Report of Independent Auditors and
Consolidated Financial Statements

Caterina's Club

December 31, 2024 and 2023

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Board of Directors

FOUNDER/EXECUTIVE DIRECTOR:
Bruno Serato,
Owner CEO, Anaheim White House Restaurant

CHAIRMAN/VICE PRESIDENT:
Sylvano Ibay,
Managing Partner, Anaheim White House Restaurant

SECRETARY:
Barbara Stovall,
Concert Pianist & Philanthropist

TREASURER:
David Pryor
CEO, Southland Tools

BOARD DIRECTORS:
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Community Philanthropist
Sandra Ceron,
Owner/CEO, Expert Coating and Graphics Inc.
Tyler D. Kring,
Attorney at Law, Kring & Chung, LLP
Heikki Veharanta,
Attorney at Law, Office of Heikki Veharanta
Sue Cassidy,
Community Philanthropist
Tina S. Luis,
Educator
Emily Grant,
Public Relations, SoCal Gas
Vanessa Villa,
Community Philanthropist
Mickey Sharples,
Community Philanthropist
Frank Weber,
Sales & Marketing Partner, Talley LLP
Garrett Smith,
Finance, Planning & Analysis Manager, Solina USA

ADVISORY BOARD:
Maestro Carlo Ponti Jr.,
Founder, Los Angeles Virtuosi Orchestra
Dr. Gnyandev Patel,
Medical Doctor
Wing Lam,
Co-Founder, Wahoo's Fish Tacos
Jordan M. Coe,
Producer, Ocean Front Entertainment
Garth Blumenthal,
Community Philanthropist
Gene Howard,
Director, OC Alliance for Children & Families
Craig & Roselli Wildvank,
Owner, CW Industries
Patrick & Jolynn Mahoney,
Owner, West Coast Arborist, Inc.
Maria Elena Infantino,
Performer/Singer
Liz Dunster,
Erika Records Proprietor
Sinan Kanatsiz,
CEO, KCOMM

CATERINA'S INTERNATIONAL AMBASSADORS: Fabio Lamborghini
Alessandro Del Piero

CATERINAS CLUB

In 2005, Chef Bruno Serato, owner of Anaheim White House Restaurant, and his Mother, Caterina Lunardi, became aware of a growing group of children called "motel kids" attending a local Boys and Girls Club. Caterina was told by the Club's Executive Director that most of their children would go to bed without supper and relied on snacks at the after-school program to get them through the night. Caterina instructed that Bruno go back to his restaurant and prepare pasta for the children and thus, Caterina's Club was born. Caterina's Club served 60 meals that night, and has not stopped since. For the past 20 years, Caterina's Club has been identifying at-risk children and cooking up nightly meals for them. Caterina's Club feeds undeserved children in 34 cities throughout Orange County, Los Angeles, and San Bernardino Counties serving 5,500 hot meals per night, at different locations such as Boys & Girls Clubs, after-school program partners, homeless programs, schools, and churches. As a result, we are pleased to share that to date we have served over 11 million meals.

Additionally, Caterina's Club provides housing assistance to homeless families. We are remedying family homelessness by providing a continuum of extensive case management, financial advising, and the necessary relocation funds for displaced families. To date, Caterina's Club moved over 280 families out of homelessness and into the longevity and safety of a new home.

Caterina's Club designed and launched a third program, Chef Bruno's Hospitality Academy to provide at-risk teenagers with a twelve-week program that teaches content and skills not taught in the traditional school day. Executives from major hotels, culinary schools, and businesses have been secured as guest chefs and speakers to provide students insight on the opportunities that lie ahead as they prepare to exit high school. Over the course of twelve weeks, our expert staff train the students in all aspects of the culinary and hospitality industry. The Academy serves as an innovative after-school program to keep the teens in our community off the streets and involved in activities that will help shape and brighten their future. Finally, we believe that providing these young adults necessary skills to get employed will be instrumental in preventing the cycle of poverty and homelessness. To date, Caterina's Club has provided training to 1035 students.

Caterina's Club Mission Statement:
To provide warm meals, affordable housing assistance, and job training to homeless and low-income families throughout Southern California, with emphasis on Orange County and South East Los Angeles Counties. This mission is supported by a vision where we are creating a modicum of consistency in the lives of homeless and severely low-income children through something as simple yet meaningful as a nightly dinner. Simply, we strive to provide every child the resources, love, and encouragement they need to be healthy, safe, and educated.

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Caterina's Club is a recognized 501(c)3 Tax ID 30-0751934

Report of Independent Auditors

The Board of Directors
Caterina's Club

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Caterina's Club (a non-profit organization), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Caterina's Club as of December 31, 2024 and 2023, 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 Caterina's Club 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Caterina's Club's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Caterina's Club'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Caterina's Club'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.

Other Matter

Management Discussion and Analysis

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Management Discussion and Analysis, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly US, LLP

Irvine, California
November 24, 2025

Consolidated Financial Statements

Caterina's Club
Consolidated Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,212,192	$ 3,270,796
Investments	971,329	818,379
Contributions receivable, net	816,090	207,709
Inventory	52,707	131,262
Prepaid expenses	28,534	72,325
Total current assets	4,080,852	4,500,471
PROPERTY AND EQUIPMENT, net	899,340	69,532
DEPOSITS	11,496	4,700
Total assets	$ 4,991,688	$ 4,574,703
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 42,146	$ 51,969
Accrued payroll	54,934	40,824
Current maturities on note payable	40,853	-
Total current liabilities	137,933	92,793
NOTE PAYABLE, NET CURRENT PORTION	103,075	-
Total liabilities	241,008	92,793
NET ASSETS		
Without donor restrictions	4,650,680	4,189,898
With donor restrictions	100,000	292,012
Total net assets	4,750,680	4,481,910
Total liabilities and net assets	$ 4,991,688	$ 4,574,703

See accompanying notes.

Caterina's Club
Consolidated Statements of Activities
Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND OTHER GAINS						
Contributions and grants	$ 1,080,127	$ 100,000	$ 1,180,127	$ 751,276	$ 325,000	$ 1,076,276
In-kind donations	244,680	-	244,680	363,155	-	363,155
Special events revenue, net	1,595,114	-	1,595,114	1,737,478	-	1,737,478
Realized and unrealized gain on on investments, net	147,693	-	147,693	59,824	-	59,824
Other revenue	74	-	74	32	-	32
Net assets released from restriction	292,012	(292,012)	-	83,220	(83,220)	-
Total revenues, support, and other gains	3,359,700	(192,012)	3,167,688	2,994,985	241,780	3,236,765
EXPENSES						
Program services						
Feeding the Kids in America	1,891,986	-	1,891,986	1,870,962	-	1,870,962
Welcome Home	122,479	-	122,479	136,108	-	136,108
Hospitality Academy	171,039	-	171,039	161,266	-	161,266
Total program services	2,185,504	-	2,185,504	2,168,336	-	2,168,336
Supporting services						
General and administrative	355,325	-	355,325	331,848	-	331,848
Fundraising	358,089	-	358,089	327,561	-	327,561
Total supporting services	713,414	-	713,414	659,409	-	659,409
Total expenses	2,898,918	-	2,898,918	2,827,745	-	2,827,745
CHANGE IN NET ASSETS	460,782	(192,012)	268,770	167,240	241,780	409,020
NET ASSETS, beginning of year	4,189,898	292,012	4,481,910	4,022,658	50,232	4,072,890
NET ASSETS, end of year	$ 4,650,680	$ 100,000	$ 4,750,680	$ 4,189,898	$ 292,012	$ 4,481,910

See accompanying notes.

Caterina's Club
Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services				Supporting Services			
	Feeding the Kids in America	Welcome Home	Hospitality Academy	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	2024 Total
Salaries	$ 676,339	$ 23,322	$ 65,572	$ 765,233	$ 68,902	$ 129,675	$ 198,577	$ 963,810
Payroll taxes	55,553	1,838	6,016	63,407	4,671	9,341	14,012	77,419
Benefits	82,103	17,134	21,171	120,408	4,037	4,036	8,073	128,481
	813,995	42,294	92,759	949,048	77,610	143,052	220,662	1,169,710
Accounting and legal	7,749	7,749	7,749	23,247	130,414	7,749	138,163	161,410
Bad debt expense	-	-	-	-	-	40,000	40,000	40,000
Bank fees	-	-	-	-	14,577	20,850	35,427	35,427
Communication	19,005	9,281	9,281	37,567	-	41,010	41,010	78,577
Depreciation	-	-	-	-	21,141	-	21,141	21,141
Dues and subscriptions	-	-	-	-	1,541	-	1,541	1,541
Food preparation and delivery	359,902	-	-	359,902	-	-	-	359,902
Grant writing	9,500	9,500	9,500	28,500	-	85,500	85,500	114,000
Instructor cost	-	-	18,022	18,022	-	-	-	18,022
Food supplies	288,170	-	-	288,170	-	-	-	288,170
Insurance	12,541	4,630	4,297	21,468	11,296	-	11,296	32,764
Interest	19,888	1,287	1,798	22,973	-	-	-	22,973
Kitchen supplies	73,548	906	-	74,454	-	-	-	74,454
Office supplies	-	-	-	-	16,547	-	16,547	16,547
Other	69,497	892	2,637	73,026	39,468	995	40,463	113,489
Postage	1,366	391	391	2,148	108	108	216	2,364
Rent - office	6,361	6,361	6,361	19,083	6,361	6,361	12,722	31,805
Rental assistance	-	27,327	-	27,327	-	-	-	27,327
Repairs and maintenance	24,585	1,929	1,929	28,443	33,760	-	33,760	62,203
Scholarships	-	-	8,625	8,625	-	-	-	8,625
Storage and kitchen rental	78,131	877	1,299	80,307	422	422	844	81,151
Travel	-	228	-	228	-	5,676	5,676	5,904
Utilities	107,748	8,827	6,391	122,966	2,080	6,366	8,446	131,412
Total expenses	$ 1,891,986	$ 122,479	$ 171,039	$ 2,185,504	$ 355,325	$ 358,089	$ 713,414	$ 2,898,918

See accompanying notes.

Caterina's Club
Consolidated Statement of Functional Expenses
Year Ended December 31, 2023

	Program Services				Supporting Services			
	Feeding the Kids in America	Welcome Home	Hospitality Academy	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	2023 Total
Salaries	$ 663,161	$ 26,640	$ 61,406	$ 751,207	$ 70,073	$ 123,273	$ 193,346	$ 944,553
Payroll taxes	51,092	2,154	6,097	59,343	5,106	9,827	14,933	74,276
Benefits	33,949	9,864	10,629	54,442	557	556	1,113	55,555
	748,202	38,658	78,132	864,992	75,736	133,656	209,392	1,074,384
Accounting and legal	9,183	9,183	9,183	27,549	146,935	9,183	156,118	183,667
Bank fees	37,988	7,048	8,998	54,034	1,368	27,066	28,434	82,468
Communications	-	-	-	-	-	7,957	7,957	7,957
Depreciation	-	-	-	-	41,682	-	41,682	41,682
Dues and subscriptions	-	-	-	-	1,213	-	1,213	1,213
Food preparation and delivery	386,572	1,940	-	388,512	-	-	-	388,512
Grant writing	-	-	-	-	-	102,375	102,375	102,375
Hospitality Academy Program	-	-	30,543	30,543	-	-	-	30,543
Food supplies	394,649	-	-	394,649	-	-	-	394,649
Insurance	7,914	5,238	5,056	18,208	11,130	-	11,130	29,338
Kitchen supplies	58,792	1,745	-	60,537	-	-	-	60,537
Office supplies	-	-	-	-	17,173	-	17,173	17,173
Other	13,504	1,182	2,860	17,546	27,909	30,569	58,478	76,024
Postage	1,391	384	384	2,159	112	112	224	2,383
Rent - office	5,193	5,193	5,193	15,579	5,193	5,193	10,386	25,965
Rental assistance	-	52,770	-	52,770	-	-	-	52,770
Repairs and maintenance	16,975	1,327	1,327	19,629	-	-	-	19,629
Scholarships	-	-	8,894	8,894	-	-	-	8,894
Storage and kitchen rental	81,310	2,340	3,290	86,940	950	950	1,900	88,840
Travel	-	24	-	24	-	6,000	6,000	6,024
Utilities	109,289	9,076	7,406	125,771	2,447	4,500	6,947	132,718
Total expenses	$ 1,870,962	$ 136,108	$ 161,266	$ 2,168,336	$ 331,848	$ 327,561	$ 659,409	$ 2,827,745

See accompanying notes.

Caterina's Club
Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 268,770	$ 409,020
Adjustments to reconcile increase in net assets to net cash from operating activities		
Depreciation	21,141	41,682
Bad debt expense	40,000	-
Unrealized (gain) on investments	(147,693)	(61,323)
Changes in assets and liabilities		
(Increases) decreases in		
Contributions receivable	(648,381)	262,461
Inventory	78,555	150,122
Prepaid expenses	43,791	(71,825)
Deposits	(6,796)	-
Increases (decreases) in		
Accounts payable	(9,823)	48,527
Accrued payroll	14,110	(21,155)
Operating lease liabilities	-	(1,360)
Net cash from operating activities	(346,326)	756,149
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(5,257)	(500,000)
Purchases of property and equipment	(850,949)	-
Net cash from investing activities	(856,206)	(500,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on long-term debt	430,000	-
Payments on long-term debt	(286,072)	-
Net cash from financing activities	143,928	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,058,604)	256,149
CASH AND CASH EQUIVALENTS, beginning of year	3,270,796	3,014,647
CASH AND CASH EQUIVALENTS, end of year	$ 2,212,192	$ 3,270,796
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest for the year	$ 22,973	$ -

See accompanying notes.

Note 1 – Organization and Nature of Services

Caterina's Club was founded by Chef Bruno Serato and incorporated on October 5, 2012, under the nonprofit public benefit corporation laws of the state of California. As the owner of the Anaheim White House Restaurant, Bruno began by hosting annual luncheons with a group of 75 women in honor of his mother, Caterina. Proceeds from these luncheons helped support services for youth through the Boys and Girls Clubs of Anaheim, a long-time recipient of Bruno's donations. During a visit to the club, Bruno and his mother realized that many of the children were eating potato chips for dinner, and this sparked Caterina's Club's mission of ending childhood malnutrition and hunger. Using his resources as a restaurant owner, Bruno began feeding these children, many of whom lived in motels or other substandard living conditions. What started as a simple hot meal for one hungry "motel child" at a Boys and Girls Club in Anaheim has turned into an international campaign to help end childhood hunger.

Orange County is known for its beauty and lavish lifestyles, but what is lesser known is this plight of "motel families." These are families headed by hard working parents, often earning poverty-level wages. Some have lost their home due to a job loss or other circumstances beyond their control. Children in these families may get government subsidized meals at school during the week but have limited access to affordable, nutritious evening or weekend meals, and these children are considered part of a growing "food insecure household" population.

Unaudited: Caterina's Club is now serving 5,500 dinners every night to low-income children at 109 different after-school program sites spread throughout 34 cities in Orange County and Los Angeles County through the Feeding the Kids in America program. Executive Director Bruno Serato expanded this mission to providing qualified families residing in motels with relocation assistance by paying first and last month's rent and security deposits on a family-friendly apartment. In the past four years, Caterina's Club has funded permanent housing to 246 families through the Welcome Home program. The organization is committed to addressing the county's lack of affordable housing and access to nutritious, affordable food and expanding this mission beyond the borders of Orange County.

Supporting organization – Caterina's Club Holdings was incorporated as a nonprofit public benefit corporation on December 6, 2023. It was established as a supporting organization controlled by Caterina's Club. Caterina's Club maintains the books and records of a Supporting Organization which is consolidated with Caterina's Club for financial reporting purposes. The Board of the Supporting Organization is the same as the one for Caterina's Club. Caterina's Club and the Supporting Organization are collectively referred to herein as Caterina's Club.

Caterina's Club has the following programs (information has not been audited):

Feeding the Kids in America – Today nearly 400,000 people in Orange County struggle to get their food needs met. Caterina's Club's Feeding the Kids in America program was designed to address this issue by providing daily warm, nutritional meals to approximately 9,475 at-risk children attending after-school programs at 89 different locations with 21 cities in Orange County. After-school programs include the YMCA, Boys and Girls Clubs, and other on-campus programs.

Welcome Home – The Welcome Home program remedies motel living by raising funds to provide working families with the push they need to get out of motels and into an apartment or condominium. Caterina's Club has partnered with the Illumination Foundation to identify families and to provide the necessary case management, financial advising, and eventually the first and last month's rent and deposits due at move in. In addition to covering the move-in costs, Caterina's Club collects donated furniture, appliances, and other home goods to assist with the family's transition into a secure and fully functioning home.

Hospitality Academy – Caterina's Club developed a third program titled Chef Bruno's Hospitality Academy. Caterina's Club has partnered with the Anaheim school district to bring a unique career exploration opportunity to at risk teens. The Hospitality Academy is a three-month program provided for children that teaches them food preparation, nutrition, customer service, financial responsibility, marketing, and hospitality career choices. The vision for this program is to provide extensive training that will not only keep them engaged in an after-school program and off of the streets but will bring them career readiness as they begin to prepare for their transition from high school into the real world.

Caterina's Club takes a whole person approach to addressing the needs of the underprivileged and believes that these three programs can work together to promote the autonomy of the individuals served.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation – The accompanying consolidated financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). References to the ASC hereafter refer to the Accounting Standards Codification established by the Financial Accounting Standards Board (FASB) as the source of authoritative GAAP. Significant accounting policies are described in the following pages to enhance the usefulness of the financial statements to the reader.

Principles of consolidation – The consolidated financial statements include the accounts of Caterina's Club and its supporting organization Caterina's Club Holdings because Caterina's Club has both control and an economic interest in this entity. All significant intercompany accounts and transactions have been eliminated in consolidation.

Estimates – The preparation of consolidated financial statements in accordance with GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Financial statement presentation – Caterina's Club is reports 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.

Description of the two net asset categories are as follows:

Net assets without donor restrictions – Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions, including the carrying value of all unrestricted physical properties (land, building, and equipment). Items that affect (i.e., increase or decrease) this net asset category include revenue and contributions related to expenses associated with core programs.

Net assets with donor restrictions – Net assets with donor restrictions are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions will be met by the passage of time or by use in other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity but permit an organization to use or expend part or all the income derived from the contribution.

Expiration of donor-imposed restrictions – Net assets are released from donor restrictions by incurring expenses to satisfy the restricted purposes and by occurrence of events specified by the donors, including the passage of time. Donor restrictions on long-lived assets or cash to construct or acquire long-lived assets are considered to have expired when the assets are placed in service.

Cash and cash equivalents – For purposes of the statements of cash flows, Caterina's Club considers all money market funds and highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

Investments – Investments are stated at fair value. The estimated fair value of investments is based on quoted market prices. The net appreciation (depreciation) of the fair value of investments is included in realized and unrealized gains and losses, net of investment expenses, on the statements of activities.

Fair value measurements – Caterina's Club follows the requirement for the disclosure of fair value measurements in accordance with a three-level valuation hierarchy. The valuation hierarchy is based upon the transparency of inputs in the valuation of an asset as of the measurement date. The three levels are defined as follows:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in the methodology used at December 31, 2024 and 2023:

Equity securities – Valued at the daily closing price as reported by the securities. Equity securities held by Caterina's Club are securities that are registered with the Securities and Exchange Commission. These securities are required to publish their daily net asset value and to transact at that price. The equity securities held by Caterina's Club are deemed to be actively traded.

U.S. Treasuries – These investments are traded frequently, and fair value has been determined using market quotations such as active trade markets.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Caterina's Club believes its valuation method is 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.

Concentration of credit risk – Caterina's Club's cash is maintained in a commercial bank and consists of cash on deposit. Caterina's Club places its cash with high credit quality financial institutions, and the account balances may exceed the institution's insurable limits established by the Federal Deposit Insurance Corporation (FDIC). Certain investments held with financial institutions are insured up to a specific limit by the Securities Investor Protection Corporation (SIPC). Caterina's Club has not experienced any credit losses in such accounts.

Investments are exposed to various risks such as interest rates, market, and credit risks. Risk is managed through evaluation before an investment is made and regular communication with investment managers. It is at least reasonably possible, given the level of risk associated with investments, that changes in the near term could materially affect the amounts reported.

Contributions receivable – Receivables consist of unconditional promises to give that were not received by year end. Contributions receivable are written off when deemed uncollectible. Management wrote off $40,000 and $0 on contributions receivable they deemed to be uncollectible for the years ended December 31, 2024 and 2023, respectively. No interest is charged on contributions receivable. All contributions receivable are considered short-term, therefore, no present value discount was applied. Management considers all contributions receivable that are collected within 60 days of year and are not restricted by the donor for purpose to be contributions without donor restrictions.

Allowance for doubtful accounts – An allowance for estimated uncollectible accounts is based on past experience and on analysis of current receivable balances. Receivables are written off against the allowance in the year deemed uncollectible. Management has established an allowance for doubtful accounts of $20,000 and $0, for the years ended December 31, 2024 and 2023, respectively.

Inventory – Inventory, consisting of food, pasta, sauces, and other donated items are stated at cost or the approximate fair value on the date of donation.

Property and equipment – Assets are carried at cost if purchased or fair value at date of contribution if donated. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Caterina's Club follows the practice of capitalizing all eligible expenditures for property and equipment in excess of $500. Depreciation is calculated using the straight-line method over the estimated useful lives of property and equipment which approximates three to thirty-nine years.

Long-lived assets, such as property and equipment, are reviewed on an ongoing basis for impairment based on a comparison of the carrying value against undiscounted future cash flows. If impairment is identified, the assets' carrying amounts are adjusted to fair value. There were no such adjustments during the years ended December 31, 2024 and 2023. Repairs and maintenance are charged to expense when incurred.

Leases – In the ordinary course of business, Caterina's Club may enter into a variety of lease arrangements. Caterina's Club determines whether the arrangement is or contains a lease at inception and only reassesses its determination if the terms and conditions of the agreement are changed. Transactions give rise to leases when Caterina's Club receives substantially all the economic benefits from and can direct the use of a specified property or equipment. Caterina's Club recognizes a lease liability and a right-of-use (ROU) asset for all leases with an expected term greater than 12 months, on its statements of financial position. The lease liability is determined based on the present value of the minimum rental payments using a risk-free incremental borrowing rate in effect at the time of the lease commencement. The ROU asset is determined based on the lease liability adjusted for lease incentives received. Operating lease cost is recognized on a straight-line basis over the lease term. Certain optional renewal periods were not included in the determination of the lease liability and ROU asset if management determined it was not reasonably certain that the lease would be extended.

Contributions and grants – Contributions and grants are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Contributions and grants that are restricted by the donor are reported as increase in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions and grants are reported as increase 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. Contributions of assets other than cash are recorded at their estimated fair value.

Conditional contributions are not recognized until the conditions which they depend are met. There were no conditional contributions as of December 31, 2024 and 2023.

Special events revenue – Caterina's Club conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event (the exchange component) and a portion represents a contribution. Unless a verifiable objective mean exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the organization. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the organization, are recorded as costs of direct door benefits in the statements of activities. The performance obligation is delivery of the event, which is usually accompanied by a presentation. The ticket fee is set by the organization. FASB ASC 606, *Revenue from Contracts with Customers*, requires allocation of the transaction price to the performance obligation. Accordingly, Caterina's Club separately presents in its notes to consolidated financial statements the exchange and contribution components of the gross proceeds from special events. For special event fees received before year-end, for an event to occur after year-end, the organization follows American Institute of Certified Public Accountant guidance (if this is the case) where the inherent contribution is conditioned on the event taking place and is therefore treated as a refundable advance along with the exchange component.

In-kind donations – Contributions of donated materials and services (in-kind donations) are recorded at estimated fair values at the date received. Contributions of 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, are recorded at the estimated fair values in the period received. See Note 7.

Additionally, unpaid volunteers have made significant contributions of their time to Caterina's Club. However, the value of these services is not reflected in these consolidated financial statements because the criteria for recognition have not been satisfied.

Income taxes – Caterina's Club is a California non-profit corporation that has qualified for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and the California Revenue and Tax Code Section 23701(d). Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. However, Caterina's Club is subject to income taxes on any net income that is derived from an unrelated business activity and not in furtherance of the purposes for which it was granted exemption. No income tax provision had been recorded, as net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the accompanying consolidated financial statements taken as a whole.

Caterina's Club follows the accounting standard for uncertainty in income taxes recognized in a non-public entity's financial statements. It details how entities should recognize, measure, present, and disclose uncertain tax positions that have been or are expected to be taken. As such, consolidated financial statements will reflect expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the position and all relevant facts. There was no impact to Caterina's Club's consolidated financial statements as a result of these provisions.

Functional allocation of expenses – The costs of providing program and supporting services have been summarized on a functional basis in the statements of functional expenses. Certain categories of expenses that are attributable to more than one program or supporting function require allocation on a reasonable basis that is consistently applied. Accordingly, certain costs have been allocated among the program and supporting services benefited based on estimated usage. Salaries and wages of administrative and development personnel are allocated to general and administrative and fundraising. Program-specific personnel costs are allocated to programs services. All other costs are allocated between program services and supporting services on a pro rata basis determined by management's estimated usage.

Advertising – Caterina's Club follows the policy of charging the costs of advertising expenses as incurred. Advertising expense was approximately $104,000 and $77,000 for the years ended December 31, 2024 and 2023, respectively. Advertising expenses have been allocated to program services and supporting services on the statement of activities.

Reclassifications – Certain amounts presented in the prior year consolidated financial statements have been reclassified to conform to the current year presentation. These reclassifications had no impact on net assets, changes in net assets, or net asset classifications.

Note 3 – Availability and Liquidity

Caterina's Club's financial assets available for general expenditure (that is, without donor or other restrictions limiting their use), within one year of the statements of financial position date, are as follows as of December 31:

	2024	2023
Cash and cash equivalents	$ 2,212,192	$ 3,270,796
Investments	971,329	818,379
Contributions receivable	816,090	207,709
Total financial assets	3,999,611	4,296,884
Less amounts restricted by donors	100,000	292,012
Total financial assets available to meet general expenditures within one year	$ 3,899,611	$ 4,004,872

In order to safeguard operations and the ability to fulfill its mission during periods of economic downturn, Caterina's Club strives to maintain one full year of operating support in reserves.

Note 4 – Investments and Fair Value Measurements

The following table presents investments measured at fair value on a recurring basis at December 31, 2024 and 2023:

	2024			
	Level 1	Level 2	Level 3	Total
Equity securities	$ 441,770	$ -	$ -	$ 441,770
U.S. Treasuries	529,559	-	-	529,559
Total investments	$ 971,329	$ -	$ -	$ 971,329

	2023			
	Level 1	Level 2	Level 3	Total
Equity securities	$ 308,304	$ -	$ -	$ 308,304
U.S. Treasuries	510,075	-	-	510,075
Total investments	$ 818,379	$ -	$ -	$ 818,379

Note 5 – Property and Equipment

Property and equipment are stated at cost and as of December 31, 2024 and 2023, consisted of the following:

	2024	2023
Land	$ 730,000	$ -
Vehicles	157,372	157,372
Building	100,000	-
Furniture and equipment	58,981	43,028
	1,046,353	200,400
Accumulated depreciation	(144,766)	(130,868)
	$ 901,587	$ 69,532

For the years ended December 31, 2024 and 2023, depreciation expense was $21,141 and $41,682, respectively.

Note 6 – Net Assets with Donor Restrictions

At December 31, 2024 and 2023, net assets with donor restrictions consisted of the following:

	2024	2023
Net assets with donor restrictions		
Subject to expenditure for specified purposes		
Feeding the Kids vehicle	$ 100,000	$ -
Chef Bruno's Hospitality Academy	-	42,012
Acquisition of a new food storage facility	-	250,000
	$ 100,000	$ 292,012

During the years ended December 31, 2024 and 2023, net assets were released from door restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events as specified by donors, as follows:

	2024	2023
Chef Bruno's Hospitality Academy	$ 42,012	$ 83,220
Acquisition of a new food storage facility	250,000	-
	$ 292,012	$ 83,220

Note 7 – In-kind Donations

In-kind donations are summarized as follows at December 31:

	2024	2023
Inventory - food	$ 196,657	$ 245,481
Auction donations	48,023	72,891
Inventory - supplies	-	44,783
	$ 244,680	$ 363,155

Inventory – food – Caterina's Club receives in-kind food from corporate and individual donors that is utilized in its programs. The donated food is recorded in the consolidated financial statements as in-kind donations and as an expense at the estimated average fair value of one pound of donated food product at the industry standard rates between $0.89 and $2.75 depending on food type, for the years ended December 31, 2024 and 2023, respectively. The industry standard rates are evaluated and revised annually, and are based on analysis of data collected from the United States Department of Agriculture and other publicly available sources.

Auction donations – Caterina's Club received various auction donations including gift cards, experiences, services, and goods to be held at the special event auction to raise funds for Caterina's Club. Auction donations value is originally assigned based upon donor provided information verified by market comparisons. Auction items are monetized, and their value is updated to be recorded at the amount the item sells for at the auction.

Inventory – supplies – Caterina's Club reports goods meeting recognition criteria under GAAP based on estimated fair values based on going rate for similar supplies. The Caterina's Club did not monetize any contributed supplies and they did not have donor restrictions.

Note 8 – Special Events

Gross receipts from special fundraising events recorded by Caterina's Club consist of exchange transaction revenue from tickets and auction items and contribution revenue from sponsorships and donations:

	2024			
	Annual Gala	KFI Radiothon	Other	Total
Contributions	$ 607,678	$ 968,118	$ 77,400	$ 1,653,196
Special event revenue	98,635	-	218,630	317,265
Special fundraising events - gross	706,313	968,118	296,030	1,970,461
Less direct benefits to donors and other direct benefits	(237,998)	(47,716)	(89,633)	(375,347)
Total	$ 468,315	$ 920,402	$ 206,397	$ 1,595,114

	2023			
	Annual Gala	KFI Radiothon	Other	Total
Contributions	$ 541,393	$ 900,787	$ 185,154	$ 1,627,334
Special event revenue	159,600	-	353,667	513,267
Special fundraising events - gross	700,993	900,787	538,821	2,140,601
Less direct benefits to donors and other direct benefits	(242,232)	(90,821)	(70,070)	(403,123)
Total	$ 458,761	$ 809,966	$ 468,751	$ 1,737,478

Expenditures for these events are as follows for the years ended December 31:

	2024				2023			
	Annual Gala	KFI Radiothon	Other	Total	Annual Gala	KFI Radiothon	Other	Total
Food and beverages	$ 74,733	$ -	$ -	$ 74,733	$ 54,975	$ -	$ -	$ 54,975
Press releases	26,544	4,053	-	30,597	21,880	35,779	-	57,659
Auction items	67,840	4,665	112	72,617	91,270	28,194	40,531	159,995
Donor appreciation	11,275	15,057	-	26,332	3,050	21,010	-	24,060
Facility and equipment rental	17,145	-	-	17,145	17,683	-	-	17,683
Entertainment	13,372	-	-	13,372	34,945	-	-	34,945
Other	18,634	22,219	89,521	130,374	7,801	2,826	29,539	40,166
Supplies	8,455	1,722	-	10,177	10,628	3,012	-	13,640
Total	$ 237,998	$ 47,716	$ 89,633	$ 375,347	$ 242,232	$ 90,821	$ 70,070	$ 403,123

Note 9 – Leases

On January 27, 2020, Caterina's Club signed a 38-month agreement for the use of office space through March 31, 2023. Caterina's Club extended the lease for the first of two additional 24-month periods at its option; however, subsequent to that renewal date, the terms were modified, and the lease payments are made month-to-month with the option to cancel anytime. As a result, Caterina's Club amortized the remaining right-of-use asset and liability during the year ended December 31, 2024.

Office rent expense for the years ended December 31, 2024 and 2023, was approximately $32,000 and $26,000, respectively.

Caterina's Club also rents storage space and kitchen space/equipment on a month-to-month basis. Storage and kitchen rent expense for the years ended December 31, 2024 and 2023, was approximately $81,000 and $89,000, respectively.

Note 10 – Note Payable

In October 2023, Caterina’s Club entered into a purchase and sale agreement with the City of Anaheim to acquire property in Anaheim, California in the amount of $830,000 for the purpose of storing inventory and supplies. In February 2024, Caterina’s Club entered into a loan agreement for $430,000 to supplement the purchase. The loan accrues interest at 7.17% and matures February 23, 2029.

Future principal payments of the note payable as of December 31, 2024, are as follows:

Years Ending June 30,	
2026	$ 40,853
2027	40,853
2028	40,853
Thereafter	21,369
Total	143,928
Less current amount due	(40,853)
	$ 103,075

Note 11– Related-party Transaction

Caterina's Club paid the Gallio Corporation and White House Catering, Inc., which are owned by a member of the Board of Directors, approximately $176,000 and $303,000 for cooking preparation, inventory, and other operating expenses such as monthly rent charges, utilities, maintenance, and insurance for the years ended December 31, 2024 and 2023, respectively.

Note 12 – Subsequent Events

Caterina's Club has evaluated events and transactions occurring subsequent to the consolidated statements of financial position date of December 31, 2024, for items that should potentially be recognized or disclosed in the consolidated financial statements. The evaluated was conducted through November 24, 2025, the date the consolidated financial statements were available to be issued. No such material events or transactions were noted to have occurred, other than as discussed below.