PHILADELPHIA VIP, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

J. MILLER & ASSOCIATES LLC
CPAs FOR NONPROFITS

PHILADELPHIA VIP, INC.
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YEAR ENDED DECEMBER 31, 2025

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J. MILLER & ASSOCIATES LLC
CPAs FOR NONPROFITS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Philadelphia VIP, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Philadelphia VIP, Inc., which comprise the statement of financial position as of December 31, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Philadelphia VIP, Inc. as of December 31, 2025, and the results of its activities and its cash flows for the year 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Philadelphia VIP, 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 Philadelphia VIP, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Philadelphia VIP, 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 Philadelphia VIP, 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.

J. Miller & Associates, LLC

J. MILLER & ASSOCIATES, LLC

Philadelphia, Pennsylvania
June 2, 2026

PHILADELPHIA VIP, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS		
Cash and cash equivalents	$	937,533
Grants and contracts receivable		495,311
Promises to give, net of discount		288,376
Prepaid expenses and other assets		25,915
Investments		1,381,945
Property and equipment, net		45,877
Right-of-use asset - operating lease		406,326
TOTAL ASSETS	$	3,581,283
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	14,198
Refundable advance		25,500
Operating lease liability		440,366
TOTAL LIABILITIES		480,064
NET ASSETS		
Without donor restrictions		2,243,436
With donor restrictions		857,783
TOTAL NET ASSETS		3,101,219
TOTAL LIABILITIES AND NET ASSETS	$	3,581,283

See accompanying Notes to Financial Statements.

PHILADELPHIA VIP, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT			
Grant and contracts	$ 1,326,874	$ -	$ 1,326,874
Foundation grants	107,876	450,000	557,876
Contributions	422,552	92,099	514,651
Contributed services	7,007,355	-	7,007,355
Other income	2,025	-	2,025
Net assets released from restrictions	90,500	(90,500)	-
Total operating revenue and support	8,957,182	451,599	9,408,781
EXPENSES			
Program services	8,926,812	-	8,926,812
Supporting services			
Management and general	194,008	-	194,008
Fundraising	87,293	-	87,293
Total expenses	9,208,113	-	9,208,113
Change in net assets from operations	(250,931)	451,599	200,668
NON-OPERATING ACTIVITY			
Net investment return	59,761	-	59,761
Total non-operating activity	59,761	-	59,761
Change in net assets	(191,170)	451,599	260,429
Beginning of year	2,434,606	406,184	2,840,790
End of year	$ 2,243,436	$ 857,783	$ 3,101,219

See accompanying Notes to Financial Statements.

PHILADELPHIA VIP, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

Description	Program Services	Management and General	Fundraising	Total
Salaries	$ 1,044,672	$ 131,126	$ 45,293	$ 1,221,091
Payroll taxes and employee benefits	191,072	23,983	8,284	223,339
Total salaries and related expenses	1,235,744	155,109	53,577	1,444,430
Awards and recognition	10,674	-	-	10,674
Depreciation	20,421	3,142	2,618	26,181
Fundraising consultant and services	-	-	14,248	14,248
Insurance expense	16,489	1,767	1,374	19,630
Litigation services	7,423,665	-	-	7,423,665
Marketing and communications	704	-	234	938
Office expense	23,341	2,746	1,375	27,462
Occupancy	106,608	16,160	13,466	136,234
Professional fees	44,053	14,684	-	58,737
Staff development	9,534	400	401	10,335
Technology services	35,579	-	-	35,579
Total expenses	$ 8,926,812	$ 194,008	$ 87,293	$ 9,208,113

See accompanying Notes to Financial Statements.

PHILADELPHIA VIP, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 260,429
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	26,181
Net realized and unrealized gain on investment	(47,815)
Donated stock	(42,254)
Decrease (Increase) in Assets:	
Grants and contracts receivable	970,573
Promise to give, net of discount	(288,376)
Prepaid expenses and other assets	769
Right-of-use asset - operating lease	106,375
Increase (Decrease) in Liabilities:	
Accounts payable	(28,316)
Refundable advance	23,015
Operating lease liability	(104,806)
Net cash provided by operating activities	875,775
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of marketable securities	(3,957,149)
Sale of marketable securities	2,665,273
Net cash used in investing activities	(1,291,876)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(416,101)
Cash and cash equivalents - beginning of year	1,353,634
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 937,533

See accompanying Notes to Financial Statements.

PHILADELPHIA VIP, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 1 ORGANIZATION

Philadelphia VIP, Inc. (the "Organization) provides civil legal services to low-income residents of the City of Philadelphia. The Organization pursues this goal by recruiting, training and supporting thousands of legal professionals throughout Philadelphia who then provide pro bono legal services to the Organization's low-income clients. The Organization's volunteers represent individuals, small businesses and nonprofit organizations on civil legal matters in four prior areas: (1) preventing homelessness; (2) supporting family stability; (3) maintaining family income; and (4) promoting community development. The Organization has earned a reputation as the hub of pro bono services in Philadelphia.

The Organization relies on funding from the legal community, private foundations, corporations, individuals, and government contracts.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization's financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America ("GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates, and the differences could be material.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturities of three months or less to be cash equivalents.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and contracts receivable

The Organization considers all grants and contracts receivable to be fully collectible at December 31, 2025. Accordingly, no allowance for doubtful accounts was deemed necessary as of December 31, 2025. If amounts become uncollectible, they are charged to expense in the period in which that determination is made. Grants and contracts receivable as of December 31, 2025 was $495,311.

Promises to Give

Promises to give are recognized as revenues in the period the promise is received. Promises to give are stated at the amount management expects to collect from outstanding balances. On a periodic basis, the Organization evaluates its promises to give and establishes an allowance for doubtful accounts based on its assessment of the current status of the promises to give. As of December 31, 2025, the Organization has determined that an allowance for doubtful accounts was not deemed necessary.

Investments

The Organization's investments in equity securities with readily ascertainable fair values are measured at fair market value in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Marketable securities consisted of fixed income such as mutual funds and exchange-traded products.

Property and Equipment

Property and equipment purchases over $1,000 are recorded at cost, less accumulated depreciation, or if donated at fair value on the date contributed. Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, which range from three years to ten years. Costs of maintenance and repairs that do not improve or extend the useful lives of their respective assets are expensed as incurred.

Leases

The Organization classifies leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow the Organization to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of twelve months or less are not recorded on the statements of financial position. The Organization had no finance leases during 2025.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases, Continued

Certain lease contracts include obligations to pay for other services, such as operations, property taxes, and maintenance. The Organization accounts for these other services as a component of the lease. For all other leases, the services are accounted for separately and the Organization allocates payments to the lease and other services components based on estimated stand-alone prices.

Lease liabilities are recognized at the present value to the fixed lease payments, using a discount rate based on risk-free rate. Right-of-use ("ROU") assets are recognized based on the initial present value of fixed lease payments plus any direct cost from executing the leases. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to renew or extend lease terms, terminate leases before the contractual expiration dates, or purchase the leased assets, are evaluated for the likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Costs associated with operating lease assets are recognized on a straight-lined basis within operating expenses over the term of the lease.

Revenue Recognition

The Organization recognizes contributions when received. Conditional contributions are not recognized until the conditions on which they depend have been substantially met. Unconditional contributions are recorded as net assets without donor restrictions or with donor restrictions depending on the absence or existence and nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restrictions is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions of donated services that require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are charged directly to program services, management and general, and fundraising categories based on specific identification. Indirect expenses have been allocated based on a percentage of use by the functional areas.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is a nonprofit Organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for federal income taxes is included in these financial statements. In addition, for the year ended December 31, 2025, the Organization had no unrelated business income. The Organization follows the accounting guidance for uncertain tax positions and has concluded that as of December 31, 2025, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability in the financial statements or disclosure.

NOTE 3 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2025 are comprised of the following:

Cash and cash equivalents	$ 937,533
Grants and contracts receivable	495,311
Promises to give, net of discount	288,376
Investments	1,381,945
	3,103,165
Less amounts not available to be used within one year:	
Donor restricted net assets	(857,783)
Total Financial assets available to meet cash needs for general expenditure within one year	$ 2,245,382

The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. As part of its liquidity plan, excess cash may in the future be invested in short-term investments, including money market accounts or amounts may be drawn from investments as needed.

NOTE 4 PROMISES TO GIVE

Promises to give are estimated to be collected as follows at December 31, 2025:

Within one year	$ 150,000
One to five years	150,000
	300,000
Less discount to net present value at 5.53%	(11,624)
Promise to give, net of discount	$ 288,376

NOTE 5 INVESTMENTS

Net investment return for the year ended December 31, 2025 consisted of the following:

Interest and dividends	$ 12,396
Net realized/unrealized gains losses	47,815
Less: investment expense	(450)
Total	$ 59,761

NOTE 6 FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (i.e., an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair value of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2: Inputs are quoted prices in markets that are not active, quoted prices for similar assets and liabilities in active markets and inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurements and unobservable. These inputs reflect management's judgment about the assumptions that a market participant would use in pricing the investment and are based on the best available information, some of which may be internally developed.

The following valuation methodologies were used for assets measured at fair value:

Mutual funds and exchange-traded products are stated at fair value based on the last quoted evaluation price. To the extent these securities are actively traded, and valuation adjustments are not applied, they are categorized as Level 1 in the fair value hierarchy.

The fair values of assets measured on a recurring basis were as follows at December 31, 2025:

	Fair Value	Level 1	Level 2	Level 3
Mutual funds				
Stocks	$ 31,599	$ 31,599	$ -	$ -
Fixed income	1,350,346	1,350,346	-	-
Total	$ 1,381,945	$ 1,381,945	$ -	$ -

NOTE 7 PROPERTY AND EQUIPMENT

Property and equipment, net at December 31, 2025, are comprised of the following:

Furniture and equipment	$	116,101
Less: accumulated depreciation		(70,224)
Property and equipment, net	$	45,877

NOTE 8 OPERATING LEASE

The Organization leases office space under a non-cancelable operating lease expiring in April 2029.

The weighted average discount rate associated with the lease as of December 31, 2025, was 6%. Cash paid during 2025 for amounts included in the measurement of the lease totaled $136,234. There were no long-term operating or finance leases executed in 2025. The weighted average life remaining of the lease as of December 31, 2025 was 3.33 years.

The following is a maturity analysis as of December 31, 2025, of the annual undiscounted cash flows:

Year		Amount
2026	$	134,665
2027		151,496
2028		151,495
2029		50,498
		488,154
Liability accretion		(47,788)
Total	$	440,366

NOTE 9 CONTRIBUTED SERVICES

For the year ended December 31, 2025, contributed services recognized within the statement of activities included:

	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Legal services	$ 7,007,355	Program Services	No associated donor restrictions	Fair value as reported by the donors based on market rates.

NOTE 10 PENSION

The Organization has established a 403-B retirement plan for the benefit of all employees who can meet certain service requirements. The current contribution is computed based on 3% of eligible employees' wages. Retirement plan expense for the year ended December 31, 2025, was $29,149 which is included in payroll taxes and employee benefits in the accompanying statement of functional expenses.

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following:

Subject to expenditure for specified purpose:	
Preserving Homeownership and Family Wealth Project	$ 17,000
Long-term Projects	382,283
Tangled Title, Estate Planning and Outreach	375,000
Tangled Title Systems Advocacy	37,500
Total purpose restrictions	811,783
Time restrictions	46,000
Net assets with donor restrictions	$ 857,783

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the passage of time specified by the donors as follows:

Purpose restrictions:	
Tangled Title, Estate Planning and Outreach	$ 75,000
Total purpose restrictions	75,000
Time restrictions	15,500
Net assets released from restrictions	$ 90,500

NOTE 12 CONCENTRATIONS

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash, accounts receivable, and investments.

The Organization has significant cash balances at financial institutions located in Pennsylvania which could exceed the federally insured limit of $250,000. The Organization had $769,651 that exceeded the federally insured limit as of December 31, 2025. The Organization has not experienced any losses from maintaining cash accounts in excess of federally insured limits. Management believes that it is not exposed to any significant credit risk on its accounts.

NOTE 12 CONCENTRATIONS (CONTINUED)

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risks associated with certain investments securities, it is possible that changes in value of investment securities could occur in the near term and that such change could materially affect investment balances and activity included in the financial statements. The Organization has a diversified portfolio for all of their investments and retains and investment advisor to attain a prudent level of diversification in an attempt to minimize risk associated with investment securities to the extent possible.

NOTE 13 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 2, 2026, the date which the financial statements were available to be issued.