

Love146, Inc.

**Financial Statements
and
Reports of Independent
Certified Public Accountants**

**For the Years Ended
June 30, 2025 and 2024**

Love146, Inc.
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As of June 30, 2025 and 2024

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Independent Auditor's Report

Board of Directors
Love146, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Love146, Inc., which comprise the statement of financial position as of June 30, 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 Love146, Inc. as of June 30, 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Love146, 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 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 Love146, Inc.'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 and *Government 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 financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, 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 Love146, Inc'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 Love146, Inc'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 financial 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **December 8, 2025** on our consideration of Love146, Inc's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Love146, Inc's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Love146, Inc's internal control over financial reporting and compliance.



Maletta & Company
Certified Public Accountants

Bristol, Connecticut
December 8, 2025

Love146, Inc.
Statement of Financial Position
As of June 30, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 2,792,057	\$ 743,137
Receivables	646,675	472,463
Prepaid Expenses	116,658	144,914
Other Current Assets	24,500	24,539
Total Current Assets	3,579,890	1,385,053
Receivables	239,877	-
Property and Equipment, Net	682	2,842
ROU Asset, Operating Leases	184,622	169,519
Deposits	10,217	31,053
Total Assets	\$ 4,015,288	\$ 1,588,467
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 175,104	\$ 106,834
Accrued Expenses	231,895	154,504
Deferred Revenue	41,651	5,251
Current Portion Lease Liability, Operating Leases	93,964	121,216
Total Current Liabilities	542,614	387,805
Lease Liability, Operating Leases	92,358	50,525
Net Assets		
Without Donor Restrictions	336,035	1,067,137
With Donor Restrictions	3,044,281	83,000
Total Net Assets	3,380,316	1,150,137
Total Liabilities and Net Assets	\$ 4,015,288	\$ 1,588,467

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

Love146, Inc.
Statement of Activities
For the Years Ended June 30, 2025 and 2024

	Without Donor Restrictions	With Donor Restrictions	2025 Total	Without Donor Restrictions	With Donor Restrictions	2024 Total
Revenues and Support						
Contributions	\$ 2,904,504	\$ 2,977,768	\$ 5,882,272	\$ 2,290,948	\$ -	\$ 2,290,948
In-Kind Contributions	13,260	-	13,260	39,955	-	39,955
Government Grants	2,121,702	-	2,121,702	2,100,110	-	2,100,110
Special Event Revenue	150,733	-	150,733	119,825	-	119,825
Less: Cost of Direct Benefits to Donors	(63,467)	-	(63,467)	(14,373)	-	(14,373)
Program Service Fees	127,718	-	127,718	194,907	-	194,907
Interest	52,576	-	52,576	25,524	-	25,524
Other Income	11,510	-	11,510	5,281	-	5,281
Total Revenues Before Net Assets						
Released from Restrictions	5,318,536	2,977,768	8,296,304	4,762,177	-	4,762,177
Net Assets Released from Restrictions	16,487	(16,487)	-	165,986	(165,986)	-
Total Revenues	5,335,023	2,961,281	8,296,304	4,928,163	(165,986)	4,762,177
Expenses						
Program Services						
Survivor Care	2,466,519	-	2,466,519	2,463,765	-	2,463,765
Prevention Education	1,258,691	-	1,258,691	846,862	-	846,862
Other Programs	400,609	-	400,609	452,976	-	452,976
Total Program Services	4,125,819	-	4,125,819	3,763,603	-	3,763,603
Supporting Services						
General and Administrative	1,120,103	-	1,120,103	941,818	-	941,818
Development and Fundraising	820,203	-	820,203	708,923	-	708,923
Total Supporting Services	1,940,306	-	1,940,306	1,650,741	-	1,650,741
Total Expenses	6,066,125	-	6,066,125	5,414,344	-	5,414,344
Change in Net Assets	(731,102)	2,961,281	2,230,179	(486,181)	(165,986)	(652,167)
Net Assets, Beginning of Year	1,067,137	83,000	1,150,137	1,553,318	248,986	1,802,304
Net Assets, End of Year	\$ 336,035	\$ 3,044,281	\$ 3,380,316	\$ 1,067,137	\$ 83,000	\$ 1,150,137

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

Love146, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2025

	Program Services			Total Programs	Supporting Services		2025 Total
	Survivor Care	Prevention Education	Other Programs		General & Administrative	Development & Fundraising	
Personnel Expenses							
Salaries	\$ 1,518,105	\$ 714,881	\$ 295,968	\$ 2,528,954	\$ 552,109	\$ 491,181	\$ 3,572,244
Fringe Benefits	163,442	61,021	36,664	261,127	75,763	41,350	378,240
Payroll Taxes	127,441	55,438	23,312	206,191	46,039	37,754	289,984
Total Personnel Expenses	1,808,988	831,340	355,944	2,996,272	673,911	570,285	4,240,468
Other Expenses							
Program Expense	178,537	100,148	-	278,685	-	-	278,685
Grant Expense	246,515	-	-	246,515	-	-	246,515
Contract Labor	11,760	166,323	-	178,083	159,506	87,411	425,000
Travel and Related Expenses	26,612	69,717	1,194	97,523	17,537	20,470	135,530
Occupancy	49,080	20,171	8,052	77,303	22,250	8,440	107,993
Bank Fees	3	3,448	50	3,501	21,537	50,871	75,909
Professional Fees	38,406	16,236	8,836	63,478	172,107	17,948	253,533
Printing and Reproduction	1,497	22,452	1,589	25,538	47	17,310	42,895
Postage	19	2,633	6,181	8,833	407	13,858	23,098
Insurance	63,734	9,384	-	73,118	25,238	-	98,356
Supplies	4,786	5,337	135	10,258	2,324	2,565	15,147
Telephone	22,495	8,094	1,304	31,893	2,063	2,590	36,546
Staff Development	9,758	730	69	10,557	13,598	1,231	25,386
Depreciation Expense	-	-	-	-	1,141	1,019	2,160
Office Equipment	547	1,545	1,541	3,633	1,128	1,394	6,155
Dues and Subscriptions	1,206	874	-	2,080	398	481	2,959
Advertising and Other	2,576	259	15,714	18,549	6,911	24,330	49,790
Total Other Expenses	657,531	427,351	44,665	1,129,547	446,192	249,918	1,825,657
Total Expenses	\$ 2,466,519	\$ 1,258,691	\$ 400,609	\$ 4,125,819	\$ 1,120,103	\$ 820,203	\$ 6,066,125

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

Love146, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services			Total Programs	Supporting Services		2024 Total
	Survivor Care	Prevention Education	Other Programs		General & Administrative	Development & Fundraising	
Personnel Expenses							
Salaries	\$ 1,469,993	\$ 575,026	\$ 322,024	\$ 2,367,043	\$ 608,938	\$ 417,504	\$ 3,393,485
Fringe Benefits	171,259	53,134	49,478	273,871	45,720	46,621	366,212
Payroll Taxes	118,537	46,369	25,967	190,873	49,104	33,667	273,644
Total Personnel Expenses	1,759,789	674,529	397,469	2,831,787	703,762	497,792	4,033,341
Other Expenses							
Program Expense	192,367	9,068	-	201,435	-	-	201,435
Grant Expense	268,223	-	-	268,223	-	-	268,223
Contract Labor	16,656	9,511	168	26,335	10,530	31,800	68,665
Travel and Related Expenses	20,408	73,251	18,651	112,310	8,607	42,412	163,329
Occupancy	48,789	27,271	9,632	85,692	24,063	6,791	116,546
Bank Fees	16	2,240	-	2,256	13,719	45,144	61,119
Professional Fees	19,263	10,645	6,031	35,939	141,772	14,068	191,779
Printing and Reproduction	1,335	13,504	1,038	15,877	121	14,153	30,151
Postage	70	1,492	2,413	3,975	386	22,437	26,798
Insurance	87,351	-	-	87,351	12,718	-	100,069
Supplies	4,658	6,540	-	11,198	2,842	2,028	16,068
Telephone	16,471	7,308	2,114	25,893	2,818	2,568	31,279
Staff Development	17,907	3,871	758	22,536	7,835	2,469	32,840
Depreciation Expense	-	-	-	-	1,835	1,019	2,854
Office Equipment	5,371	4,719	712	10,802	5,602	320	16,724
Dues and Subscriptions	1,492	700	-	2,192	343	1,311	3,846
Other	3,599	2,213	13,990	19,802	4,865	24,611	49,278
Total Other Expenses	703,976	172,333	55,507	931,816	238,056	211,131	1,381,003
Total Expenses	\$ 2,463,765	\$ 846,862	\$ 452,976	\$ 3,763,603	\$ 941,818	\$ 708,923	\$ 5,414,344

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

Love146, Inc.
Statement of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows Provided by Operating Activities		
Change in Net Assets	\$ 2,230,179	\$ (652,167)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation Expense	2,160	2,854
ROU Asset Amortization	129,411	129,753
Decrease/(Increase) in Operating Assets		
Receivables	(414,089)	(7,939)
Prepaid Expenses	28,256	(19,574)
Other Current Assets	39	(24,539)
Deposits	20,836	(5,820)
(Increase)/Decrease in Operating Liabilities		
Accounts Payable	68,270	95,631
Accrued Expenses	77,391	856
Deferred Revenue	36,400	(749)
Lease Liability, Operating Lease	(129,933)	(129,426)
Net Cash Provided by Operating Activities	2,048,920	(611,120)
Net Increase/(Decrease) in Cash and Cash Equivalents	2,048,920	(611,120)
Cash and Cash Equivalents - Beginning	743,137	1,354,257
Cash and Cash Equivalents - Ending	\$ 2,792,057	\$ 743,137
Supplemental Information		
Cash Paid for Income Taxes	\$ -	\$ -
Cash Paid for Interest	\$ -	\$ -

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

Love146, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2025 and 2024

Note 1 – Organization

Founded in 2002 and incorporated in 2004, Love146, Inc.'s vision is *The end of child trafficking and exploitation. Nothing less.* We believe that making the world a safe place for children is only possible through a bold, broad vision that cannot be achieved by one organization or approach. At Love146, Inc. our mission is to journey alongside children impacted by trafficking today and prevent the trafficking of children tomorrow. In order to realize our mission, Love146, Inc. provides transformative services, develops outcome-focused solutions, and challenges society's response.

As an international organization, Love146, Inc. recognizes that there is no single narrative of what child trafficking looks like. Children are trafficked through commercial sexual exploitation and forced labor. They are victimized in countries of origin, transit, and destination. Their traffickers are family members, strangers, "romantic partners," "friends," and "employers". They are trafficked by single individuals and organized crime groups. Because there is no single form of child trafficking, there is no single model or solution that can bring about the end of child trafficking. Therefore, Love146, Inc. works to eradicate child trafficking through a Children in Communities Model. This model recognizes that trafficking looks different in every community and that trafficking is impacted by communities' complex interconnected ecosystems.

Love146, Inc. currently has programs in the United States and the Philippines. In the United States, Love146, Inc. primarily supports children who are at risk for or have been victims of domestic minor sex trafficking. In the Philippines, Love146, Inc. has served children under the age of one and up past their 18th birthdays, working with those who have been sexually exploited in-person and online. While this work may initially appear disconnected, it in fact recognizes that child trafficking has no single form and thus no single solution.

In order to fully address child trafficking, multiple replicable models are needed to address the multiple forms in which child trafficking occurs. Collectively, Love146, Inc.'s work is based in our theory of change, and is led and guided by local experts who understand how to implement this theory of change best in their own communities.

Note 2 – Summary of Significant Accounting Policies

Financial Statement Presentation

The accompanying financial statements of Love146, Inc. have been prepared on the accrual basis of accounting. The financial statement presentation follows generally accepted accounting principles for not-for-profit entities. Under these provisions, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Love146, Inc. and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Love146, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2025 and 2024

Note 2 – Summary of Significant Accounting Policies (Cont'd)

Financial Statement Presentation (cont'd)

Revenues, including promises to give, are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor or grantor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decrease in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Use of Estimates

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

Income Tax Status

Love146, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Love146, Inc. is also exempt from state income taxes. Accordingly, no provision for income taxes has been made in the financial statements. Love146, Inc. is subject to tax on unrelated business income, if incurred, as well as certain state filing fees.

Management of Love146, Inc. has concluded that there are no uncertain tax positions that would require recognition in the financial statements. If Love146, Inc. were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties would be reported as income taxes. Love146, Inc.'s conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based on ongoing analysis of tax laws, regulations and interpretations thereof as well as other factors. Generally, federal and state authorities may examine the Love146, Inc.'s tax returns for three years from the date of filing.

Cash, Cash Equivalents and Credit Risk

For purposes of the statement of cash flows, Love146, Inc. considers all short-term investments, with a maturity of three months or less when purchased, and money market mutual funds, to be cash equivalents. Cash deposits in banks are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, amounts of cash and cash equivalents maintained on deposit may be in excess of the FDIC insurance limit. Love146, Inc. has not experienced any losses in such accounts and management believes Love146, Inc. is not exposed to significant risk.

Receivables

Love146, Inc.'s receivables generally consist of grants and contributions receivable (unconditional promises to give). Management estimates the allowance for credit losses at inception based on an analysis of the specific donors, taking into consideration the age of any past due receivables, an assessment of their individual ability to pay along with historical experience and future expectations. Management has determined that an allowance for credit losses is not necessary as of June 30, 2025 and 2024.

Furniture, Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements are capitalized at cost. It is Love146, Inc.'s policy to capitalize expenditures for these items in excess of \$2,000. Lesser amounts are expensed. Furniture and office equipment are being depreciated over estimated useful lives of three to seven years, using the straight-line method. Leasehold improvements are being amortized over the shorter of the lease term or useful life using the straight-line method.

Love146, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2025 and 2024

Note 2 – Summary of Significant Accounting Policies (Cont'd)

Government Grants and Contracts

Government grants and contracts are generally considered to be conditional contributions. Revenue from cost-reimbursement grants and contracts is recognized to the extent of costs incurred. Revenue from performance-based grants and contracts is recognized to the extent of performance achieved. Grant and contract receipts in excess of revenue recognized are presented as deferred grant revenue (refundable advances). Grants and contracts receivable represent amounts due from funding organizations for reimbursable expenses incurred.

Contributions

Unconditional promises to give are recorded as received. Unconditional promises to give due in subsequent years are reflected as current promises to give and are recorded at their net realizable value. Love146, Inc. does not generally have unconditional promises to give receivable over multiple years, but when they occur, they are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the year in which the promises are received to discount the amounts.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of Love146, Inc. have been summarized on a functional basis in the accompanying statement of activities, which includes all expenses incurred for the years. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management allocates the direct costs of its operations to its programs and services based upon the percentage of direct labor costs charged to each program and supporting services by Love146, Inc. staff.

Leases

Love146, Inc. leases its facility, vehicles, and may occasionally lease office equipment. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities, and operating lease liabilities in the statements of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities in the statements of financial position.

ROU assets represent Love146, Inc.'s right to use an underlying asset for the lease term, and lease liabilities represent Love146, Inc.'s obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Love146, Inc. has elected to use a risk-free rate as the discount rate by class of underlying asset. Love146, Inc. uses the risk-free rate for all asset classes; however, when the rate implicit in the lease is readily determinable for any individual lease, Love146, Inc. will use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of the fact that Love146, Inc. has made the risk-free rate election. Operating lease ROU assets also include any lease payments made and exclude any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Love146, Inc.'s lease terms may include options to extend or terminate the lease when it is reasonably certain that Love146, Inc. will exercise the option.

Short-term leases, which are 12 months or less at their commencement date and do not include an option to purchase the underlying asset or extend the lease beyond 12 months, that Love146, Inc. is reasonably certain to exercise, are not recognized as ROU assets.

Love146, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2025 and 2024

Note 2 – Summary of Significant Accounting Policies (Cont'd)

Donated Services

Love146, Inc. recognizes donated services if they create or enhance non-financial assets or requires specialized skills and would typically be purchased if not provided by donation. General volunteer services do not meet these criteria for recognition in the financial statement. However, a substantial number of volunteers have donated significant amounts of their time in Love146, Inc.'s operations and fund-raising campaigns.

Compensated Absences

Employees are entitled to paid vacation and sick days depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future paid sick days and time off. Accordingly, no liabilities for these amounts have been recorded in the accompanying financial statements. The Organization's policy is to recognize the cost of compensated absences when actually paid to employees.

Date of Management's Review

Subsequent events were considered through December 8, 2025, which is the date the financial statements were available to be issued. Management believes there are no subsequent events having a material impact on the financial statements.

Note 3 – Availability and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2025 and 2024, are as follows:

Financial Assets at Year End	2025	2024
Cash and Cash Equivalents	\$ 2,792,057	\$ 743,137
Receivables	646,675	472,463
	<u>3,438,732</u>	<u>1,215,600</u>
Less: Net Assets With Donor Restrictions	(3,044,281)	\$ (83,000)
Financial Assets Available for General Expenditures	<u>\$ 394,451</u>	<u>\$ 1,132,600</u>

Love146, Inc. regularly monitors liquidity required to meet its operational needs. Love146, Inc. forecasts its future cash flows and strives to budget annual revenue to cover general expenditures, and conducts capital campaigns or seeks specific grant assistance for major capital projects.

Note 4 – Contributions Receivable

The present value discounts on unconditional promises to give receivable in future periods are estimated using interest rates paid on U.S. Treasury obligations with maturities equivalent to the years in which the payments are to be received. Such interest rates were established in the fiscal year that the contribution was recognized. Contributions receivable as of June 30, 2025 and 2024, were as follows:

	2025	2024
Receivable in Less than One Year	\$ 605,558	\$ 472,463
Receivable in One to Five Years	250,000	-
Receivable in More than Five Years	-	-
Total Contributions Receivable	<u>855,558</u>	<u>472,463</u>
Less Discounts to Net Present Value	(10,123)	-
Net Contributions Receivable	<u>\$ 845,435</u>	<u>\$ 472,463</u>

Love146, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2025 and 2024

Note 5 – Property and Equipment

The following is a detailed list of property and equipment cost and accumulated depreciation as of June 30, 2025 and 2024:

	2025	2024
Leasehold Improvements	\$ 60,028	\$ 60,028
Furniture, Fixtures, and Equipment	12,881	12,881
Total Property & Equipment	72,909	72,909
Accumulated Depreciation	(72,227)	(70,067)
Net Property and Equipment	\$ 682	\$ 2,842

Note 6 – Leases

Love146, Inc. leases office space in New Haven, Connecticut under a non-cancelable operating lease which requires increasing monthly payments ranging from \$4,108 to \$4,424 and expires December 31, 2025. Love146, Inc. also leases office space in Spring, Texas under a non-cancelable operating lease with monthly payments ranging from \$2,113 to \$2,241, which expired February 28, 2025 and was renewed for a three year period. Love146, Inc. also leases office space in Charlotte, North Carolina under a month-to-month lease, with monthly payments of \$1,500. Additionally, Love146, Inc. leases approximately 20 vehicles for use in its programs, generally under three-year (36 month) lease agreements.

Total lease expense for the year ended June 30, 2025 and 2024 was \$143,813 and \$156,111, respectively. Love146, Inc. has elected to apply the short-term lease exception to all leases with a term of one year or less. Love146, Inc.'s short-term lease costs reasonably reflect the ongoing short-term lease commitments.

As of June 30, 2025 and 2024, the right-of-use (ROU) asset had a total balance of \$184,622 and \$169,519, respectively, as shown in non-current assets on the statement of financial position; the lease liability is included in current and long-term liabilities totaling \$186,322 and \$171,741, respectively. The lease asset and liability were calculated utilizing risk-free discount rates, according to Love146, Inc.'s elected policy. No extension options were considered when assessing the value of the ROU assets.

Additional information about the Love146, Inc.'s leases is as follows:

<u>Lease Cost (Included in Expenses)</u>	2025	2024
Operating Lease Cost	125,813	138,111
Short-term Lease Cost	18,000	18,000
Total Lease Costs	\$ 143,813	\$ 156,111

Supplemental Cash Flow Information

Cash Paid for Amounts Included in the Measurement of Lease Liabilities:

Operating Cash Flows from Operating Lease

	\$ 131,643	\$ 136,974
--	------------	------------

Non-cash ROU Assets Obtained in Exchange for Lease Obligations:

Operating Lease

	\$ 142,110	\$ -
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Weighted Average Remaining Lease Term (Years)

Operating Lease

	2.33	1.21
--	------	------

Weighted Average Discount Rate

Operating Lease

	3.78%	3.34%
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Love146, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2025 and 2024

Note 6 – Leases (Cont'd)

Future maturities of lease liabilities as of June 30, 2025 and 2024 were as follows:

Year Ending June 30,	2025	2024
2025		\$ 124,626
2026	\$ 98,733	50,991
2027	48,510	-
2028	45,831	-
2029	1,434	
Thereafter	-	-
Total Lease Payments	194,508	175,617
Less: Interest	(8,186)	(3,876)
Present Value of Lease Payments	\$ 186,322	\$ 171,741

Note 7 – Net Assets With Donor Restrictions

As of June 30, 2025 and 2024, net assets with donor restrictions that are temporary in nature are available for the following purposes or time periods:

Purpose	2025	2024
U.S. Survivor Care	\$ 83,593	\$ 55,000
Prevention Education	2,960,688	28,000
	\$ 3,044,281	\$ 83,000

Net assets with donor restrictions that were temporary in nature were released from restrictions during the years ended June 30, 2025 and 2024, by incurring expenses satisfying the following restrictions:

Purpose	2025	2024
U.S. Survivor Care	\$ -	\$ 90,000
Prevention Education	16,487	75,986
	\$ 16,487	\$ 165,986

There were no net assets with donor restrictions that were permanent in nature for the years ended June 30, 2025 and 2024.

Love146, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2025 and 2024

Note 8 – Related Party Transactions

The Round Home, Inc.

On January 24, 2008, Love146, Inc. entered into an Association Agreement (agreement) with a related party in the Philippines, The Round Home, Inc. (formerly Love146 (Philippines)) to support their mission in the area. The agreement requires, among other things, that The Round Home, Inc. maintain a board of directors and executive director whose appointments must all be ratified by Love146, Inc. The agreement also requires that to ensure coordination with Love146, Inc., The Round Home, Inc. annual proposed budget must be approved by Love146, Inc. prior to adoption. In addition, The Round Home, Inc. shall provide monthly financial reports and quarterly audited financial statements to Love146, Inc.

The initial term of the agreement is five years and has an automatic five-year renewal unless either party provides notice not to renew. The agreement may also terminate if other occurrences occur such as the dissolution of either party, either party submits written cancelation within a certain period of time, loss of tax exempt status by either party or if one party engages in any act that is (1) in violation of the agreement; (2) inconsistent with the ministry of exempt status of any party to this agreement; or (3) which would subject any party to public disrepute.

In addition, the two parties entered into a Trademark License Agreement which grants a non-transferable, exclusive, royalty free license to The Round Home, Inc. to use Trademarks registered with the United States Patent and Trademark Office by Love146, Inc., as long as the Trademark License Agreement and Association Agreement remain in place.

During the years ended June 30, 2025 and 2024 Love146, Inc. provided The Round Home, Inc. with \$249,781 and \$268,223, respectively, in support to fund operations to support their mutual mission.

In December of 2024 Love146 (Philippines) changed its name to The Round Home, Inc.

Note 9 – In-Kind Contributions and Donated Services

In-kind contributions are reflected as contributions at their fair value at the date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used. These amounts have been reported as both contribution revenue and the appropriate functional and natural expense classifications on the statements of activities and functional expenses.

Supplies are valued at the actual or estimated fair value of items received by comparing the items received to sale prices in a retail setting. Contract labor is estimated by using pay rates not less than minimum wage times the hours provided. Fundraising materials are valued at the actual or estimated fair value of items received by comparing the items received to the sale prices in a retail setting. During fiscal year 2024 the fundraising materials of \$24,500 were seven capitalized donated works of art intended to be resold or auctioned during fundraising events to benefit Love146, Inc. The value was estimated by the professional art studio and compared to sales prices of similar works of art by the same artist. In-kind contributions for the year ended June 30, 2025 and 2024 were as follow:

Contributed Item	Function	Expense Line	Donor Restrictions	2025	2024
Survivor Care Supplies	Survivor Care	Program Expenses	None	\$ 250	\$ 2,818
Contract Labor	Survivor Care	Contract Labor	None	11,760	12,637
Fundraising Materials-Art Work	n/a	n/a	None	-	24,500
Direct Fundraising Materials	n/a	n/a	None	1,250	-
				<u>\$ 13,260</u>	<u>\$ 39,955</u>

Love146, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2025 and 2024

Note 10 – Retirement Plan

Love146, Inc. sponsors a 403b retirement plan for eligible employees. Love146, Inc. provides all of its employees the opportunity to contribute to the pre-tax deferral retirement plan starting on their first day of hire. Love146, Inc. matches up to 1% of employees' gross salary for eligible employees. For the year ended June 30, 2025 and 2024 the contribution expense was \$13,200 and \$12,748, respectively.

Note 11 – Concentrations, Risks, Uncertainties

Love146, Inc. receives a substantial amount of its support from contributions and grants by a few major contributors. A significant reduction in the level of this support, if this were to occur, would have a material effect on Love146, Inc.'s programs and activities. It is always considered reasonably possible that benefactors, grantors or contributors might be lost in the near term.

Love146, Inc. also receives a substantial amount of governmental support through grants and contracts. These government grants and contracts accounted for approximately 26% and 44% of total revenue for the years ended June 30, 2025 and 2024, respectively.

Love146, Inc. is also the recipient of grants from various governmental agencies. Under the terms and conditions of these grants the expenditures and compliance with various provisions of such grants may be subject to monitoring by governmental agencies. Monitoring could potentially result in an unfavorable outcome for Love146, Inc. Management of Love146, Inc. has not been notified of any such monitoring and does not anticipate any material changes as a result of grant audits by governmental agencies, should they occur.



CERTIFIED PUBLIC ACCOUNTANTS

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Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Independent Auditor's Report

Board of Directors
Love146, Inc.

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Love146, Inc., which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 8, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Love146, Inc.'s internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Love146, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Love146, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Love146, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of Love146, Inc. in a separate letter dated December 8, 2025.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Maletta & Company". The signature is written in a cursive style with a vertical line separating the two parts of the name.

Maletta & Company
Certified Public Accountants

Bristol, Connecticut
December 8, 2025



CERTIFIED PUBLIC ACCOUNTANTS

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**Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance
in Accordance with the Uniform Guidance**

Independent Auditor's Report

Board of Directors
Love146, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Love146, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Love146, Inc.'s major federal programs for the year ended June 30, 2025. Love146, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Love146, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Love146, Inc. and to meet our other ethical responsibilities, in accordance with 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 our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Love146, Inc. June 30, 2025's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Love146, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Love146, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Love146, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Love146, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Love146, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Love146, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Maletta & Company
Certified Public Accountants

Bristol, Connecticut
December 8, 2025

Love146, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-through/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice			
<i>Direct programs</i>			
<u>Services for Trafficking Victims</u>	16.320	n/a	\$ 406,185
<i>Pass-through programs from</i>			
State of Connecticut Office of Policy and Management			
<u>STOP Violence Against Women</u>	16.588	23VWLOVE146	132,295
<u>STOP Violence Against Women</u>	16.588	20VWLOVE146EE	21,167
Total U.S. Department of Justice			559,647
U.S. Department of the Treasury			
<i>Pass-through programs from</i>			
State of Connecticut Judicial Branch			
<u>COVID-19 - Coronavirus State and Local Fiscal Recovery Funds</u>	21.027	SLFRPO128	820,508
Total U.S. Department of the Treasury			820,508
U.S. Department of Health and Human Services			
<i>Pass-through programs from</i>			
Dekalb County Board of Education			
<u>Demonstration Grants for Domestic Victims of Human Trafficking</u>	93.327	90TV0042-01-00	6,663
Milwaukee Public Schools			
<u>Demonstration Grants for Domestic Victims of Human Trafficking</u>	93.327	90TV0061-01-00	170,545
Denver Public Schools			
<u>Demonstration Grants for Domestic Victims of Human Trafficking</u>	93.327	90TV0058-01-00	128,300
Total U.S. Department of Health and Human Services			305,508
Total Expenditures of Federal Awards			\$ 1,685,663

*See the accompanying notes to the
Schedule of Expenditures of Federal Awards.*

Love146, Inc.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Love146, Inc. under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Love146, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Love146, Inc.

Note B – Summary of Significant Accounting Policies

1. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
2. Love146, Inc. did not use the 10 percent de minimis indirect cost rate.
3. Pass-through entity identifying numbers are presented where available.

Love146, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit finding disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major federal programs:

Assistance

Listing #	Program Name
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? X Yes _____ No

II. Financial Statement Findings

None

III. Federal Awards Findings

None