporary restrictions) or contributions, whose use by the Foundation is limited by donor imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise be removed by actions of the Foundation (permanent restrictions). Net assets may be restricted for various purposes; such as use in future periods or use for specified purposes or restricted in perpetuity. The Foundation had net assets with donor restrictions totaling $477,057 and $448,996 as of May 31, 2025 and 2024, respectively.

Adoption of Accounting Pronouncements

In fiscal year 2024, the Foundation adopted FASB Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses (Topic 326).* This ASU addresses measurement and reporting of credit losses related to accounts receivable, notes receivable, leases receivable and held-to-security debt securities. The ASU mandates the current expected credit loss (CECL) model, which measures and reports expected losses over the contractual life of an asset. The measurement of expected life credit losses will be based on relevant information, not just past events (including historical experience and current conditions), but also the "reasonable and supportable" forecasts that affect collectability of the reported amount. The Foundation has adjusted the presentation in the financial statements as permitted by ASU 2016-13.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Foundation considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents and consist of money market funds.

1. Nature of Organization and Summary of Significant Accounting Policies – (continued)

Investments

Investments are stated at fair market value.

Accounts Receivable

Accounts receivable consist of amounts due for special event advertisements. Account balances over ninety days are considered delinquent. Accounts receivable is presented net of an allowance for credit loss, which is an estimate of amounts that may not be collectible. The allowance for credit losses is based upon historical loss experience in combination with current and expected future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. Direct charge offs for the years ended May 31, 2025 and 2024 were $3,750 and $3,000, respectively. Accounts receivable was $28,467 and $60,474 as of May 31, 2025 and 2024, respectively.

Liquidity

The following reflects the Foundation's financial assets as of May 31, 2025, reduced by amounts not available for general use because of contractual or donor imposed restrictions within one year of the statement of financial position date.

Cash and Cash Equivalents	$ 142,008
Investments, at fair value	581,835
Accounts Receivable	28,467
	752,310
Less Those Unavailable for General Expenditures Within One Year, Due To:	
Net Assets With Donor Restrictions	(477,057)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 275,253

The Foundation has $275,253 of financial assets available within one year of May 31, 2025. Additionally, the Foundation also has access to a $90,000 annual draw from its endowment fund (see Note 9) for operations to the extent the portfolio balance can continue to service such an annual draw. The Foundation has a goal to maintain financial assets on hand to meet three months of normal operating expenses, which is expected to approximate $140,000. As a 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.

1. Nature of Organization and Summary of Significant Accounting Policies – (continued)

Property and Equipment

The Foundation capitalizes substantial expenditures of $500 or more for property and equipment having a useful life of more than one year. Expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is calculated using the straight-line method over the useful lives of five years for computers and equipment and website development.

Depreciation totaled $2,709 and $1,728 for the years ended May 31, 2025 and 2024, respectively.

Valuation of Long-Lived Assets

The Foundation accounts for the valuation of long-lived assets under FASB ASC No. 360, *Property, Plant and Equipment.* ASC No. 360 requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of a long-lived asset is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. The Foundation's management believes that there are no impaired long-lived assets as of May 31, 2025 and 2024 and, therefore, no impairment loss has been recorded during the years ended May 31, 2025 and 2024.

Revenue Recognition

Contributions are recognized when received from the donor or when pledged as an unconditional promise to give, if pledged. Contributions are recorded as support without donor restrictions or with donor restrictions depending on the existence and/or the nature of any donor imposed restrictions.

Donated Services

The Foundation recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

1. Nature of Organization and Summary of Significant Accounting Policies – (continued)

Functional Allocation of Expenses

Direct expenses are charged directly to program services, management and general and fundraising based on specific identification. Payroll and payroll related expenses are allocated according to specific job duties per employee/contractor. Indirect expenses are allocated based on the percentages of direct costs for each category of expense to total direct costs.

Income Taxes

The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and comparable State law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Foundation is also a registered 501(h) organization.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the positions. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended May 31, 2025 and 2024. The Foundation files federal and state information returns. The Foundation's Federal Form 990 remain open for three years for federal and state examination.

Use of Estimates in Financial Statements

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. Actual results could differ from those estimates.

Subsequent Events

The Foundation evaluated the accompanying financial statements for subsequent events and transactions through February 2, 2026, the date these financial statements were available for issue and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

2. Fair Value of Financial Instruments

FASB ASC No. 820, *Fair Value Measurements and Disclosures*, established a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC No. 820 are described below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation techniques used by the Foundation to measure fair value during the years ended May 31, 2025 and 2024 maximized the use of observable inputs and minimized the use of unobservable inputs. There have been no changes in the methodologies used as of May 31, 2025.

When an active market for an identical asset is not available, alternative pricing sources and models utilizing market observable inputs are used. The Foundation determines whether the market for a financial instrument is active or inactive based on the security's daily volume and other market trading statistics. Inactivity of the market is evidenced by factors including decreased trade volumes, stale transaction prices and transaction prices that varied significantly either over time or among markets.

2. Fair Value of Financial Instruments – (continued)

Changes in fair value are recognized in the period in which the change occurs in the statement of activities.

The following is a description of the valuation methodologies used for assets measured at fair value as of May 31, 2025 and 2024:

Mutual Funds: Valued at the closing price reported on the active market on which the fund is traded.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents the Foundation's fair value hierarchy for those assets measured at fair value on a recurring basis as of May 31, 2025:

		Fair Value Measurement Using		
	Total	Quoted Prices in Active Market For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents	$ 6,803	$ 6,803	$ -	$ -
Mutual Funds	575,032	575,032	-	-
Total	$581,835	$581,835	$ -	$ -

2. Fair Value of Financial Instruments – (continued)

The following table presents the Foundation's fair value hierarchy for those assets measured at fair value on a recurring basis as of May 31, 2024:

		Fair Value Measurement Using		
	Total	Quoted Prices in Active Market For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents	$ 38	$ 38	$ -	$ -
Mutual Funds	529,895	529,895	-	-
Total	$529,933	$529,933	$ -	$ -

3. Investments

Investments are stated at fair market value. The market value of the Foundation's investments as of May 31, 2025 and 2024 is as follows:

	2025		2024	
Fund	Fair Value	Cost	Fair Value	Cost
Cash and Cash Equivalents	$ 6,803	$ 6,803	$ 38	$ 38
Mutual Funds	575,032	574,436	529,895	533,761
Total	$581,835	$581,239	$529,933	$533,799

Net investment gain totaled $51,902 and $49,900 for the years ended May 31, 2025 and 2024, respectively.

4. Property and Equipment

Property and equipment consisted of the following as of May 31, 2025 and 2024:

	2025	2024
Computers and Equipment	$ 7,554	$ 10,054
Furniture and Fixtures	5,000	-
Leasehold Improvements	2,500	-
Website Development	6,220	6,220
	21,274	16,274
less: accumulated depreciation	(9,716)	(9,507)
Property and Equipment, net	$ 11,558	$ 6,767

5. Right of Use Asset

The Foundation has an operating lease subject to FASB ASU No. 2016-02, *Leases* (Topic 842), (see Note 1), under which a lessee is required to recognize right-of-use assets and lease liabilities (see Note 6) for all leases not considered short-term leases. As of May 31, 2025 and 2024, the Foundation had the following in right of use assets:

	2025	2024
Office Lease	$ 88,716	$ 32,447
less: accumulated amortization	(13,998)	(21,141)
Total Right of Use Assets, net	$ 74,718	$ 11,306

6. Lease Liability

The Foundation is obligated under an operating lease for use of office space. Pursuant to FASB ASU No. 2016-02, *Leases (Topic 842*), (see Note 1), the most significant change for lessees is the requirement under the guidance to recognize right-of-use assets (see Note 5) and lease liabilities for all leases not considered short-term leases.

Office Lease – Operating Lease

Effective November 2024, the Foundation executed an agreement to lease office space in Timonium, Maryland. The agreement includes a term of 37 months with no renewal option. The first month was rent free. Monthly payments for the next ten months are $1,575, then payments escalate 3% annually. The monthly rent amount is discounted by about 35% in exchange for a three year corporate sponsorship of the annual banquet, valued at $10,000 per year for three years. The sponsorship constitutes a conditional promise to give which becomes unconditional and is recognized as revenue in the month the banquet takes place.

6. Lease Liability – (continued)

Office Lease – Operating Lease – (continued)

Accordingly, the sponsorship for years to and three are recorded as a refundable advance as of May 31, 2025.

The weighted average discount rate of the operating lease is 4.26% (10-year treasury rate at inception of lease). The weighted average remaining lease term is 32 months as of May 31, 2025.

Scheduled principal payments as of May 31, 2025 under the lease liability through maturity are as follows:

For the Year Ending May 31,	Scheduled Principal Payments	Imputed Interest	Total
2026	$ 16,683	$ (1,771)	$ 14,912
2027	19,759	(1,003)	18,756
2028	13,468	(214)	13,254
Total	49,910	(2,988)	46,922
Less: current maturities of lease liabilities	16,683	(1,771)	14,912
Lease liabilities, less current maturities	$ 33,227	$ (1,217)	$ 32,010

Lease expense totaled $23,105 and $17,463 for the years ended May 31, 2025 and 2024, respectively, as is reflected in rent expense on the accompanying statements of functional expenses.

7. Satisfaction of Time and Purpose Restrictions

Net assets released from time and purpose restrictions for the years ended May 31, 2025 and 2024 are as follows:

	2025	2024
Time Restrictions:		
5% Allowable Apportionment of Endowed Funds for Expenditure	$ 23,841	$ 22,276
Purpose Restrictions:		
Service Dog	5,000	-
Total Releases from Restriction	$ 28,841	$ 22,276

8. Net Assets With Donor Restrictions – Temporarily Restricted

The Foundation had net assets with donor restrictions - temporarily restricted of $805 as of May 31, 2025 and 2024, restricted as to purpose for the Lenny Moore statue.

9. Net Assets With Donor Restrictions - Permanently Restricted Net Assets

Henry and Jeanette Weinberg Endowment Fund

Permanently restricted net assets consist solely of the Henry and Jeanette Weinberg Endowment Fund (the Fund) originally to be preserved in perpetuity. The Fund was established with a donor's pledge to donate up to $1,000,000 in matching funds for the monies received by the Foundation from other donors through December 31, 2005. The donor had subsequently amended the deadline through December 31, 2011. Under the terms of this pledge, the donor has agreed to match $1 for every $1 received by the Foundation specifically for the Fund. The Foundation had earned $570,000 through December 31, 2011 under this pledge. The Foundation had received, from the Fund, $500,000 through May 31, 2012 with the remaining $70,000 received by May 31, 2013.

Regular annual distributions from the Fund are intended to be limited to five percent of the average fund principal during the preceding fiscal year. The following shall be retained and added to the principal in hopes of preserving and/or enhancing the purchasing power of future distributable amounts: (a) earnings of the fund in excess of the distributable amounts and (b) portions of the distributable amounts that were not actually distributed during the fiscal year and were not placed in a segregated account or accounts, or by segregated accounting in the existing account, for accumulation and carry forward. The funds are to be used to support counseling, maintenance and operation of shelters of abused and neglected children. In November 2014, the Weinberg Foundation Board gave written approval for the Foundation to withdraw from the Fund, up to $90,000 a year of the funds, to be used for the Foundation's strategic plan and five year goals. In April 2017, the Weinberg Foundation Board gave written approval for the Foundation to withdraw from the Fund an additional $75,000 for 2017 only.

10. Endowment Net Assets

Interpretation of Relevant Law

ASC No. 958-205, *Not-for-Profit Entities: Presentation of Financial Statements*, established a framework of the net assets classification of donor-restricted endowment funds for any nonprofit organization that is subject to a state enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). ASC No. 958-205, which is effective for fiscal years ending after December 15, 2008, also required expanded disclosures for all endowment funds.

10. Endowment Net Assets – (continued)

In the event the Foundation receives donor-restricted endowment funds, determination of the net asset classification for the corpus and return on investments is based on the donor's intentions. In the event the Foundation's Board determines certain non-donor funds as board-designated, those respective funds are classified as unrestricted and the return on those funds are used to support the general program expenses of the annual budget.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment net assets that attempt to provide a predictable stream of funding to the programs supported by the endowments while assuming a low level of investment risk.

Endowment Spending Policy

The Foundation has a policy of allowing for the appropriation of 5% of the value of the fund on an annual basis for the use as stipulated by the fund's restricted purpose. The annual decision to appropriate such expenditures is approved by the Board based on recommendations by management. In establishing the policy, the Foundation considers the long-term expected returns on its endowment investments.

Changes in endowment net assets are as follows for the year ended May 31, 2025:

	Without Donor Restrictions	With Donor Restrictions		
		Temporarily Restricted	Permanently Restricted	Total
Endowed Net Assets, June 1, 2024	$ -	$ -	$ 448,191	$ 448,191
Interest and Dividends, net of fees	-	-	9,833	9,833
Unrealized and Realized Gains, net	-	-	42,069	42,069
5% Allowable Apportionment of Funds	-	23,841	(23,841)	-
Release of Award	23,841	(23,841)	-	-
Disbursement of Award	(23,841)	-	-	(23,841)
Endowed Net Assets, May 31, 2025	$ -	$ -	$ 476,252	$ 476,252

10. Endowment Net Assets – (continued)

Changes in endowment net assets are as follows for the year ended May 31, 2024:

	Without Donor Restrictions	With Donor Restrictions		Total
		Temporarily Restricted	Permanently Restricted	
Endowed Net Assets, June 1, 2023	$ -	$ -	$ 420,567	$ 420,567
Interest and Dividends, net of fees	-	-	17,421	17,421
Unrealized and Realized Gains, net	-	-	32,479	32,479
5% Allowable Apportionment of Funds	-	22,276	(22,276)	-
Release of Award	22,276	(22,276)	-	-
Disbursement of Award	(22,276)	-	-	(22,276)
Endowed Net Assets, May 31, 2024	$ -	$ -	$ 448,191	$ 448,191

11. Concentrations

The Ed Block Courage Awards gala (characterized as "banquet" in the accompanying statements of activities and functional expenses) accounted for 88% of total revenues, gains and other support for the years ended May 31, 2025 and 2024.

12. Retirement Plan

SIMPLE IRA

In July 2021, the Foundation adopted a SIMPLE IRA plan (the Plan) covering substantially all employees. The Plan allows eligible employees to contribute a percentage of their salary and provides for the Foundation to make contributions based on a percentage of the employees' contribution. The Foundation contributed $2,695 and $2,430 for the years ended May 31, 2025 and 2024, respectively.

13. Donated Items and Services

The Foundation receives donated professional services for accounting services and professional services in exchange for sponsorship recognition.

The Foundation received the following non-cash contributions meeting the criteria for recognition during the years ended May 31, 2025 and 2024:

Purpose	2025	2024
Trophies	$ 39,000	$ 35,525
Event Production	11,300	5,000
Food	14,600	12,000
Furniture	5,000	-
Leasehold Improvements	2,500	-
Media and Production	24,500	13,500
Silent Auction and Gift Bags	13,500	9,500
Travel	7,000	8,000
Professional Fees	10,000	10,000
Printing	2,500	2,500
Rent Reduction	6,730	-
Total	$136,630	$ 96,025

SUPPLEMENTAL INFORMATION

ED BLOCK COURAGE AWARD FOUNDATION, INC.
SUPPLEMENTAL SCHEDULE OF BANQUET REVENUE AND EXPENSES
For the Years Ended May 31, 2025 and 2024

	2025	2024
Banquet Revenue		
Sponsorships	$ 124,357	$ 139,281
Contributions	7,225	7,196
In-Kind Contributions	112,400	86,025
Legacy of Courage	192,840	198,464
Auctions	69,698	78,481
NFL Advertising	24,000	24,000
Raffle	1,400	1,600
Total Banquet Revenue	531,920	535,047
Outreach Expenses	37,829	32,234
Banquet Expenses		
Auction	17,247	15,570
Food and Beverage	60,431	58,085
Media and Production	53,910	34,938
Program Books	8,744	8,924
Transportation and Travel	40,014	35,029
Trophies and Awards	60,158	53,062
Venue and Other	53,249	45,402
	293,753	251,010
Total Outreach and Banquet Expenses	331,582	283,244
Net Banquet Income	$ 200,338	$ 251,803

See accompanying notes and independent auditor's report.