

REACH FOR UGANDA

REPORT AND FINANCIAL STATEMENTS

December 31, 2025 and 2024

REACH FOR UGANDA, INC.

REPORT AND FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Reach for Uganda, Inc.
Arlington, Virginia

Opinion

We have audited the accompanying financial statements of Reach for Uganda, Inc. (RFU) (a Virginia not-for-profit organization) which comprises the statements of financial position as of December 31, 2025 and 2024 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 the Reach for Uganda, Inc. as of December 31, 2025 and 2024, and the changes in net assets and its cash flows for the year then ended in conformity 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 (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 Reach for Uganda, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for out audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 RFU's ability to continue as a going concern for the year ended December 31, 2025 and 2024.

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, individually or in the aggregate, they could reasonable be expected to influence the economic decisions of users made on the basis of these 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 RFU'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 RFU's ability to continue as a going concern for a reasonable period of time.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Calculation of Actual Indirect Cost Rate is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financials statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to he financial statements taken as a whole.

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.

Washington DC
July 15, 2026

Nanette K Miller CPA PC

REACH FOR UGANDA, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025 and 2024

	2025	2024
ASSETS:		
Cash in bank and in interest bearing accounts	$ 437,482	$ 452,851
Investments held for sale - with donor restrictions	380,899	-
Prepaid expenses	-	408
TOTAL ASSETS	$ 818,381	$ 453,259
LIABILITIES AND NET ASSETS:		
Accounts payable and accrued expenses	$ 7,061	$ 16,526
Net assets		
Net assets with donor restrictions	740,431	202,888
Net assets without donor restrictions	70,889	233,845
	811,320	436,733
TOTAL LIABILITIES AND NET ASSETS	$ 818,381	$ 453,259

See notes to financial statements.

REACH FOR UGANDA, INC.
STATEMENT OF ACTIVITIES AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenue and gains:			
Contributions, grants and contracts	$ 643,147	$ 1,657,617	$ 2,300,764
Investment income, net of expenses	14,651	-	14,651
	657,798	1,657,617	2,315,415
Events	131,207	-	131,207
Less: Direct expenses	(32,282)	-	(32,282)
	98,925	-	98,925
	756,723	1,657,617	2,414,340
Released from program restrictions	1,120,074	(1,120,074)	-
Expenses and losses:			
Program Services:			
School and other programs expenses	$ 1,875,892	-	$ 1,875,892
Support Services:			
Administration	$ 84,596	-	$ 84,596
Fundraising	79,265	-	79,265
	163,861	-	163,861
Total expenses	$ 2,039,753	$ -	$ 2,039,753
Change in net assets	(162,956)	537,543	374,587
Net assets, January 1, 2025	233,845	202,888	436,733
Net assets, December 31, 2025	$ 70,889	$ 740,431	$ 811,320

See notes to financial statements.

REACH FOR UGANDA, INC.
STATEMENT OF ACTIVITIES AND NET ASSETS
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenue and gains:			
Contributions, grants and contracts	$ 2,550,741	$ 71,601	$ 2,622,342
Investment income, net of expenses	18,803	-	18,803
Events	122,126	-	122,126
Less: Direct expenses	(37,007)	-	(37,007)
	85,119	-	85,119
Investment income		-	-
	2,654,663	71,601	2,726,264
Released from program restrictions	22,000	(22,000)	-
Expenses and losses:			
Program Services:			
School and other programs expenses	$ 2,775,516	-	$ 2,775,516
Support Services:			
Administration	$ 138,350	-	$ 138,350
Fundraising	29,487	-	29,487
	167,837	-	167,837
Total expenses	$ 2,943,353	$ -	$ 2,943,353
Change in net assets	(266,690)	49,601	(217,089)
Net assets, January 1, 2024	500,535	153,287	653,822
Net assets, December 31, 2024	$ 233,845	$ 202,888	$ 436,733

REACH FOR UGANDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	School and Program Expenses	Administrative	Fundraising	Total
Salaries and wages	$ 38,977	$ 60,138	$ 4,768	$ 103,883
Payroll taxes	2,976	4,592	364	7,932
Program related pass-through and other expenses	1,815,993	-	-	1,815,993
Bank and donation processing fees	2,827	-	25,445	28,272
Insurance	-	1,350	-	1,350
Office expenses	5,597	10,042	823	16,462
Office services and software fees	1,377	2,420	376	4,173
Professional fees and consultants	4,560	5,699	46,734	56,993
Development and promotion	-	-	755	755
Travel and meetings	3,585	355	-	3,940
	$ 1,875,892	$ 84,596	$ 79,265	$ 2,039,753

See notes to financial statements.

REACH FOR UGANDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	School and Program Expenses	Administrative	Fundraising	Total
Salaries and payroll taxes	$ 73,674	$ 113,692	$ 9,018	$ 196,384
Bank fees and donation processing fees	2,155	-	19,399	21,554
Transfers/grants to Uganda	2,650,518	-	-	2,650,518
Insurance	-	239	-	239
Office expenses	3,590	6,568	547	10,705
Development	-	3,360	-	3,360
Office services and software fees	1,932	3,401	523	5,856
Professional fees, consultants and fees for services	39,807	10,465	-	50,272
Travel and meetings	3,840	625	-	4,465
	$ 2,775,516	$ 138,350	$ 29,487	$ 2,943,353

See notes to financial statements.

REACH FOR UGANDA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOW FROM OPERATING ACTVITIES:		
Change in net assets	$ 374,587	$ (217,089)
Adjustments to reconcile to the change in net assets (used in) operating activities:		
(Increase) decrease in prepaid expenses	408	(382)
Increase (decrease) in accounts payable and accrued expenses	(9,465)	16,026
Total cash flow from operating activities	(9,057)	15,644
CASH FLOW FROM INVESTING ACTVITIES:		
Purchase of investments, net of withdrawals and expenses	(380,899)	-
	(15,369)	(201,445)
Cash and cash equivalents, beginning of period	452,851	654,296
Cash and cash equivalents, end of period	**$ 437,482**	**$ 452,851**

There were no non-cash investing and/or fnancing activities for the years ended December 31, 2025 and 2024.

See notes to financial statements.

REACH FOR UGANDA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

1. ORGANIZATION

Reach for Uganda, Inc., (RFU or the Organization) was incorporated under the laws of Virginia on December 28, 2004 and commenced operating as an independent not for profit organization on January 1, 2005. Prior to this date, RFU was an operating program of a church. RFU is a volunteer, non-profit organization based in the United States that helps children in rural Uganda reach their full potential. RFU legally changed its name from Arlington Academy of Hope, Inc. in November 2021,.

Through grants and subsidies to an affiliate NGO located in Uganda, RFU funds the creation of model schools and clinics. RFU provides education and healthcare programs, local development opportunities, and community outreach to improve the quality of life and transform poor villages into self-sustaining communities. RFU does this by engaging a caring community of volunteers, child sponsors, donors, partners and friends in the United States, Uganda and throughout the world.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of RFU have been prepared on the accrual basis of accounting, in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Not-for-Profit Entities, including ASU No. 2016-14, Not-for-Profit Entities: Presentation of Financial Statements for Not-for-Profit Entities.

Basis of presentation

The accompanying financial statements are presented in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Topic 958: Not-for Profit Entities. Contributions are recognized as revenue when they are received or unconditionally pledged. FASB ASC Topic 958 eliminates the utilization of fund accounting for financial reporting purposes and requires that net assets be classified as (1) net assets without donor restrictions; or (2) net assets with donor restrictions, depending on limitations placed on the net assets by donors. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions imposed at the time received. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may be met or will be met either by actions of the Organization and/or the passage of time.

2. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

Property and equipment

Property and equipment are recorded at cost and depreciated over the estimated useful lives of the asset, between 3-5 years using the straight-line method. As of December 31, 2025 and 2024, all assets have been fully depreciated.

Cash and cash equivalents

RFU invests cash in excess of its immediate requirements in certificates of deposit and money market funds. Because of their short-term and high liquidity, these investments are considered to be cash equivalents.

Income taxes

RFU is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to Federal income tax. As of December 31, 2025 and 2024, RFU has no unrelated business income subject to Federal tax.

Functional expenses

The costs of providing the various programs and other operating activities have been summarized on a functional basis in the statement of functional expenditures. Accordingly, certain indirect costs have been allocated amongst the programs and supporting services based upon management's best estimate of the benefit derived from these expenses.

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Volunteers and In-kind contributions

In accordance with FASB ASC Topic 958, in-kind contributions, if any, are recorded at their estimated fair market value on the date the unconditional promise to give the asset is made and transfer of the asset is assured. For the years ended December 31, 2025 and 2024, volunteer hours and in-kind contributions were not included in the Statement of Activity since the value of these contributions could not be objectively measured.

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 financial statement date and the reported amounts of revenues and expenses during the years then ended. Actual results could differ from those estimates.

2. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

Revenue Recognition

Contributions and all other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified as net assets no longer restricted and reported in the statement of activities as contributions released from donor restrictions. Net assets with donor restriction received and spent within the same accounting year are treated as net assets without donor restrictions.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award. Expenses associated with exchange or reimbursement of direct costs are expensed as incurred and grant funds are relating to these transactions are due and payable to the Organization. Net assets without donor restrictions received in advance of the donor specified award period are recorded as deferred revenue and recognized in the accounting period specified by the donor. Consulting, honoraria, and other income are recognized in the period earned.

Uncertain tax positions

In accordance with Financial Accounting Standards Board Accounting Standards Codification 740-10, Accounting for Uncertainty of Income Taxes which clarifies the accounting for the recognition and measurement of the benefits of individual tax position in the financial statements, including those non-profit organizations. Tax positions must meet a recognition threshold of more-likely-than-not in order for the benefit of those tax positions to be recognized in the financial statements.

RFU analyzes tax positions taken, including those related to the requirements set forth in IRC Sec. 501(c) to qualify as tax exempt organization, activities performed by volunteers and board members, the reporting of unrelated business income, and its status as a tax-exempt organization under Virginia statute.

The Organization is not aware of any tax benefits arising from uncertain tax positions and there was no effect on the Organization's financial position or changes in net assets as a result of analyzing its tax positions. Fiscal years ending on or after December 31, 2022 remain subject to examination by federal and state authorities.

Investments

In accordance with FASB ASC Sub-Topic 958-320 relating to the accounting for certain investments held by non-profit organizations, investments are carried at estimated fair value based on quoted market prices. Investments received through gifts are recorded at estimated fair market value at the date of donation. Investment income or losses (including realized gains and losses on investments, interest and dividends) are reported when earned and included as operating activities in the Statement of Activity. Unrealized gains and losses, if any, are classified as other (income) losses in the Statement of Activities. In the absence of any donor-imposed or legal restrictions on how investment income may be used, gains are reported as an increase in unrestricted net assets. A loss, realized or unrealized, is recorded as a decrease in unrestricted net assets. If restrictions do exist on the use of an investment, the gain or loss is shown as

2. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

Investments (continued)

an increase or decrease in either temporarily or permanently restricted net assets, depending on the type of restriction existing. Investment income (i.e., interest and dividends) earned during the year is reported as an increase in unrestricted net assets, unless the income's use is restricted; in that case, temporarily or permanently restricted net assets are increased depending upon the restriction.

As of December 31, 2025 and 2024, investments consisted of the following:

December 31, 2025

Description	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Mutual funds	$ 249,273	$ 249,273	$ -	$ -
Equity ETPs	131,479	131,479	-	-
	380,752	380,752	-	-
Money market funds and certificates of	147	147	-	-
	$ 380,899	$ 380,899	$ -	$ -

December 31, 2024

Description	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Mutual funds	$ -	$ -	$ -	$ -
Equity ETPs	-	-	-	-
	-	-	-	-
funds and certificates of deposit	105,592	105,592	-	-
	$ 105,592	$ 105,592	$ -	$ -

2. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

Investments (continued)

Per FASB ASC Sub-Topic 958-320 mutual funds, stock funds and money market accounts are considered Level 1 investments.

3. *BOARD DESIGNATED NET ASSETS*

The Board of Directors approved a "Board Designated Operating Reserve Fund" (the Fund) beginning January 1, 2020. The specific funding is discretionary. As of December 31, 2025 and 2024, the balance in this designated fund is $0.

4. *RELEASED FROM RESTRICTIONS*

For the years ended December 31, 2025 and 2024, $1,120,074 and $22,000, respectively, of net assets with donor restrictions were released for program activities. These expenditures are included in on the Statement of Functional Expenses for the years ended December 31, 2025 and 2024, respectively, and were properly used for various program related expenses as stipulated by the donor.

5. *NET ASSETS WITH DONOR RESTRICTIONS*

As of December 31, 2025 and 2024, RFU has net assets subject to donor restrictions relating to its Uganda and school programs totaling are as follows:

Program	2025	2024
Education, Health, and Other Programs	$ 740,431	$ 202,888

6. *COMMITMENTS AND CONTINGENCIES*

RFU has no long-term commitments (exceeding one year) for leases, contracts, grants or awards and/or other potential contingent liabilities requiring disclosure or accrual in the financial statements as of and for the years ended December 31, 2025 and 2024.

7. CONCENTRATIONS

During the year it is possible for RFU to maintain cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits of $250,000 per financial institution/per organization on demand deposits, certificates of deposit, and money market accounts combined. As of December 31, 2025, balances exceeding FDIC insurance limits totaled $187,233. Additionally, RFU at times may maintain securities and cash balances at securities brokerage firms. Securities Investor Protection Corporation (SIPC) protects balances up to $500,000 for securities and

7. CONCENTRATIONS (continued)

$100,000 for certain types of cash held by brokerage firms. As of December 31, 2025, RFU not exceed the SIPC insurance limits. Management believes the risk of loss in these situations is minimal. Management considers the risk of loss relating to these bank accounts minimal.

8. LIQUIDITY

RFU has $818,381 of liquid financial assets (cash, cash equivalents, and securities held for sale) available for use within one year of the balance sheet date to meet cash needs for general expenditures and donor or other contractual restrictions.

Financial assets subject to donor or other contractual restrictions total $740,431 making them unavailable for general expenditure within one year of the balance sheet date.

RFU's has a goal to maintain liquid, non-committed financial assets, which consist of cash and money market funds, on hand to meet on average 12 months of normal operating expenses, which are, on average, approximately $18,650 per month.

RFU policy is to structure its liquid financial assets to be available as its general expenditures, liabilities, and donor obligations come due.

9. *SUBSEQUENT EVENTS*

Subsequent events have been reviewed through July 15, 2026. All items affecting the financial statements for December 31, 2025 have been included in the accompanying financial statements and related disclosures.

REACH FOR UGANDA, INC.
SUPPLEMENTAL INFORMATION
CALCULATION OF ACTUAL INDIRECT COST RATE
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Programs (a)	Fund Raising (b)	Total Direct Cost (a+b) = c	Administrative and General (d)	Overhead Rate (d)/(c)
2025	$ 1,875,892	$ 79,265	$ 1,955,157	$ 84,596	4.33%
2024	$ 2,775,516	$ 29,487	$ 2,805,003	$ 138,347	4.93%

See notes to financial statements.