Project Fire Buddies, Inc.

Financial Statements

December 31, 2023

Project Fire Buddies, Inc.
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ADDUCCI VEGA
FINANCIAL GROUP

Independent Auditor's Report

To the Board of Directors of
Project Fire Buddies, Inc.
Tinley Park, Illinois

Opinion

We have audited the accompanying financial statements of Project Fire Buddies, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Project Fire Buddies, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Project Fire Buddies, 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 Project Fire Buddies Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the 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 Project Fire Buddies 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 Project Fire Buddies 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.

Adducci Vega Financial Group, PLLC

Palos Heights, Illinois
November 10, 2025

Project Fire Buddies, Inc.
Statement of Financial Position
December 31, 2023

Assets

Current assets:	
Cash and cash equivalents	$ 625,394
Contributions receivable	2,100
Prepaid expenses	20,935
Total assets	$ 648,429

Liabilities and Net Assets

Liabilities:	
Current liabilities:	
Credit card payable	$ 5,122
Accrued expense	2,954
Deferred revenue	215,845
Total current liabilities	223,921
Net assets:	
Without donor restrictions	424,508
Total liabilities and net assets	$ 648,429

The accompanying notes to the financial statements are
an integral part of this statement.

Project Fire Buddies, Inc.
Statement of Activities
For the Year Ended December 31, 2023

Support and revenues:		
Contributions	$	801,385
Gala income, net of direct expenses		64,889
In-Kind contributions		28,285
Raffle income		19,033
Interest income		3,773
Total revenues		917,365
Functional expenses:		
Program services		482,373
Supporting activities:		
Management and general		38,558
Fundraising		69,583
Total functional expenses		590,514
Change in net assets		326,851
Net assets, beginning of the year		97,657
Net assets, end of the year	$	424,508

The accompanying notes to the financial statements are
an integral part of this statement.

Project Fire Buddies, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program Services	Management and General	Fundraising	Total Expenses
Advertising and marketing	$ 9,257	$ -	$ -	$ 9,257
Bank service charges	20,137	4,028	2,684	26,849
Contributions	7,620	-	-	7,620
Insurance	644	129	86	859
Maintenance and repairs	11,131	1,459	2,005	14,595
Miscellaneous	71	3,197	282	3,550
Office expenses	7,028	2,054	1,826	10,908
Professional fees	-	1,400	-	1,400
Program meals and supplies	268,508	-	-	268,508
Promotion and advertising	103,928	19,785	58,190	181,903
Rent	16,650	1,850	-	18,500
Salaries and benefits	32,187	4,023	4,023	40,233
Software	2,482	292	146	2,920
Telephone	2,730	341	341	3,412
Total functional expenses	$ 482,373	$ 38,558	$ 69,583	$ 590,514

The accompanying notes to the financial statements are
an integral part of this statement.

Project Fire Buddies, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2023

Cash Flows from Operating Activities:		
Change in net assets	$	326,851
Adjustment to reconciles change in nets assets to net cash provided by operating activities:		
(Increase) in assets:		
Contributions receivable		(2,100)
Prepaid expenses		(15,940)
Increase in liabilities:		
Credit card payable		5,122
Accrued expenses		2,954
Deferred revenue		127,449
Net cash provided by operating activities		444,336
Cash, and cash equivalents, beginning of the year	$	181,058
Cash, and cash equivalents end of the year	$	625,394

The accompanying notes to the financial statements are
an integral part of this statement.

Note 1. Summary of significant accounting policies

Description of Organization and nature of activities

Project Fire Buddies, Inc. (the "Organization") is an Illinois not-for-profit corporation whose purpose is to offer support and give back to children battling critical illnesses with the help of firefighters. The Organization's main sources of funding are contributions from the public and an annual Gala fundraiser. The Organization is governed by a Board of Directors.

Basis of accounting and presentation

The Organization maintains its books in accordance with the accrual basis method of accounting. Under this method, income is recognized when earned and expenses are recognized when incurred.

Net assets

Net assets are classified into one of two classes based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets 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 grantor restrictions.

Net assets with donor restrictions – Net assets subject to donor-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. When a donor 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 statement of revenue collected, expenses paid, and changes in net assets as net assets released from restrictions. Donor restricted contributions in which the restrictions are met in the same reporting period are reported as revenue without donor restrictions. As od December 31, 2023, there were no net assets with donor restrictions.

Revenue recognition and contributions

Contributions received are recorded as without donor restrictions or with donor restrictions depending upon the existence or nature of any donor restrictions. The Organization reports gifts of cash and other assets as with donor restrictions if the gifts are received with donor stipulations that limit the use of the donated assets. All other revenues received are considered to be available for unrestricted use.

Note 1. Summary of significant accounting policies (continued)

Use of estimates

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

Cash and cash equivalents

The Organization considers all cash, money market accounts and highly liquid investments with a maturity of three months or less, at the date of purchase, to be cash and cash equivalents.

The Organization maintains cash balances at various banking institutions. At December 31, 2023 the Organization's balances exceeded federally insured limits by $161,004. The Organization has not experienced any losses in such accounts and management believes that the Organization is not exposed to any significant credit risk relating to cash and cash equivalents.

Income tax status

Project Fire Buddies, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is, therefore, not subject to income tax under present income tax laws. In addition, there were no interest or penalties associated with income taxes recognized in the accompanying financial statements.

The Organization prepares and files IRS Form 990, *Return of Organization Exempt from Income Tax*, annually with the Internal Revenue Service. Generally, tax returns may be examined by the IRS for three years after they are filed.

Functional allocation of expenses

The costs of program and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and the supporting services benefited.

Promotion and advertising costs

The Organization expenses marketing and advertising costs. As of December 31, 2023 total expense was $9,257.

Note 1. Summary of significant accounting policies (continued)

Subsequent events

Management has evaluated subsequent events through November 10, 2025, the date that these financial statements were available to be issued.

In May 2025, Project Fire Buddies, Inc. purchased a building for approximately $1,000,000. They also acquired a loan for $800,000 with monthly payments of $5,298 including interest that is due in May, 2030.

Management evaluation of going concern

In accordance with accounting principles generally accepted in the United States of America, management performed an evaluation to determine if adverse conditions or events, considered in the aggregate, raise substantial doubt about the Organization's ability to continue as a going concern for the one-year period from the date the financial statements were available to be issued. Management's evaluation did not identify any conditions or events that raise substantial doubt about the Organization's ability to continue as a going concern for the period from November 10, 2025 through November 10, 2026.

Note 2. Liquidity and availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

Cash and cash equivalents	$	625,394
Contributions receivables		2,100
Financial assets available to meet general expenditures	$	627,494

In addition to the financial assets available to meet general expenditures described above, the Organization anticipates covering its general expenditures by collecting general contributions and additional grants throughout the year.

Note 3. Rent expense

In 2023, the Organization lease office space under a month to month lease. Total rent expense for the years ended December 31, 2023 was $11,300.

Note 4. Restricted net assets

In 2023, the Organization received $70,000 for a van to be donated to family. The money was spent in the current year.

Note 5. Contributed services and in-kind contributions

The Organization receives significant in-kind contributions related to rent and medical services. The Organization recognized in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation.

The Organization received the following contributions on nonfinancial assets for the year ending December 31, 2023:

Pediatric nurse services	$	21,085
Storage rent		7,200
Total	$	28,285

Note 6. Adoption of new Accounting Standard

Adoption of New Accounting Standard – *Credit Losses*

On January 1, 2022, the Organization adopted FASB Accounting Standards Update 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including accounts receivable. There was no material impact on the Organization's results of operations or financial condition upon adoption of the new standard.

Adoption of New Accounting Standard – *Leases*

Effective January 1, 2022, the Organization adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, Leases (Topic 842). The Organization has elected the package of practical expedients permitted in Accounting Standards Codification (ASC) Topic 842. Accordingly, the Company accounted for its existing operating lease agreements under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments (as of June 30, 2025) would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. Furthermore, the Company operated under a month-to-month operating lease for office space for the period of January 1, 2023 to December 31, 2023, therefore upon a completed analysis of ASC Topic 842, the Company deemed that no adjustments were necessary to opening balances for right-of-use assets and lease liabilities.