CATERINA'S CLUB

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 and 2024

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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:
Carol Zarate-Ramsey,
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
Garrett Smith,
Finance, Planning & Analysis Manager, Solina USA
Michael Kaplan,
Comm unity Philanthropist

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
Gene Howard,
Director, OC Alliance for Children & Families
Craig & Roselli Wildvank,
Owner, CW Industries
Patrick & Jolynn Mahoney,
Owner, West Coast Arborist, Inc.
Liz Dunster,
Erika Records Proprietor
Frank Weber,
Sales & Marketing Partner, Talley LLP
Steven D. Gilman
President & CEO, Per4formance LLP

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 21 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 5,000 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 12 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 290 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. 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 1,175 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

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Caterina's Club

Opinion

We have audited the financial statements of Caterina's Club (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the Organization's consolidated financial statements referred to above present fairly, in all material respects, the financial position of Caterina's Club 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 audit 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 Information 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 responsibilities in accordance with the relevant requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter – Prior Year Financial Statements

The financial statements of Caterina's Club for the year ended December 31, 2024, were audited by another auditor, who expressed an unmodified opinion on those statements on November 24, 2025.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the 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 the 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 financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Information

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 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 schedule.

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 schedule, 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 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 evaluating the overall presentation of the schedule.
- 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 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.

Bentson, Vuona & Westersten, LLP

BENTSON, VUONA & WESTERSTEN, LLP
Irvine, California
August 18, 2026

CATERINA'S CLUB
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	$ 2,539,425	$ 2,212,192
Investments	1,080,958	971,329
Contributions receivable	498,732	816,090
Inventory	158,122	52,707
Prepaid expenses	2,943	28,534
TOTAL CURRENT ASSETS	4,280,180	4,080,852
FIXED ASSETS, NET	887,763	899,340
OTHER ASSETS		
Deposits	11,496	11,496
ROU asset	57,915	-
TOTAL OTHER ASSETS	69,411	11,496
TOTAL ASSETS	$ 5,237,354	$ 4,991,688

The accompanying notes are an integral part of these financial statements.

CATERINA'S CLUB
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Accounts payable	$ 47,623	$ 42,146
Accrued expenses	38,740	54,934
Lease liability - current	38,556	-
Note payable	40,853	40,853
TOTAL CURRENT LIABILITIES	165,772	137,933
LONG TERM LIABILITIES		
Note payable	19,918	103,075
Lease liability - long-term	20,643	-
TOTAL LONG TERM LIABILITIES	40,561	103,075
TOTAL LIABILITIES	206,333	241,008
NET ASSETS		
Without donor restrictions	4,881,021	4,650,680
With donor restrictions	150,000	100,000
TOTAL NET ASSETS	5,031,021	4,750,680
TOTAL LIABILITIES AND NET ASSETS	$ 5,237,354	$ 4,991,688

The accompanying notes are an integral part of these financial statements.

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions and grants	$ 836,322	305,454	$ 1,141,776
In-kind donations	365,730	-	365,730
Special event revenue, net	1,295,580	-	1,295,580
Realized and unrealized gain on investments	102,585	-	102,585
Other	(4,846)	-	(4,846)
Net assets released from restrictions	255,454	(255,454)	-
Total revenue	2,850,825	50,000	2,900,825
EXPENSES			
Program services			
Feeding the Kids in America	1,782,254	-	1,782,254
Welcome Home	107,822	-	107,822
Hospitality Academy	160,921	-	160,921
Total Program Services	2,050,997	-	2,050,997
Supporting Services			
General and administrative	273,673	-	273,673
Fundraising	295,814	-	295,814
Total Supporting Services	569,487	-	569,487
Total expenses	2,620,484	-	2,620,484
CHANGE IN NET ASSETS	230,341	50,000	280,341
NET ASSETS, DECEMBER 31, 2024	4,650,680	100,000	4,750,680
NET ASSETS, DECEMBER 31, 2025	$ 4,881,021	$ 150,000	$ 5,031,021

The accompanying notes are an integral part of these financial statements.

2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions and grants	$ 1,080,127	100,000	$ 1,180,127
In-kind donations	244,680	-	244,680
Special event revenue, net	1,595,114	-	1,595,114
Realized and unrealized gain on investments	147,693	-	147,693
Other	74	-	74
Net assets released from restrictions	292,012	(292,012)	-
Total revenue	3,359,700	(192,012)	3,167,688
EXPENSES			
Program services			
Feeding the Kids in America	1,891,986	-	1,891,986
Welcome Home	122,479	-	122,479
Hospitality Academy	171,039	-	171,039
Total Program Services	2,185,504	-	2,185,504
Supporting Services			
General and administrative	355,325	-	355,325
Fundraising	358,089	-	358,089
Total Supporting Services	713,414	-	713,414
Total expenses	2,898,918	-	2,898,918
CHANGE IN NET ASSETS	460,782	(192,012)	268,770
NET ASSETS, DECEMBER 31, 2023	4,189,898	292,012	4,481,910
NET ASSETS, DECEMBER 31, 2024	$ 4,650,680	$ 100,000	$ 4,750,680

The accompanying notes are an integral part of these financial statements.

CATERINA'S CLUB
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 280,341	$ 268,770
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	23,534	21,141
Bad debt expense	-	40,000
Unrealized gain on investments	(102,585)	(147,693)
Changes in assets and liabilities		
Contributions receivable	317,358	(648,381)
Inventory	(105,415)	78,555
Prepaid expenses and deposits	25,591	36,995
ROU asset	36,004	-
Accounts payable	5,477	(9,823)
Accrued expenses	(16,194)	14,110
Net cash from operating activities	464,111	(346,326)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(7,044)	(5,257)
Purchase of fixed assets	(11,957)	(850,949)
Net cash from investing activities	(19,001)	(856,206)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on lease liability	(34,720)	-
Borrowing on long-term debt	-	430,000
Payments on long-term debt	(83,157)	(286,072)
Net cash from financing activities	(117,877)	143,928
NET CHANGE IN CASH AND CASH EQUIVALENTS	327,233	(1,058,604)
CASH, beginning of year	2,212,192	3,270,796
CASH, end of year	$ 2,539,425	$ 2,212,192
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest:	$ 8,944	$ 22,973

The accompanying notes are an integral part of these financial statements.

NOTE 1. NATURE OF ORGANIZATION

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 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 assess 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 4,750 dinners every night to low-income children at 146 different after-school program sites spread throughout 36 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 assess 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 Feeding the Kids in America program was designed to address this issue by providing daily warm, nutritional meals to approximately 4,750 at-risk children attending after-school programs at 146 different locations with 36 cities in Orange County. After-school programs include the YMCA, Boys and Girls Clubs, and other on-campus programs.

NOTE 1. NATURE OF ORGANIZATION (continued)

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 the 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.

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 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2025 and 2024:

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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, for the years ended December 31, 2025 and 2024, 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 $2,500. 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, 2025 and 2024. Repairs and maintenance are charged to expense when incurred.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 on are met. There were no conditional contributions as of December 31, 2025 and 2024.

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 meal 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 donor 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 $79,000 and $104,000 for the years ended December 31, 2025 and 2024, 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. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

	2025	2024
Cash and cash equivalents	$ 2,539,425	$ 2,212,192
Investments	1,080,958	971,329
Contributions receivable	498,732	816,090
Financial assets at year end	$ 4,119,115	$ 3,999,611
Less those unavailable for general expenditures within one year due to:		
Donor restrictions	150,000	100,000
Financial assets available to meet cash needs for general expenditure within one year.	$ 3,969,115	$ 3,899,611

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 MEASUREMENTS

The following table represents investments measured at fair value on a recurring basis at December 31, 2025 and 2024:

2025	Level 1	Level 2	Level 3	Total
Equity securities	$ 683,754	$ -	$ -	$ 683,754
Corporate bonds	397,204			397,204
Total investments	$ 1,080,958	$ -	$ -	$ 1,080,958

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

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2025 and 2024:

	2025	2024
Land	$ 730,000	$ 730,000
Vehicles	157,372	157,372
Building	100,000	100,000
Furniture and equipment	74,433	62,476
	1,061,805	1,049,848
Less accumulated depreciation	(174,042)	(150,508)
Net Fixed Assets	$ 887,763	$ 899,340

Depreciation expense for the year ended December 31, 2025 and 2024, was $23,534 and $21,141.

NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2025 and 2024, net assets with donor restrictions consisted of the following:

	2025	2024
Net assets with donor restrictions subject to expenditure for specific purposes:		
Payments for storage unit	$ 50,000	$ -
Feeding the Kids vehicle	100,000	100,000
	$ 150,000	$ 100,000

During the years ended December 31, 2025 and 2024, net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events as specified by donors, as follows:

	2025	2024
Chef Bruno's Hospitality Academy	$ 27,440	$ 42,012
Welcome home	5,461	-
Feeding the Kids	172,553	-
Loan payments for new food storage facility	50,000	250,000
	$ 255,454	$ 292,012

NOTE 7. 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. During 2024 the principal balance was paid down to $143,928 at December 31, 2024. During 2025 $83,157 of principal was paid leaving a balance of $60,771 at December 31, 2025. The loan was paid off in January 2026. During 2025 and 2024, $8,945 and $22,973 of interest was paid, respectively.

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:

2025

	Annual Gala	KFI Radiothon	Other	Total
Contributions	$ 533,024	$ 858,193	$ 27,442	$ 1,418,659
Special event revenue	118,609	-	-	118,609
Gross	$ 651,633	$ 858,193	$ 27,442	$ 1,537,268
Less direct benefit to donors and other direct benefits	(184,512)	(33,119)	(24,057)	(241,688)
Total	$ 467,121	$ 825,074	$ 3,385	$ 1,295,580

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
Gross	$ 706,313	$ 968,118	$ 296,030	$ 1,970,461
Less direct benefit to donors and other direct benefits	(237,998)	(47,716)	(89,633)	(375,347)
Total	$ 468,315	$ 920,402	$ 206,397	$ 1,595,114

The accompanying notes are an integral part of these financial statements.

NOTE 5. SPECIAL EVENTS (continued)

Expenditures for these events are as follows for the years ended December 31, 2025 and 2024:

2025

	Annual Gala	KFI Radiothon	Other	Total
Food & beverage	$ 67,859	$ -	$ -	$ 67,859
Press releases	24,337	4,107	-	28,444
Auction items	33,230	824	-	34,054
Donor appreciation	-	20,398	-	20,398
Facility and equipment rental	33,634	-	-	33,634
Entertainment	15,490	4,484	-	19,974
Other	1,620	551	24,057	26,228
Supplies	8,342	2,755	-	11,097
Gross	$ 184,512	$ 33,119	$ 24,057	$ 241,688

2024

	Annual Gala	KFI Radiothon	Other	Total
Food & beverage	$ 74,733	$ -	$ -	$ 74,733
Press releases	26,544	4,053	-	30,597
Auction items	67,840	4,665	112	72,617
Donor appreciation	11,275	15,057	-	26,332
Facility and equipment rental	17,145	-	-	17,145
Entertainment	13,372	-	-	13,372
Other	18,634	22,219	89,521	130,374
Supplies	8,455	1,722	-	10,177
Gross	$ 237,998	$ 47,716	$ 89,633	$ 375,347

NOTE 9. LEASE COMMITTMENTS

The Organization enters into lease arrangements with independent third parties. The Organization's operating lease, in which the Organization is the lessee, include real estate, such as office facilities. The Organization determines whether an arrangement is or contains a lease at inception. Leases are classified as either finance or operating at the commencement date of the lease, with classification affecting the pattern of expense recognition in the income statement. The Organization currently does not have any finance leases.

For in-lease arrangements where the Organization is the lessee, the Organization elected to not separate non-lease components of a contract from the lease component to which they relate. Per the Organization's election, leases with an initial term of 12 months or less are not recorded on the balance sheet. The lease expense for the lease is recognized on a straight-line basis over the lease term. The Organization's lease has a remaining lease term of four years. The Organization used its periodic incremental borrowing rate, based on the information available at commencement date, to determine the present value of future lease payments.

The Organization leases its kitchen facility under an operating lease agreement through June 2027. The lease currently requires payments of $3,404 per month. Total rental expense, including facility and operating leases, for the year ended December 31, 2025 and 2024 totaled $40,848 and $32,000, respectively.

Operating lease cost:		
Fixed lease expense (1)	$	40,848
Variable lease expense (2)		-
Total Operating lease cost	$	40,848

(1) *Short term lease expense is included within this amount, which are immaterial.*
(2) *Variable lease payments are expensed in the period in which the obligation for those payments is incurred. These variable lease costs are payments that vary in amount beyond commencement date, for reasons other than passage of time. The Organization has no variable payments.*

Supplemental cash flow information related to leases for the years ended:

		2025
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	34,720
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$	-

NOTE 9. LEASE COMMITMENTS (continued)

Supplemental balance sheet information related to leases for the year end.

Operating leases:		
Total lease right-of-use asset	$	57,915
Total lease liability	$	59,199
Weighted-average lease term		1.5
Weighted-average discount rate		7.00%

Maturities of lease liabilities for the year ended March 31:

Operating lease		
2026	$	41,490
2027		21,066
Total lease payments		62,556
Less imputed interest		(3,357)
Total	$	59,199

When applying the requirements of Topic 842, the Organization made significant assumptions and judgments about the determination of whether a contract contains a lease and the determination of the discount for the lease.

Caterina's Club also rents storage space and kitchen space/equipment from a related party on a month-to-month basis. Storage and kitchen rent expense for the years ended December 31, 2025 and 2024 was approximately $41,000 and $81,000 respectively.

NOTE 10. IN-KIND DONATIONS

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

	2025	2024
Inventory - food	$ 344,077	$ 196,657
Auction donations	21,653	48,023
Total	$ 365,730	$ 244,680

Inventory – food – Caterina's Club receives in-kind food from corporate and individual donors that it utilizes 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 $.89 and $2.75 depending on the food type, for the years ended December 31, 2025 and 2024. 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 resources.

Auction donations – Caterina's Club receives 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.

NOTE 11. RELATED-PARTY TRANSACTIONS

Caterina's Club paid the Gallio Corporation and White House Catering, Inc., which are owned by a member of the Board of Directors, approximately $172,000 and $176,000 for cooking preparation, inventory, and other operating expenses such as monthly rent, utilities, maintenance and insurance for the years ended December 31, 2025 and 2024, respectively.

NOTE 12. CONSOLIDATED FUNCTIONAL EXPENSES

PROGRAM SERVICES - 2025

	Feeding the Kids In America	Welcome Home	Hospitality Academy	Total Program Services
Salaries	$ 669,165	$ 20,549	$ 59,853	$ 749,567
Payroll taxes	56,509	1,622	6,137	64,268
Benefits	33,595	10,567	10,567	54,729
Total	759,269	32,738	76,557	868,564
				-
Accounting and legal	5,760	5,760	5,760	17,280
Communications	6,655	6,540	5,193	18,388
Food preparation & delivery	105,828	-	-	105,828
Grant writing	11,998	9,504	9,498	31,000
Instructor cost	-	-	20,299	20,299
Food supplies	443,251	-	-	443,251
Insurance	38,001	6,066	6,949	51,016
Interest	8,944	-	-	8,944
Kitchen supplies	98,908	-	-	98,908
Other	81,240	6,433	7,034	94,707
Rent - office	8,564	8,564	740	17,868
Rental assistance	-	18,718	-	18,718
Repairs & maintenance	26,539	1,757	1,757	30,053
Scholarships	-		15,100	15,100
Storage & kitchen rental	90,015	5,868	9,431	105,314
Utilities	97,282	5,874	2,603	105,759
Total expenses	$ 1,782,254	$ 107,822	$ 160,921	$ 2,050,997

The accompanying notes are an integral part of these financial statements.

NOTE 12. CONSOLIDATED FUNCTIONAL EXPENSES (continued)

PROGRAM SERVICES - 2024

	Feeding the Kids In America	Welcome Home	Hospitality Academy	Total Program Services
Salaries	$ 676,339	$ 23,322	$ 65,572	$ 765,233
Payroll taxes	55,553	1,838	6,016	63,407
Benefits	82,103	17,134	21,171	120,408
Total	813,995	42,294	92,759	949,048
				-
Accounting and legal	7,749	7,749	7,749	23,247
Communications	19,005	9,281	9,281	37,567
Food preparation & delivery	359,902	-	-	359,902
Grant writing	9,500	9,500	9,500	28,500
Instructor cost	-	-	18,022	18,022
Food supplies	288,170	-	-	288,170
Insurance	12,541	4,630	4,297	21,468
Interest	19,888	1,287	1,798	22,973
Kitchen supplies	73,548	906	-	74,454
Other	69,497	892	2,637	73,026
Postage	1,366	391	391	2,148
Rent - office	6,361	6,361	6,361	19,083
Rental assistance	-	27,327	-	27,327
Repairs & maintenance	24,585	1,929	1,929	28,443
Scholarships	-	-	8,625	8,625
Storage & kitchen rental	78,131	877	1,299	80,307
Travel	-	228	-	228
Utilities	107,748	8,827	6,391	122,966
Total expenses	$ 1,891,986	$ 122,479	$ 171,039	$ 2,185,504

The accompanying notes are an integral part of these financial statements.

NOTE 12. CONSOLIDATED FUNCTIONAL EXPENSES (continued)

SUPPORTING SERVICES - 2025

	General and Administrative	Fundraising	Total Supporting Services
Salaries	$ 60,410	$ 113,559	$ 173,969
Payroll taxes	4,577	8,517	13,094
Benefits	884	884	1,768
Total	65,871	122,960	188,831
			-
Accounting and legal	107,884	5,760	113,644
Bank fees	3,743	22,027	25,770
Communications	696	45,739	46,435
Depreciation	23,534	-	23,534
Dues & subscriptions	6,860	-	6,860
Grant writing	-	85,500	85,500
Insurance	11,750	-	11,750
Office supplies	22,627	-	22,627
Other	6,024	4,867	10,891
Property taxes	12,372	-	12,372
Rent - office	7,449	740	8,189
Storage & kitchen rental	3,562	3,562	7,124
Travel	-	4,008	4,008
Utilities	1,301	651	1,952
Total expenses	$ 273,673	$ 295,814	$ 569,487

The accompanying notes are an integral part of these financial statements.

NOTE 12. CONSOLIDATED FUNCTIONAL EXPENSES (continued)

SUPPORTING SERVICES - 2024

	General and Administrative	Fundraising	Total Supporting Services
Salaries	$ 68,902	$ 129,675	$ 198,577
Payroll taxes	4,671	9,341	14,012
Benefits	4,037	4,036	8,073
Total	77,610	143,052	220,662
			-
Accounting and legal	130,414	7,749	138,163
Bad debt	-	40,000	40,000
Bank fees	14,577	20,850	35,427
Communications	-	41,010	41,010
Depreciation	21,141	-	21,141
Dues & subscriptions	1,541	-	1,541
Grant writing	-	85,500	85,500
Insurance	11,296	-	11,296
Office supplies	16,547	-	16,547
Other	39,468	995	40,463
Postage	108	108	216
Rent - office	6,361	6,361	12,722
Repairs & maintenance	33,760	-	33,760
Storage & kitchen rental	422	422	844
Travel	-	5,676	5,676
Utilities	2,080	6,366	8,446
Total expenses	$ 355,325	$ 358,089	$ 713,414

The accompanying notes are an integral part of these financial statements.

NOTE 13. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and transactions occurring subsequent to the consolidated statements of financial position date as of December 31, 2025, for items that should potentially be recognized or disclosed in the consolidated financial statements. The evaluation was conducted through August 18, 2026, the date the consolidated financial statements were available to be issued. No such material events or transactions were noted to have occurred.