FRIENDS OF FONDATION DE FRANCE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

LUTZ AND CARR
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Friends of Fondation de France, Inc.

Opinion

We have audited the accompanying financial statements of Friends of Fondation de France, 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 financial statements referred to above present fairly, in all material respects, the financial position of Friends of Fondation de France, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Friends of Fondation de France, 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 Friends of Fondation de France, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

LUTZ AND CARR
CERTIFIED PUBLIC ACCOUNTANTS, LLP

Auditors' 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 auditors' 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 Friends of Fondation de France, 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 Friends of Fondation de France, 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.

Lutz + Carr, LLP

New York, New York
June 2, 2026

FRIENDS OF FONDATION DE FRANCE, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

	2025	2024
Assets		
Cash and cash equivalents	$1,177,207	$ 370,964
Contributions receivable		
Without donor restrictions	16,605	15,359
With donor restrictions	501,136	748,734
Accounts receivable	32,300	25,165
Prepaid expenses and other assets	33,675	73,579
Property and equipment, at cost, net of accumulated amortization	146	1,896
Operating lease right-of-use asset	12,898	25,815
Donated assets held for sale	2,024,330	2,111,845
Total Assets	$3,798,297	$3,373,357
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 45,236	$ 60,643
Operating lease liability	11,898	24,815
Total Liabilities	57,134	85,458
Net Assets		
Without donor restrictions	849,392	1,079,685
With donor restrictions	2,891,771	2,208,214
Total Net Assets	3,741,163	3,287,899
Total Liabilities and Net Assets	$3,798,297	$3,373,357

See notes to financial statements.

FRIENDS OF FONDATION DE FRANCE, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Changes in Net Assets Without Donor Restrictions		
Revenue and Support		
Contributions	$ 377,647	$ 336,027
Program revenue	38,943	31,893
Realized loss on sale of assets held for sale (net of commissions)	(18,032)	(5,604)
Impairment loss on assets held for sale	(66,263)	-
Interest and other income	7,503	3,347
Net assets released from restrictions		
Satisfaction of program restrictions	9,861,279	9,207,317
Total Revenue and Support	10,201,077	9,572,980
Expenses		
Program Services	10,001,977	9,147,458
Supporting Services		
Management and general	208,865	168,211
Fundraising	220,528	166,815
Total Expenses	10,431,370	9,482,484
Increase (Decrease) in Net Assets Without Donor Restrictions	(230,293)	90,496
Changes in Net Assets With Donor Restrictions		
Contributions	10,465,381	9,168,041
Donated assets	244,150	280,795
Impairment loss on assets held for sale	(128,629)	-
Realized loss on sale of assets held for sale (net of commissions)	(36,066)	(31,137)
Net assets released from restrictions	(9,861,279)	(9,207,317)
Increase in Net Assets With Donor Restrictions	683,557	210,382
Increase in net assets	453,264	300,878
Net assets, beginning of year	3,287,899	2,987,021
Net Assets, End of Year	$ 3,741,163	$3,287,899

See notes to financial statements.

FRIENDS OF FONDATION DE FRANCE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025				2024			
		Supporting Services				Supporting Services		
	Program Services	Management and General	Fundraising	Total Expenses	Program Services	Management and General	Fundraising	Total Expenses
Salaries, payroll taxes and employee benefits	$ 104,589	$ 52,295	$ 104,589	$ 261,473	$ 93,235	$ 46,617	$ 93,234	$ 233,086
Grants	9,884,215	-	-	9,884,215	9,036,356	-	-	9,036,356
Management fees	-	71,000	-	71,000	-	69,000	-	69,000
Professional fees	-	18,400	-	18,400	-	16,609	-	16,609
Office expense	4,526	36,131	19,243	59,900	9,479	19,078	12,505	41,062
Marketing	-	-	57,703	57,703	-	-	34,371	34,371
Meetings and travel	7,947	16,786	7,946	32,679	7,688	3,844	7,688	19,220
Miscellaneous	-	13,903	30,347	44,250	-	12,713	18,317	31,030
Total expenses before amortization	10,001,277	208,515	219,828	10,429,620	9,146,758	167,861	166,115	9,480,734
Amortization	700	350	700	1,750	700	350	700	1,750
Total Expenses	$10,001,977	$ 208,865	$ 220,528	$10,431,370	$9,147,458	$ 168,211	$ 166,815	$9,482,484

See notes to financial statements.

FRIENDS OF FONDATION DE FRANCE, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities		
Increase in net assets	$ 453,264	$300,878
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Non-cash operating lease expense	12,917	12,393
Amortization	1,750	1,750
Donated assets	(244,150)	(280,890)
Proceeds from sale of assets held for sale	82,675	176,433
Realized loss on sale of assets held for sale (net of commissions)	54,098	36,741
Impairment loss on assets held for sale	194,892	-
(Increase) decrease in:		
Contributions receivable	246,352	(531,818)
Accounts receivable	(7,135)	(15,824)
Prepaid expenses and other assets	39,904	(73,579)
Increase (decrease) in:		
Accounts payable and accrued expenses	(15,407)	20,644
Operating lease liability	(12,917)	(12,393)
Net Cash Provided (Used) By Operating Activities - Net Increase (Decrease) in Cash and Cash Equivalents	806,243	(365,665)
Cash and cash equivalents, beginning of year	370,964	736,629
Cash and Cash Equivalents, End of Year	$1,177,207	$370,964
Supplemental Disclosure		
Operating lease right-of-use asset obtained in exchange for operating lease liability	$ -	$ 25,310

See notes to financial statements.

FRIENDS OF FONDATION DE FRANCE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

Friends of Fondation de France, Inc. (the "Organization") is a not-for-profit organization, classified as a public charity that was incorporated under the laws of the State of New York. The Organization was organized to provide charitable and educational activities within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986. This shall include conducting activities that: (1) Support or benefit Fondation de France, a foreign organization that meets the requirements of Code Section 501(c)(3) and is the equivalent of a U.S. public charity. In performing these functions, the Organization will conduct any activities that may be necessary, useful or desirable for furtherance or accomplishment of the foregoing purposes, including but not limited to the support of education, arts, culture, the environment and relief of the poor and needy, (2) Cooperate with other charitable organizations for any of the foregoing purposes, and (3) May be necessary, useful, and desirable for the furtherance or accomplishment of the foregoing purposes.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid debt instruments, purchased with a maturity of three months or less, to be cash.

c - Contributions and Contributions Receivable

Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance-related or other barrier and right of return of assets transferred or release of a promisor's obligation to transfer assets in the future, are not recognized until the conditions on which they depend have been met. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Generally, it is the Organization's policy to withhold a percentage for each contribution, which is used towards management and general expenses.

d - Current Expected Credit Loss

Accounts receivable are presented net of an allowance for credit losses, if any, which is an estimate of amounts that may not be collectible. In determining the amount of the allowance as of the statement of financial position date, the Organization develops a loss rate based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions. Based on management's assessment, the Organization does not anticipate any credit losses on its accounts receivable.

FRIENDS OF FONDATION DE FRANCE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

e - Property and Equipment
Property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful lives of the assets.

f - Operating Lease Right-of-Use Asset and Operating Lease Liability
For leases with an initial term greater than twelve months, the Organization's operating lease liability is initially recorded at the present value of the unpaid lease payments. The Organization's operating lease right-of-use asset is initially recorded at the carrying amount of the lease liability adjusted for initial direct costs, accruals, deferred rent liability and lease incentives, if any. Operating lease cost is recognized on a straight-line basis over the lease term.

g - Financial Statement Presentation
The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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

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

h - Estimates
The preparation of financial statements in conformity U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

i - Tax Status
Friends of Fondation de France, Inc. is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as a public charity described in Section 509(a)(1), which is not a supporting organization, and which is not a private foundation.

FRIENDS OF FONDATION DE FRANCE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

j - Revenue Recognition
The Organization's program revenue is accounted for as an exchange transaction and consists of application fees, which are recognized at the time of application.

k - Functional Allocation of 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. Salaries, payroll taxes and employee benefits, office expense, meetings and travel, miscellaneous and amortization expenses are allocated on the basis of employee time and effort.

l - Prior Year Information
For comparability, certain 2024 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in 2025.

m - Subsequent Events
The Organization has evaluated subsequent events through June 2, 2026, the date that the financial statements are considered available to be issued.

Note 2 - Information Regarding Liquidity and Availability

The Organization establishes a budget for each year based on the revenues expected to be available to fund anticipated expenses. The majority of annual revenue is comprised of contribution revenue. The Organization considers general expenditures to consist of all expenses related to its ongoing program activities, and general and administrative and fundraising activities undertaken to support those services.

The Organization regularly monitors liquidity to meet its operating needs and other commitments. Management prepares regular cash flow projections to determine liquidity needs and has a policy to maintain all of its financial assets in cash or cash equivalents so that they are available to cover expenditures as they arise.

Note 2 - Information Regarding Liquidity and Availability (continued)

The Organization's financial assets as of December 31, 2025 and 2024 available to meet cash needs for general expenditures within one year are summarized as follows:

	2025	2024
Financial Assets at Year End:		
Cash and cash equivalents	$1,177,207	$ 370,964
Contributions receivable	517,741	764,093
Accounts receivable	32,300	25,165
Financial Assets Available to Meet General Expenditures within One Year	$1,727,248	$1,160,222

Note 3 - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for future grants.

Note 4 - Contributions Receivable

Contributions receivable as of December 31 are due as follows:

	2025	2024
Less than one year	$282,092	$264,093
One to five years	250,000	500,000
	532,092	764,093
Less: Discount to present value	(14,351)	-
	$517,741	$764,093

The balances for both years consist primarily of amounts from one donor. Uncollectible contributions receivable are expected to be insignificant. Contributions receivable due after one year are discounted to present value using a discount rate of 3%.

Note 5 - Donated Assets Held for Sale

Over the past several years (2018 through 2025), the Organization received contributions of Gemological Institute of America ("GIA") certified diamonds which were recorded at market value at the time of the donation. The diamonds are held by an established broker at a secure location in New York City. The diamonds are held for sale and during 2025 and 2024, five and three of the diamonds were sold, respectively. The net proceeds are used for grants and operations.

During the year ended December 31, 2025, the Organization recognized an impairment loss of $194,892 related to certain diamonds received in prior years. Based on updated market information and estimated realizable values, the carrying amounts of these diamonds exceeded their estimated fair values. The impairment loss is included in the accompanying statement of activities.

Note 6 - Property and Equipment

Property and equipment consists of the following at December 31:

	Life	2025	2024
Website	5 years	$ 8,750	$ 8,750
Less: Accumulated amortization		(8,604)	(6,854)
		$ 146	$ 1,896

Note 7 - Concentrations

a - The Organization maintains its cash accounts in two financial institutions in New York City. The balances are insured by the Federal Deposit Insurance Corporation up to certain limits.

b - In 2025, three contributors represented approximately 38% of total contribution revenue. In 2024, two contributors represented approximately 41% of total contribution revenue.

Note 8 - Related Parties

Two Directors of the Organization are also employees of Fondation de France.

Note 9 - Employee Benefits

The Organization maintains a 401(k) defined contribution plan for the benefit of eligible employees. Employees are permitted to make elective deferrals up to statutory limits. The Organization may make elective discretionary contributions. During the years ended December 31, 2025 and 2024, expenses related to this plan totaled $1,098 and $1,276, respectively.

Note 10 - Operating Lease Liability

The Organization leases office space under an operating lease agreement expiring February 16, 2027. The lease includes base annual rent of $12,655, payable in advance.

Operating lease expense for the years ended December 31, 2025 and 2024 totaled $12,655 and $12,299, respectively. There were no variable lease costs incurred. As of December 31, 2025, the remaining term of the Organization's operating lease is thirteen and a half months, and the discount rate is 4.26%.

Maturities of the Organization's operating lease liability as of December 31, 2025 are as follows:

Year ending December 31, 2026	$12,655
Less: Amount attributable to interest	(757)
	$11,898