WELCOME HOME ANGEL, INC. AND SUBSIDIARY
Wilmington, North Carolina

INDEPENDENT ACCOUNTANTS' REVIEW REPORT
AND
FINANCIAL STATEMENTS

As of and for the Year Ended
December 31, 2025

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Turlington and Company, L.L.P.
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Welcome Home Angel, Inc.
Wilmington, North Carolina

We have reviewed the accompanying consolidated financial statements of Welcome Home Angel, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Welcome Home Angel, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Turlington and Company, L.L.P.

Winston-Salem, North Carolina
April 10, 2026

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WELCOME HOME ANGEL, INC.

STATEMENT OF FINANCIAL POSITION
December 31, 2025

ASSETS

Current assets:		
Cash and equivalents	$	385,594
Unconditional promises to give, current		389,827
Sales tax and other refunds receivable		4,254
Inventory		3,971
Prepaid expenses		16,146
		799,792
Noncurrent assets:		
Unconditional promises to give, noncurrent		441,752
Property and equipment, net		59,514
Refundable lease deposits		4,456
Operating lease right of use assets		18,275
		523,997
Total assets	$	1,323,789

LIABILITIES AND NET ASSETS

Current liabilities:		
Operating lease obligation, current	$	14,092
Accounts payable		11,833
Accrued liabilities		17,833
Deferred revenue		1,283
		45,041
Net assets:		
Without donor restrictions		189,694
With donor restrictions		1,089,054
		1,278,748
Total liabilities and net assets	$	1,323,789

The accompanying notes are an integral part of the financial statements
See independent accountants' review report

WELCOME HOME ANGEL, INC.

STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities:			
Public support:			
Grants and contributions	$ 155,326	$ 1,103,304	$ 1,258,630
Contributions of nonfinancial assets	19,665		19,665
Net assets released from restrictions	219,234	(219,234)	-
Total public support	394,225	884,070	1,278,295
Revenue:			
Special events	236,842		236,842
Rental income	35,719		35,719
Investment income	9,432		9,432
Total revenue	281,993		281,993
Total public support and revenue	676,218	884,070	1,560,288
Expenses:			
Program services	531,792		531,792
Support services:			
Management and general	83,955		83,955
Fundraising	117,259		117,259
Total support services	201,214		201,214
Total expenses	733,006		733,006
Change in net assets	(56,788)	884,070	827,282
Net assets at beginning of year	246,482	204,984	451,466
Net assets at end of year	$ 189,694	$ 1,089,054	$ 1,278,748

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WELCOME HOME ANGEL, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2025

	Program Services	Support Services: Management and General	Support Services: Fundraising	Totals
Personnel costs	$ 221,499	$ 30,871	$ 49,273	$ 301,643
Building contractors	47,340			47,340
Professional services	25,079	27,640	4,413	57,132
Bank and merchant fees		140	7,475	7,615
Building supplies and materials	75,542			75,542
Other direct program costs	71,734			71,734
Special events			51,920	51,920
Travel, meetings, and events	13,130	427	3,510	17,067
General operations	31,749	9,637	668	42,054
Insurance	4,398	1,466		5,864
Lease expense	41,321	13,774		55,095
	$ 531,792	$ 83,955	$ 117,259	$ 733,006

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WELCOME HOME ANGEL, INC.

STATEMENT OF CASH FLOWS
Year Ended December 31, 2025

Cash flows from operating activities:	
Change in net assets	$ 827,282
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	25,362
Changes in operating assets and liabilities:	
Unconditional promises to give	(824,079)
Sales tax and other refunds receivable	1,197
Inventories	14,000
Prepaid expenses	(14,137)
Accounts payable	2,982
Accrued expenses	7,738
Operating lease obligation	(1,224)
Deferred revenue	1,283
Net cash provided by operating activities	40,404
Net increase in cash	40,404
Cash and equivalents at beginning of year	345,190
Cash and equivalents at end of year	$ 385,594

The accompanying notes are an integral part of the financial statements
See independent accountants' review report

WELCOME HOME ANGEL, INC.

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2025

1. Description of Organization:

Welcome Home Angel, Inc. is a nonprofit corporation that was organized in 2007. Welcome Home Angel, Inc.'s mission is to bring relief and joy to families and children with life-altering health conditions by providing functional space transformations that improve quality of life, give comfort, and speed recovery.

2. Summary of Significant Accounting Policies:

These financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America, with the more significant of these principles described as follows:

The Organization records resources for accounting and reporting purposes into two net asset categories: net assets without donor restrictions and net assets with donor restrictions, based on the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions - Net assets without donor restrictions are available for any purpose consistent with the Organization's mission. From time-to-time, the Organization's Board of Directors may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net assets with donor restrictions - Net assets subject to specific, donor-imposed restrictions that must be met by actions of the Organization and/or passage of time. When a restriction expires, the net assets are reclassified to net assets without donor restrictions and are reported in the statement of activities as released from restrictions. Some net assets may include donor-imposed restrictions that the assets be held in perpetuity, while permitting the Organization to expend the income generated by those assets.

Cash and cash equivalents, as stated for cash flow purposes, consists of interest and noninterest bearing cash accounts with original maturities of three months or less.

Sales tax and other refunds receivable are stated at unpaid balances less an allowance for credit losses, when appropriate. The Organization provides for losses on receivable using the allowance method. The allowance is based on prior experience and other circumstances, which may affect the ability of donors and other third parties to meet their obligations. It is the Organization's policy to charge off receivables when management determines the receivable will not be collected. The Organization has determined that an allowance for credit losses is not necessary at December 31, 2025 based on the nature of its receivables and the parties from whom those amounts are due.

The Organization accounts for contributions in accordance with ASC 958-605, *Contributions Received*. Contributions, including unconditional promises to give, are recognized as income in the period received. Contributions received are recorded as an increase in either net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the income is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, 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. Contributions received for which the donor receives commensurate value are accounted for as exchange transactions and the related revenues are recognized under ASC 606, *Revenue from Contracts with Customers*. Contributions received that include a right of return or release and that are subject to certain barriers are treated as conditional contributions and are recognized as income in the period in which those barriers have been met, which may differ from the time at which the contribution is made.

2. Summary of Significant Accounting Policies (Continued):

Purchases of property and equipment with a useful life greater than one year and for an amount greater than $1,000 are capitalized at cost. Major renewals and betterments that extend the useful lives of property and equipment are capitalized at cost if purchased or fair market value if contributed. Expenditures for maintenance, repairs, and minor renewals are charged to expense as incurred. Depreciation is computed by use of the straight-line method over the estimated useful lives of the underlying assets, which range from three to ten years.

The Organization's inventories consist of donated furnishings and materials that are used for its programming. These inventories are valued at estimated fair market value on the date of donation.

Donations of property and equipment are recorded as contributions at their estimated 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 and other assets that must be used to acquire property and equipment are reported as restricted contributions. 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. At that time, the Organization reclassifies net assets with donor restrictions to net assets without donor restrictions.

The requirements for the recognition of contributed services in the financial statements are set forth in ASC 958-605, *Contributions Received*. Donated services should be recorded when (1) they create or enhance non-financial assets, or (2) they require specialized skills provided by individuals possessing those skills and are services that would typically be purchased if not provided by donation.

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that are directly attributable to a functional area are directly assigned to that area. Other costs are allocated to the functional areas using reasonable bases that are consistently applied, including either time or effort expended, usage of space, revenues, or other allocation bases.

The Organization recognizes tax benefits from uncertain tax positions at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority.

The Organization accounts for its leasing activities in accordance with ASC 842, *Leases*. Under ASC 842, all leases, with limited exceptions, are recognized on the statement of financial position as right of use assets and related lease obligations. The Organization classifies its leases as either operating leases or finance leases depending on the nature and terms of the agreements. Operating lease expense is recognized on a straight-line basis over the lease term whereas finance lease expense includes components of interest related to the accretion of the finance lease obligation, and amortization related to the finance lease right of use assets. The Organization has elected to apply the short-term lease exception whereby right of use assets and lease obligations pertaining to leases with an original term of less than 12 months are not reflected in the statement of financial position. Further, the Organization has elected to use the risk-free discount rate in value lease obligations for certain asset classes, including office space. See Note 10 for additional information regarding the Organization's leasing activities.

The preparation of financial statements in accordance 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.

3. Concentrations:

The Organization places its cash and cash equivalents on deposit with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposits held in noninterest-bearing transaction accounts are aggregated with interest-bearing deposits the owner may hold in the same ownership category, and the combined total is insured up to at least $250,000. During the year, the Organization from time to time may have had amounts on deposit in excess of the insured limit. As of December 31, 2025, the Organization had deposits of $5,138 in excess of the insured limit.

4. Liquidity and Availability of Resources:

The Organization's financial assets that are available for general expenditure within one year of December 31, 2025 are as follows:

Financial assets available within one year:		
Cash and equivalents	$	385,594
Unconditional promises to give		389,827
Sales tax and other refunds receivable		4,254
Total financial assets available within one year		779,675
Less, amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions		672,302
Total financial assets available for general expenditures within one year	$	107,373

The Organization's policy is to structure its financial assets in such a manner to be available for general expenditures as the obligations come due.

5. Unconditional Promises to Give:

The Organization's unconditional promises to give consist of pledges made by donors that were not collected as of December 31, 2025. Unconditional promises to give have been discounted using a risk-free discount rate.

Unconditional promises to give consisted of the following at December 31, 2025:

Unconditional promises to give before unamortized discount	$	876,579
Less, discount to present value		45,000
Unconditional promises to give, net	$	831,579
Amount due in:		
Less than one year	$	389,827
More than one year		441,752
	$	831,579

6. Property and Equipment:

Property and equipment consisted of the following at December 31, 2025:

Furniture and fixtures	$	42,944
Office equipment		34,754
Leasehold improvements		1,337
Vehicles		37,500
		116,535
Less, accumulated depreciation		57,021
	$	59,514

Depreciation expense amounted to $25,362 for the year ended December 31, 2025.

7. Net Assets with Donor Restrictions:

The Organization's net assets with donor restrictions consist of cash and unconditional promises to give related to specified donor time and use restrictions for the ABLE Pathways for Aging in Place program. These amounts totaled $1,089,054 as of December 31, 2025.

A summary of net assets released from restrictions during the year ended December 31, 2025 is as follows:

Satisfaction of use restrictions through incurrence of program expenditures	$ 219,234

8. Contributed Nonfinancial Assets:

The Organization's contributed nonfinancial assets recognized in the statement of activities totaled $19,665 for the year ended December 31, 2025 and consisted of programmatic construction materials and related services.

These donations did not include donor-imposed restrictions. Contributed services were valued based on standard billing rates for the services provided. Contributed materials were valued based on current replacement costs.

The principal market for determining the fair value of contributed nonfinancial assets is the market in which the Organization would sell the assets in an orderly transaction between market participants at the date of donation.

The contributed goods and services are utilized by the Organization for various program functions rather than monetized.

9. Income Tax Status:

Welcome Home Angel, Inc. has been determined to be exempt from income taxes under Code Section 501(c)(3) of the Internal Revenue Code. In addition, Welcome Home Angel, Inc. qualifies for the charitable contribution deduction under Section 170 of the Internal Revenue Code. Annual information returns are filed as required.

The Organization has determined that it has no uncertain income tax positions as of December 31, 2025. Also, the Organization does not anticipate any increase or decrease in unrecognized tax benefits during the next twelve months that would result in a material change in its financial position. The Organization's income tax returns for years ended after December 31, 2022 remain open for examination.

The Organization includes interest and penalties in the financial statements as a component of income tax expense. No interest or penalties are included in the Organization's financial statements for the year ended December 31, 2025.

10. Leases:

The Organization leases office space under an agreement that qualifies as an operating lease under ASC 842. The lease provides for monthly payments of $4,456 and the payments are scheduled to increase by 3% annually at the lease anniversary date. The lease is scheduled to expire in April 2026. The lease agreement includes a renewal option of three years at the lease termination date; however, the Organization is uncertain as to whether this option will be exercised and thus the lease term used to value the original lease obligation is three years. The Organization has also executed certain sublease agreements with unrelated tenants related to this office space. The sublease agreements include terms of six months and monthly payments ranging from $420 to $653.

10. Leases (Continued):

Future minimum payments under the Organization's lease agreements are as follows:

Year Ended December 31		Amount
2026	$	14,183
Less, present value discount		91
	$	14,092

Total operating lease expense for the year ended December 31, 2025 was $55,095.

The discount rate used to value the operating lease obligation was 3.73% and the remaining lease term at December 31, 2025 was 0.33 years.

11. Subsequent Events:

The Organization has evaluated all subsequent events through April 10, 2026, the date the financial statements were available to be issued. No other events were identified that would require adjustment of or disclosure in the accompanying financial statements.