ASTHMA AND ALLERGY FOUNDATION OF AMERICA

FINANCIAL STATEMENTS

December 31, 2025 and 2024

CONTENTS

Wegner CPAs

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Asthma and Allergy Foundation of America
Arlington, Virginia

Opinion

We have audited the financial statements of Asthma and Allergy Foundation of America, which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Asthma and Allergy Foundation of America as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 Asthma and Allergy Foundation of America and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Asthma and Allergy Foundation of America's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Asthma and Allergy Foundation of America'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.

Wegner CPAs LLP

Wegner CPAs, LLP
Alexandria, Virginia
March 13, 2026

ASTHMA AND ALLERGY FOUNDATION OF AMERICA
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

	2025	2024
ASSETS		
Cash	$ 1,883,580	$ 598,350
Accounts receivable	110,385	134,375
Unconditional promises to give	403,972	554,253
Prepaid expenses	76,112	98,222
Inventory	8,951	10,231
Investments	2,067,952	1,911,875
Operating lease right-of-use asset	620,928	-
Property and equipment, net	41,875	37,297
Deferred compensation asset	210,253	154,815
Security deposit	25,671	25,671
Total assets	$ 5,449,679	$ 3,525,089
LIABILITIES		
Accounts payable and accrued expenses	$ 654,488	$ 350,701
Deferred revenue	157,489	-
Operating lease liability	737,845	-
Deferred compensation liability	210,253	154,815
Total liabilities	1,760,075	505,516
NET ASSETS		
Without donor restrictions	1,230,185	533,151
With donor restrictions	2,459,419	2,486,422
Total net assets	3,689,604	3,019,573
Total liabilities and net assets	$ 5,449,679	$ 3,525,089

See accompanying notes.

ASTHMA AND ALLERGY FOUNDATION OF AMERICA
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT AND REVENUE						
Certification Program	$ 1,197,836	$ -	$ 1,197,836	$ 1,257,073	$ -	$ 1,257,073
Contributions, sponsorships and grants	2,860,892	2,860,000	5,720,892	2,469,333	2,182,000	4,651,333
In-kind contributions	380,628	-	380,628	334,917	-	334,917
Interest and dividends, net	82,693	-	82,693	56,581	-	56,581
Other income	8,305	-	8,305	10,226	-	10,226
Total support and revenue	4,530,354	2,860,000	7,390,354	4,128,130	2,182,000	6,310,130
OPERATING EXPENSES						
Program Services						
Public Information	2,578,295	-	2,578,295	2,177,349	-	2,177,349
Community and Chapter Outreach	1,253,091	-	1,253,091	1,401,521	-	1,401,521
Research	1,044,436	-	1,044,436	535,770	-	535,770
Family and Patient Services and Professional Education	886,542	-	886,542	780,955	-	780,955
Supporting Activities						
Management and General	737,387	-	737,387	1,002,407	-	1,002,407
Fundraising	314,111	-	314,111	333,265	-	333,265
Total expenses	6,813,862	-	6,813,862	6,231,267	-	6,231,267
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfaction of purpose restrictions	2,932,371	(2,932,371)	-	2,090,188	(2,090,188)	-
Change in net assets from operations	648,863	(72,371)	576,492	(12,949)	91,812	78,863
OTHER CHANGES						
Net realized/unrealized gain on investments	48,171	45,368	93,539	132,034	24,106	156,140
Change in net assets	697,034	(27,003)	670,031	119,085	115,918	235,003
Net assets at beginning of year	533,151	2,486,422	3,019,573	414,066	2,370,504	2,784,570
Net assets at end of year	$ 1,230,185	$ 2,459,419	$ 3,689,604	$ 533,151	$ 2,486,422	$ 3,019,573

See accompanying notes.

ASTHMA AND ALLERGY FOUNDATION OF AMERICA
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2025 and 2024

2025	Program Services: Public Information	Program Services: Community and Chapter Outreach	Program Services: Research	Program Services: Family and Patient Services and Professional Education	Supporting Activities: Management and General	Supporting Activities: Fundraising	Total Expenses
Personnel	$ 1,331,015	$ 792,762	$ 474,006	$ 470,254	$ 440,406	$ 244,341	$ 3,752,784
Professional fees	845,792	105,135	150,806	92,701	148,441	19,326	1,362,201
Meetings, conferences, and travel	134,310	25,723	16,697	12,903	23,786	18,819	232,238
Occupancy	61,493	37,972	23,157	22,560	21,735	11,588	178,505
Grants and assistance	-	237,500	240,655	200,000	-	-	678,155
Dues and subscriptions	118,286	19,541	122,857	47,454	26,928	5,865	340,931
Office expenses	64,532	19,459	7,073	31,249	29,614	9,615	161,542
Depreciation	3,965	2,415	1,437	1,459	1,341	738	11,355
Insurance	18,902	11,742	7,085	6,984	6,518	3,594	54,825
Miscellaneous	-	842	663	978	38,618	225	41,326
Total expenses	$ 2,578,295	$ 1,253,091	$ 1,044,436	$ 886,542	$ 737,387	$ 314,111	$ 6,813,862

2024	Program Services: Public Information	Program Services: Community and Chapter Outreach	Program Services: Research	Program Services: Family and Patient Services and Professional Education	Supporting Activities: Management and General	Supporting Activities: Fundraising	Total Expenses
Personnel	$ 1,066,589	$ 866,886	$ 264,533	$ 551,852	$ 506,295	$ 261,345	$ 3,517,500
Professional fees	841,924	69,268	22,129	70,316	345,004	19,595	1,368,236
Meetings, conferences, and travel	70,633	17,074	15,686	35,569	28,809	19,146	186,917
Occupancy	51,362	44,572	15,804	28,190	33,091	13,237	186,256
Grants and assistance	-	327,500	91,690	-	-	-	419,190
Dues and subscriptions	85,686	31,928	116,250	47,908	22,793	3,543	308,108
Office expenses	23,248	22,099	2,962	33,428	36,264	7,046	125,047
Depreciation	6,138	5,203	1,612	3,278	3,274	1,560	21,065
Insurance	14,681	12,568	3,701	7,975	7,587	3,738	50,250
Miscellaneous	17,088	4,423	1,403	2,439	19,290	4,055	48,698
Total expenses	$ 2,177,349	$ 1,401,521	$ 535,770	$ 780,955	$ 1,002,407	$ 333,265	$ 6,231,267

See accompanying notes.

ASTHMA AND ALLERGY FOUNDATION OF AMERICA
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 670,031	$ 235,003
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	11,355	21,065
Loss on disposal of assets	-	449
Net realized and unrealized gain on investments	(93,539)	(156,140)
Amortization of operating lease right-of-use asset	(620,928)	126,390
(Increase) decrease in assets		
Accounts receivable	23,990	(110,613)
Unconditional promises to give	150,281	(90,941)
Prepaid expenses	22,110	6,131
Inventory	1,280	11,067
Deferred compensation asset	(55,438)	(48,645)
Security deposit	-	(13,972)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	303,787	(132,265)
Deferred revenue	157,489	(73,700)
Operating lease liability	737,845	(149,603)
Deferred compensation liability	55,438	48,645
Net cash flows from operating activities	1,363,701	(327,129)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of and interest retained in investments	(62,538)	(44,352)
Purchases of property and equipment	(15,933)	(26,899)
Net cash flows from investing activities	(78,471)	(71,251)
Change in cash	1,285,230	(398,380)
Cash at beginning of year	598,350	996,730
Cash at end of year	$ 1,883,580	$ 598,350

See accompanying notes.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Asthma and Allergy Foundation of America (AAFA) is a nonprofit organization founded in 1953 as a national voluntary health organization providing programs of patient services, public awareness and education, research grants, community services and information, and referrals. AAFA is supported primarily by contributions, grants, sponsorships, and *asthma & allergy friendly®* certification program revenue.

Accounts Receivable

Accounts receivable primarily consist of amounts due from customers related to the *asthma & allergy friendly®* certification program. When estimating expected credit losses, AAFA has elected the practical expedient that allows it to assume that current conditions as of the date of the statement of financial position do not change for the remaining life of the asset and the accounting policy election that allows it to consider collection activity after date of the statement of financial position. AAFA has considered subsequent collection activity through March 13, 2026, which is the date the financial statements were available to be issued. Management believes credit losses on amounts that are uncollected as of this date will be immaterial.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise become unconditional. At December 31, 2025 and 2024, all unconditional promises to give are collectible within one year.

Investments

AAFA reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

Inventory

Inventory consists of AAFA logo merchandise and is stated at the lower of cost or market, based on the FIFO (first-in, first-out) method of accounting.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

AAFA capitalizes all expenditures for property and equipment over $1,000 that are expected to have useful lives of greater than one year. Purchased property and equipment are carried at cost. Depreciation is computed using the straight-line method.

Contributions

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Grants

AAFA receives grants from government agencies and others that are conditioned upon AAFA incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by AAFA, both a receivable from the grantor agency and revenue are recorded. Grants are also generally restricted by the grantor for a specified purpose. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported as increases in net assets without donor restrictions.

Donated Services

Donated services are recognized as revenue and expense in the statements of activities in accordance with generally accepted accounting principles if the donations create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills and would otherwise need to be purchased by AAFA.

Revenue Recognition

AAFA's earned revenue is derived primarily from certification activities. As described further in Note 6, certification activities consist of payments from companies in order to participate in the *asthma & allergy friendly®* certification program. Certification revenue is recognized at the point in time the use of the license is granted.

There are no rights of return or refunds for AAFA's revenue from contracts with customers. Payments are due upon receipt of the invoice. There are no incremental costs of obtaining a contract and no significant financing components.

Economic factors driven by consumer confidence, employment, inflation, and other world events impact the timing and level of cash received and revenue recognized by AAFA. Periods of economic downturn resulting from any of the above factors may result in declines in future cash flows and recognized revenue of AAFA.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AAFA's contract assets and liabilities from contracts with customers are as follows:

	2025	2024
Accounts receivable at beginning of year	$ 134,375	$ 23,762
Accounts receivable at end of year	110,385	134,375
Deferred revenue at beginning of year	$ -	$ 73,700
Deferred revenue at end of year	157,489	-

Advertising

Advertising costs are expensed in the period the advertising occurs.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, office expenses, insurance, occupancy, and depreciation, which are allocated on the basis of estimates of time and effort.

Leases

AAFA does not recognize short-term leases in the statements of financial position. For these leases, AAFA recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. AAFA also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, AAFA uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Date of Management's Review

Management has evaluated subsequent events through March 13, 2026, the date which the financial statements were available to be issued.

NOTE 2—CONCENTRATION OF CREDIT RISK

AAFA maintains cash balances at a financial institution located in Arlington, Virginia. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to $250,000. As of December 31, 2025 and 2024, AAFA's uninsured cash balances totaled approximately $1,633,000 and $348,000, respectively.

NOTE 3—PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following:

	2025	2024
Computer equipment	$ 48,301	$ 56,985
Furniture and fixtures	31,998	31,998
Accumulated depreciation	(38,424)	(51,686)
Property and equipment, net	$ 41,875	$ 37,297

NOTE 4—LINE OF CREDIT

AAFA has a $1,000,000 available commercial line of credit. Under the terms of the line of credit, interest on the outstanding balance is calculated using the secured overnight financing rate plus 1.2 percentage points. The line is secured by the business assets of AAFA.

NOTE 5—JOINT CERTIFICATION PROGRAM

In 2005, AAFA entered into a joint certification program (the "Program") with Allergy Standards Limited ("ASL") to raise awareness of asthma and allergies. The agreement currently extends through 2026; however, either party may terminate the agreement if certain conditions exist.

Under the agreement, AAFA and ASL act as exclusive and equal partners in the Program. Licensing and other Program revenues are shared equally between the parties, except for certain application fees and testing costs. The parties are also equally responsible for the costs of operating the Program.

During the years ended December 31, 2025 and 2024, the Program generated gross revenue of $2,395,672 and $2,514,147, respectively. For the years ended December 31, 2025 and 2024, AAFA's net share of the revenue totaled, $1,197,836 and $1,257,073, respectively, and is reported in the statements of activities as certification program revenue.

As of December 31, 2025 and 2024, amounts due to ASL under the Program totaled $110,384 and $134,375, respectively.

NOTE 6—INVESTMENTS

Investments are comprised of the following:

	2025	2024
Money market funds	$ 139,122	$ 607,592
Equity mutual funds	1,215,317	936,491
Fixed income mutual funds	713,513	367,792
Investments	$ 2,067,952	$ 1,911,875

Fair values of equity mutual funds and fixed income mutual funds are valued at the closing price reported on the active market on which the mutual funds are traded and are considered Level 1 fair value measurements.

Investments have been internally segregated for the following purposes:

	2025	2024
Investments included in net assets with donor restrictions	$ 445,925	$ 400,557
Investments included in net assets without donor restrictions	1,622,027	1,511,318
Investments	$ 2,067,952	$ 1,911,875

NOTE 7—RETIREMENT PLANS

Defined Contribution Plan

AAFA has a defined contribution plan (the Plan) for the benefit of its employees. Eligible employees begin participation in the Plan on the first day of the month following completion of a one-month period of service and the attainment of age 21. After the completion of one year of service, AAFA matches an employee's contribution, dollar for dollar, up to 6% of the employee's salary, which is the maximum amount that AAFA contributes. An employee may make contributions of his or her salary up to the statutory limits.

457(b) Deferred Compensation Plan

During 2018, AAFA established a Section 457(b) deferred compensation plan for its CEO. Under the Section 457(b) plan, AAFA makes certain discretionary contributions into the plan on behalf of the participant, subject to Internal Revenue Code limitations. The deferred compensation plan is invested in a mutual fund. Fair values of mutual funds are valued at the closing price reported on the active market on which the mutual funds are traded and are considered Level 1 fair value measurements.

For the years ended December 31, 2025 and 2024, AAFA's expenses related to the plans totaled $115,390 and $116,225, respectively.

NOTE 8—NET ASSETS

Net assets with donor restrictions are restricted for the following purposes:

	2025	2024
Subject to expenditure for specified purpose:		
Community and Chapter Outreach	$ 675,272	$ 1,089,711
Family and Patient Services and Professional Education	485,311	242,350
Research	852,911	753,804
Restricted for endowment fund		
Endowment fund for research	445,925	400,557
Net assets with donor restrictions	$ 2,459,419	$ 2,486,422

NOTE 9—ENDOWMENT

AAFA's endowment is a donor-restricted fund established to support research by physician-scientists in the field of allergy and immunology.

The board of directors of AAFA has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, AAFA considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

AAFA has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. In accordance with UPMIFA, AAFA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of AAFA, and (7) AAFA's investment policies.

Investment Return Objectives, Risk Parameters, and Strategies. AAFA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that AAFA must hold in perpetuity or for donor-specified periods, as well as board-designated funds. Given the relationship between risk and return, a fundamental step in determining the investment policy for the endowment fund is the determination of an appropriate risk tolerance. After taking into consideration such factors as corporate financial stability, uncertainty of cash flows in and out of the endowment fund over the long term, and capital market volatility, the Board of Directors believes that a moderate risk strategy is prudent. Under this policy, as approved by the Board of Directors, the goal is to have stable returns over the long term, with a reduced potential of negative returns in any given year. AAFA expects its endowment fund, over time, to provide an annual average rate of return of approximately 4%. Actual returns in any given year may vary from this amount. To satisfy its long-term rate of return objectives, AAFA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). AAFA targets diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

Spending Policy: At year end, AAFA has a policy of distributing up to 4% of the moving average of the past 12 quarters' closing market value of the endowment investment. In establishing this policy, AAFA considered the long-term expected return of its endowment.

NOTE 9—ENDOWMENT (continued)

Underwater Endowment Funds. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires AAFA to retain as a fund of perpetual duration. At December 31, 2025 and 2024, there are no donor-restricted endowment funds with deficiencies.

Endowment net asset composition by type of fund as of December 31, 2025 and 2024 is as follows:

	2025	2024
Donor-restricted endowment funds:		
Original donor-restricted gift amount	$ 160,000	$ 160,000
Accumulated investment gains	285,925	240,557
Total endowment funds	$ 445,925	$ 400,557

Changes in endowment net assets for the year ended December 31, 2025 and 2024 are as follows:

	2025	2024
Endowment net assets at beginning of year	$ 400,557	$ 376,451
Investment return, net	45,368	24,106
Endowment net assets at end of year	$ 445,925	$ 400,557

NOTE 10—LEASE

In May 2019, AAFA entered into an office lease for its national headquarters' office space, which expired in October 2024. In December 2024, AAFA entered into a new operating lease for its national headquarters' office space with a lease term of 66 months, beginning in January 2025 and expiring in June 2030. There are no variable lease components to AAFA's operating lease arrangement.

For the years ended December 31, 2025 and 2024, lease cost totaled $156,154 and $134,856, respectively.

NOTE 10—LEASE (continued)

Other information related to leases is as follows:

	2025	2024
Cash paid for amounts included in measurement of lease liability		
Operating cash flows from operating activities	$ 39,237	$ 151,035
Right-of-use assets obtained in exchange for new lease liability	$ 742,544	$ -
Weighted-average remaining lease term	4.5 years	N/A
Weighted-average discount rate	4.60%	N/A

Future minimum payments are as follows:

Year ending December 31:	
2026	$ 172,678
2027	177,851
2028	183,201
2029	188,694
2030	97,183
Total minimum lease payments	819,607
Imputed interest	(81,762)
Total lease liabilities	$ 737,845

NOTE 11—PAYCHECK PROTECTION PROGRAM LOANS

AAFA received loans totaling $759,653 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The loans accrue interest at 1% but payments are deferred for borrowers who apply for forgiveness until SBA remits the borrower's forgiveness amount to the lender. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by AAFA during the covered period. Eligible expenses may include payroll costs, rent, and utilities. Any unforgiven portion is payable over five years. During the year ended December 31, 2021, the SBA preliminarily approved forgiveness of both of AAFA's PPP loans. AAFA must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review AAFA's good-faith certification concerning the necessity of its loan request, whether AAFA calculated the loan amount correctly, whether AAFA used loan proceeds for the allowable uses specified in the CARES Act, and whether AAFA is entitled to loan forgiveness in the amount claimed on its application. If SBA determines AAFA was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment.

NOTE 12—LIQUIDITY AND AVAILABILITY

The following table reflects AAFA's financial assets as of the date of the statements of financial position reduced by amounts not available for general expenditures within one year of the date of the statements of financial position because of donor-imposed restrictions or internal designations.

	2025	2024
Financial assets at year-end:		
Cash	$ 1,883,580	$ 598,350
Accounts receivable	110,385	134,375
Unconditional promises to give	403,972	554,253
Investments	2,067,952	1,911,875
Deferred compensation asset	210,253	154,815
Total financial assets	4,676,142	3,353,668
Less those unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	(2,013,494)	(2,085,865)
Restricted for endowment fund	(445,925)	(400,557)
Investments designated for future payment of retirement obligations	(210,253)	(154,815)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,006,470	$ 712,431

AAFA invests cash balances in excess of immediate liquidity needs in accordance with its investment policy. As part of AAFA's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 13—IN-KIND CONTRIBUTIONS

In-kind contributions recognized within the statements of activities:

	2025	2024
Advertising	$ 183,576	$ 167,241
Legal services	197,052	167,676
In-kind contributions	$ 380,628	$ 334,917

AAFA recognized in-kind contributions of advertising and legal services in the statements of activities. Unless otherwise noted, in-kind contributions did not have donor-imposed restrictions.

NOTE 13—IN-KIND CONTRIBUTIONS (continued)

Donated advertising relates to promotion of AAFA's programming, as well as solicitations for contributions. The donated advertising is allocated to AAFA's programs and supporting activities depending on whether the advertising is informational (program in nature) or asks for donations (fundraising in nature) and is valued based on current rates for similar advertising services charged by Google.

Donated legal services comprise professional services from a law firm for general legal counsel and contract negotiations. Donated legal services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.