KOPPA LAB

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2025

RB | RICH & BANDER

CERTIFIED PUBLIC ACCOUNTANTS

KOPPA LAB
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RICH AND BANDER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

PETER R. RICH, CPA

JONATHAN A. BANDER, CPA

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Koppa Lab
Washington, DC

Opinion

We have audited the accompanying financial statements of Koppa Lab (a nonprofit organization), 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 financial statements referred to above present fairly, in all material respects, the financial position of Koppa Lab as of December 31, 2025, and the changes in net assets 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. 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 Koppa Lab 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 Koppa Lab'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 Responsibility

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, including omissions, 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 Koppa Lab'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 Koppa Lab'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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, as of and for the year ended December 31, 2025, Koppa Lab adopted Accounting Standards Update 2023-08, *Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets,* using the modified retrospective transition method. Our opinion is not modified with respect to this matter.

Rich and Bander, LLP

New York, NY
June 22, 2026

RICH AND BANDER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

KOPPA LAB
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025

ASSETS		
Current assets		
Cash and cash equivalents	$	2,143,419
Certificate of deposit		1,008,457
Grants and contributions receivable		10,000
Other receivables		941
Prepaid expenses		5,835
Total current assets		**3,168,652**
TOTAL ASSETS	**$**	**3,168,652**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	$	109,565
Total current liabilities		**109,565**
TOTAL LIABILITIES		**109,565**
NET ASSETS		
Without donor restrictions		3,059,087
TOTAL NET ASSETS		**3,059,087**
TOTAL LIABILITIES AND NET ASSETS	**$**	**3,168,652**

KOPPA LAB
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Grants and contributions			
Foundation	$ 4,508,000	$ -	$ 4,508,000
Donated services	32,997	-	32,997
Individual and business	14,664	-	14,664
Net assets released from restrictions	197,140	(197,140)	-
Total grants and contributions	**4,752,801**	**(197,140)**	**4,555,661**
Other income			
Interest income	93,665	-	93,665
Honorarium	8,130	-	8,130
Other income	2,531	-	2,531
Total other income	**104,326**	**-**	**104,326**
Total revenue and support	**4,857,127**	**(197,140)**	**4,659,987**
Expenses			
Program services	1,305,387	-	1,305,387
Supporting services			
Management and general	438,138	-	438,138
Fundraising	50,388	-	50,388
Total expenses	**1,793,913**	**-**	**1,793,913**
Change in net assets	3,063,214	(197,140)	2,866,074
Net assets - beginning of year	(4,127)	197,140	193,013
Net assets - end of year	**$ 3,059,087**	**$ -**	**$ 3,059,087**

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

KOPPA LAB
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total
Personnel costs				
Salaries	$ 831,164	$ 276,843	$ 42,783	$ 1,150,790
Payroll taxes	63,077	21,010	3,247	87,334
Benefits and other	16,690	5,559	859	23,108
Total personnel costs	910,931	303,412	46,889	1,261,232
Contracted services	291,027	32,447	-	323,474
Travel and meals	93,660	10,708	3,415	107,783
Professional fees	-	72,347	-	72,347
Information technology	4,935	9,740	-	14,675
Licenses and fees	-	4,494	-	4,494
Dues and subscriptions	2,916	1,299	-	4,215
Payroll processing fees	1,251	417	64	1,732
Bank fees and other fees	12	1,147	-	1,159
Occupancy	-	887	-	887
Printing and postage	268	555	-	823
Insurance	383	128	20	531
Staff development and training	-	269	-	269
Equipment purchases	-	267	-	267
Office expense	4	21	-	25
	$ 1,305,387	**$ 438,138**	**$ 50,388**	**$ 1,793,913**

KOPPA LAB
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

Cash flows from operating activities:	
Change in net assets	$ 2,866,074
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Interest income earned from certificate of deposit	(8,457)
Increase in operating assets:	
Grants and contributions receivable	(10,000)
Other receivables	(941)
Prepaid expenses	(3,990)
Increase in operating liabilities:	
Accounts payable and accrued expenses	75,125
Total adjustments	51,737
Net cash provided by operating activities	2,917,811
Cash flows used investing activities:	
Purchases of certificate of deposit	(1,000,000)
Net cash used in investing activities	(1,000,000)
Net increase in cash and cash equivalents	1,917,811
Cash and cash equivalents, beginning of year	225,608
Cash and cash equivalents, end of year	**$ 2,143,419**
Supplemental disclosures of cash flow information:	
Cash paid during the year for:	
Interest	$ -
Income taxes	$ -

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

1) NATURE OF THE ORGANIZATION

Koppa Lab ("the Organization") was organized as a not-for-profit organization in February 2024 under the laws of the District of Columbia. The Organization is committed to unlocking LGBTI+ economic power so individuals thrive on their own terms and economies prosper from their full participation. The Organization is a charitable organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization's programs are supported primarily by foundation and individual donor contributions.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Cash and Cash Equivalents

The Organization considers all highly liquid investments, except those held for long-term investment, with maturities of three months or less when purchased to be cash and cash equivalents.

Contract Balances

Contract assets are recognized when the Organization has satisfied a contract obligation but must satisfy other performance obligations before being entitled to payment, or when the Organization has the right to bill a customer before satisfying any or some of the performance obligations. Contract liabilities are recognized when the Organization has an obligation to perform services to a customer for which the Organization has received advanced consideration or when payment is due prior to satisfying any or some of the performance obligations. The Organization does not have any opening balance for contract assets nor liabilities or such balances for the year ended December 31, 2025.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. As of December 31, 2025, the Organization has no lease arrangements.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Organization to use estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Adoption of Accounting Standards

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-08, *Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60)*: *Accounting for and Disclosure of Crypto Assets*. The amendments in ASU 2023-08 require that the Organization measure crypto assets at fair value in the statement of financial position each reporting period and recognize changes from remeasurement in net income. The amendments also require that the Organization provide enhanced disclosures for both annual and interim reporting periods to provide financial statement users with relevant information to analyze and assess the exposure and risk of significant individual crypto asset holdings. In addition, fair value measurement aligns the accounting required for holders of crypto assets with the accounting for entities that are subject to certain industry-specific guidance (such as investment companies) and eliminates the requirement to test those assets for impairment. The amendments in ASU 2023-08 are effective for all organizations for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. On January 1, 2025, the Organization adopted ASU 2023-08, using the modified retrospective transition method. The Organization has no crypto assets as of and for the year ended December 31, 2025. There were no material changes to the financial statements upon adoption.

Recent Accounting Pronouncements

On December 14, 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in ASU 2023-09 require greater disaggregation of income tax disclosures related to the income tax rate reconciliation and income taxes paid. In addition, the amendments require: (1) disclosure of income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign; and (2) disclosure of income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign. There are also disclosure requirements that are to be eliminated upon adoption of the amendments. For entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2025. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The amendments are to be applied on a prospective basis and retrospective application is permitted.

The Organization has evaluated this update and does not expect it to have a material effect on the Organization's financial statements or related disclosures.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue, Revenue Recognition, and Receivables

Grants and Contributions – Grants (from government and foundations) and contributions (from individuals, corporations, and other sources) are recognized when cash, securities or other assets; an unconditional promise to give; or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of release/return, are not recognized until the conditions on which they depend have been substantially met.

Grants and Contributions Receivable – Grants and contributions that are expected to be collected within one year are recorded as grants and contributions receivable at net realizable value. Amounts expected to be collected in future years are recorded at the present value of their estimated future cash flows. The Organization uses the allowance method to determine uncollectible grants and contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Contributed Nonfinancial Assets – The value of services, facilities and non-capitalized equipment donated is recorded as contributions with or without donor restrictions and expensed in the year donated. These contributions are valued at the estimated fair value of similar services and materials. A number of volunteers have donated significant amounts of their time to the Organization in connection with its programs. Directors and officers have made a significant contribution of their time to develop the Organization and its programs. These donated services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed services. These donated services do not create or enhance a nonfinancial asset nor require a specialized skill that the contributors have and would typically need to be purchased if not provided through donation.

Allowance for Credit Losses

The Organization operates in the nonprofit industry and its accounts receivables are primarily derived from program service revenues. At each statement of financial position date, the Organization recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's portfolio segment(s) have remained constant since the Organization's inception. As of December 31, 2025, no allowance for credit losses has been recognized. The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election. There were no write-offs to the financial statements for the year ended December 31, 2025.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, employee benefits, certain travel and meals, and insurance, which are allocated on the basis of estimates of time and effort.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from state income taxes. However, any unrelated business income may be subject to taxation. Currently, the Organization has no obligation for any unrelated business income tax.

The Organization's Form 990, *Return of Organizations Exempt from Income Tax*, for the year ended December 31, 2024 is subject to examination by the Internal Revenue Service, generally for three years after they were filed.

The Organization has evaluated its current tax positions and has concluded that as of December 31, 2025, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-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 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 those resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Advertising and Marketing

Advertising and marketing costs are expensed as incurred. There was no advertising and marketing expense for the year ended December 31, 2025.

Certificate of Deposit

The Organization invests in certificates of deposit (CDs). These investments are stated at cost plus the interest income earned.

Fair Value Measurements

The Organization's financial instruments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. ASC 820, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; level 2, defined as inputs other than the quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. At December 31, 2025, the Organization has certificates of deposits and no other investments reported in the statement of financial position.

3) LIQUIDITY AND AVAILABILITY

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

Cash and cash equivalents	$ 2,143,419
Certificate of deposit	1,008,457
Grants and contributions receivable	10,000
Other receivables	941
Financial assets available to meet general expenditures within one year	$ 3,162,817

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in investment accounts.

4) NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2025:

Satisfaction of purpose restrictions:	
Koppa Planning Project	$ 197,140
Total net assets released from donor restrictions	$ 197,140

5) GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable at December 31, 2025 totaled to $10,000. These amounts are generally collected within one year. The Organization believes its receivables are to be fully collectible. Accordingly, the Organization has determined that no allowance for doubtful accounts is necessary.

6) CERTIFICATE OF DEPOSIT

Investments in CDs are recorded at cost plus interest earned, which approximates fair value. As of December 31, 2025, the Organization held a certificate of deposit with a carrying amount of $1,008,457. The CD had an original term of five months with interest at an annual percentage yield (APY) of 3.55% and matured on February 28, 2026. For the year ended December 31, 2025, interest income earned on the certificate of deposit totaled $8,457 and was included in interest income in the statement of activities. On February 28, 2026, the principal and interest earned from the original CD were used to purchase a new CD with a five-month term.

7) CONCENTRATIONS OF RISK

The Organization maintains its cash balances at a major financial institution. The balances, at times, may exceed federally insured limits of $250,000. As of December 31, 2025, uninsured balances totaled to $2,631,670. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk regarding its cash balances.

During the year ended December 31, 2025, the Organization received approximately 99% of its total grants and contributions from one donor. The concentration from the contributor does not make the Organization vulnerable to a risk of severe near-term impact because the Organization only spends money according to the amount received from the contributor and other revenue.

8) CONTRIBUTED NONFINANCIAL ASSETS

During the year ended December 31, 2025, the Organization received contributed nonfinancial assets in the form of pro bono legal services valued at $32,997. These contributed services have been recognized at their estimated fair value and are included in the statement of activities.

9) SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 22, 2026, which is the date the financial statements were available to be issued. Management is not aware of any material subsequent events.