

All Stars Project, Inc.

Financial Statements
Year Ended December 31, 2025

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



All Stars Project, Inc.

Financial Statements
Year Ended December 31, 2025

All Stars Project, Inc.

Contents

Independent Auditor's Report	3-4
Financial Statements	
Statement of Financial Position as of December 31, 2025	5
Statement of Activities for the Year Ended December 31, 2025	6
Statement of Functional Expenses for the Year Ended December 31, 2025	7
Statement of Cash Flows for the Year Ended December 31, 2025	8
Notes to Financial Statements	9-25



Independent Auditor's Report

The Board of Directors
All Stars Project, Inc.
New York, New York

Opinion

We have audited the financial statements of All Stars Project, Inc. (ASP), 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 ASP as of December 31, 2025, and the results of its operations 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 the Financial Statements section of our report. We are required to be independent of ASP 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 ASP'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 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, 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 ASP'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 ASP'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.

Report on Summarized Comparative Information

We have previously audited ASP's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 30, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, P.C.

May 13, 2026

All Stars Project, Inc.
Statement of Financial Position
(with comparative totals for 2024)

<i>December 31,</i>	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,633,654	\$ 2,638,242
Investments, at fair value, current portion	2,826,830	1,862,165
Pledges receivable, current portion	2,500,027	2,791,304
Prepaid expenses and other current assets	326,599	304,535
Total Current Assets	8,287,110	7,596,246
Other Assets	82,223	117,977
Pledges Receivable, Net	5,155,086	6,435,635
Investments, at fair value, net of current portion	4,125,690	6,522,414
Right-of-Use Assets - Operating Lease	1,234,807	1,540,600
Fixed Assets, Net	5,416,059	5,879,505
Total Assets	\$ 24,300,975	\$ 28,092,377
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 41,332	\$ 50,990
Accrued salaries and related expenses payable	594,520	522,777
Deferred revenue - contract liability	3,300	3,300
Accrued interest payable	14,881	24,633
Operating lease liability, current portion	239,489	276,621
Mortgage payable, current portion	3,603,285	396,810
Total Current Liabilities	4,496,807	1,275,131
Operating lease liability, net of current portion	1,100,398	1,342,619
Mortgage payable, net of current portion and debt issuance costs	-	6,661,175
Total Liabilities	5,597,205	9,278,925
Commitments and Contingencies (Notes 3, 8, 9, 10, 12, 13, 14, and 15)		
Net Assets		
Without donor restrictions	9,312,211	7,867,606
With donor restrictions	9,391,559	10,945,846
Total Net Assets	18,703,770	18,813,452
Total Liabilities and Net Assets	\$ 24,300,975	\$ 28,092,377

See accompanying notes to financial statements.

All Stars Project, Inc.
Statement of Activities
(with comparative totals for 2024)

Year ended December 31,

	Without Donor Restrictions	With Donor Restrictions	Total	
			2025	2024
Revenues and Other Support				
Contributions	\$ 5,450,596	\$ 4,594,711	\$ 10,045,307	\$ 13,691,501
Special events, net of direct benefits to donors of \$436,635 and \$311,783, respectively	1,694,235	-	1,694,235	1,485,918
Contributed non-financial assets	35,039	-	35,039	67,353
Grant revenue	-	-	-	153,976
Other revenues	17,544	-	17,544	136,148
Net assets released from restrictions	6,336,434	(6,336,434)	-	-
Total Revenues and Other Support	13,533,848	(1,741,723)	11,792,125	15,534,896
Expenses				
Program services:				
Performance-based programs	1,874,655	-	1,874,655	2,101,077
Development School for Youth and Development Coaching	4,474,088	-	4,474,088	4,356,836
Strategic and Thought Leadership Initiatives	1,739,327	-	1,739,327	1,939,573
Operation Conversation	793,691	-	793,691	1,249,540
Total Program Services	8,881,761	-	8,881,761	9,647,026
Supporting services:				
Management and general	1,970,704	-	1,970,704	1,459,406
Fundraising	1,923,155	-	1,923,155	2,123,904
Total Supporting Services	3,893,859	-	3,893,859	3,583,310
Total Expenses	12,775,620	-	12,775,620	13,230,336
Change in Net Assets, from operating activities	758,228	(1,741,723)	(983,495)	2,304,560
Non-Operating Activities				
Investment income, net	579,981	187,436	767,417	896,932
Income from forfeited deposit	-	-	-	900,000
Other revenues	106,396	-	106,396	20,244
Total Non-Operating Activities	686,377	187,436	873,813	1,817,176
Change in Net Assets	1,444,605	(1,554,287)	(109,682)	4,121,736
Net Assets, beginning of year	7,867,606	10,945,846	18,813,452	14,691,716
Net Assets, end of year	\$ 9,312,211	\$ 9,391,559	\$ 18,703,770	\$ 18,813,452

See accompanying notes to financial statements.

All Stars Project, Inc.
Statement of Functional Expenses
(with comparative totals for 2024)

Year ended December 31,

	Program Services				Supporting Services			Total		
	Performance-Based Programs	Development School for Youth and Development Coaching	Strategic and Thought Leadership Initiatives	Operation Conversation	Total Program Services	Management and General	Fundraising	Total Supporting Services	2025	2024
Salaries and Fringe Benefits										
Salaries	\$ 1,131,477	\$ 2,560,037	\$ 1,089,900	\$ 514,975	\$ 5,296,389	\$ 658,513	\$ 887,055	\$ 1,545,568	\$ 6,841,957	\$ 6,610,364
Payroll taxes and employee benefits	162,651	361,371	150,305	69,082	743,409	515,675	254,456	770,131	1,513,540	1,491,011
Total Salaries and Fringe Benefits	1,294,128	2,921,408	1,240,205	584,057	6,039,798	1,174,188	1,141,511	2,315,699	8,355,497	8,101,375
Other Expenses										
Grants and donations	5,250	112,353	-	-	117,603	-	-	-	117,603	15,344
Professional fees	80,054	294,517	53,826	19,690	448,087	44,743	141,265	186,008	634,095	920,587
Contributed non-financial assets - professional fees	-	-	-	-	-	-	-	-	-	67,353
Production	3,953	2,197	671	6,565	13,386	408	3,918	4,326	17,712	21,241
Interest	33,107	77,230	38,560	10,049	158,946	72,394	31,531	103,925	262,871	325,560
Fees and charges	13,361	28,646	12,483	5,051	59,541	73,493	8,512	82,005	141,546	133,083
Insurance	18,550	35,201	14,157	14,714	82,622	175,818	12,956	188,774	271,396	241,153
Telecommunications	11,866	19,499	8,875	3,795	44,035	7,802	7,273	15,075	59,110	54,562
Database and computer services	48,378	118,981	46,521	16,295	230,175	42,531	35,150	77,681	307,856	310,797
Occupancy	64,775	151,103	75,445	19,662	310,985	141,642	61,691	203,333	514,318	637,978
Outreach, cultivation, and training	77,765	258,808	55,588	31,294	423,455	41,185	149,614	190,799	614,254	434,369
Advertising and design	11,283	26,185	6,178	5,585	49,231	9,472	98,431	107,903	157,134	55,265
Equipment rental	-	-	-	-	-	-	24,333	24,333	24,333	38,187
Repairs and maintenance	62,623	122,774	58,755	23,445	267,597	52,462	49,113	101,575	369,172	269,626
Postage and shipping	1,333	2,548	942	355	5,178	1,596	11,040	12,636	17,814	8,531
Office supplies and expenses	32,826	67,185	29,284	12,971	142,266	25,787	26,207	51,994	194,260	66,014
Space rental	10,613	891	373	209	12,086	232	276	508	12,594	59,012
Catering	1,527	11,503	1,270	1,142	15,442	926	27,672	28,598	44,040	61,883
Printing	2,294	8,115	1,410	1,042	12,861	1,119	11,066	12,185	25,046	74,467
Dues and subscriptions	5,529	24,690	3,285	3,068	36,572	3,878	6,105	9,983	46,555	28,821
Miscellaneous	111	399	104	39	653	23,330	88	23,418	24,071	450
Depreciation and amortization	95,329	189,855	91,395	34,663	411,242	77,698	75,403	153,101	564,343	1,304,678
Total Expenses	\$ 1,874,655	\$ 4,474,088	\$ 1,739,327	\$ 793,691	\$ 8,881,761	\$ 1,970,704	\$ 1,923,155	\$ 3,893,859	\$ 12,775,620	\$ 13,230,336

See accompanying notes to financial statements.

All Stars Project, Inc.
Statement of Cash Flows
(with comparative totals for 2024)

<i>Year ended December 31,</i>	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ (109,682)	\$ 4,121,736
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	564,343	1,304,678
Income from forfeited deposit	-	(900,000)
Amortization of debt issuance costs	25,392	24,785
Donated stocks	(787,520)	(984,300)
Net realized and unrealized gain on investments	(461,941)	(514,282)
Change in discount on pledges receivable	(95,019)	650,839
Non-cash operating lease expense	305,793	594,244
Changes in operating assets and liabilities:		
Pledges receivable	1,666,845	(5,389,804)
Prepaid expenses and other assets	13,690	15,308
Accounts payable and accrued expenses	(9,658)	(15,059)
Accrued salaries and related expenses payable	71,743	(10,627)
Accrued interest payable	(9,752)	1,215
Principal reduction in operating lease liability	(279,353)	(547,657)
Net Cash Provided (Used in) by Operating Activities	894,881	(1,648,924)
Cash Flows from Investing Activities		
Purchase of fixed assets	(100,897)	(7,280)
Purchase of investments	(5,270,392)	(8,113,910)
Proceeds from sale of investments	7,951,912	10,980,918
Net Cash Provided by Investing Activities	2,580,623	2,859,728
Cash Flows from Financing Activities		
Principal payments on mortgage payable	(3,480,092)	(380,312)
Net Cash Used in Financing Activities	(3,480,092)	(380,312)
Net (Decrease) Increase in Cash and Cash Equivalents	(4,588)	830,492
Cash and Cash Equivalents, beginning of year	2,638,242	1,807,750
Cash and Cash Equivalents, end of year	\$ 2,633,654	\$ 2,638,242
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 247,231	\$ 299,561

See accompanying notes to financial statements.

All Stars Project, Inc.

Notes to Financial Statements

1. Description of Organization

All Stars Project, Inc. (ASP) is a national, privately funded 501(c)(3) organization with over a 45-year history of grassroots organizing and community building. Using the developmental power of performance, ASP transforms the lives of youth from poor and underserved communities in partnership with caring adults giving everyone the opportunity to grow. ASP's award-winning programs bring people from all racial, economic, and social walks of life together to create something positive, new, and transformative for all involved. ASP operates nationally in six cities, including Dallas; New York City; Newark and Jersey City, New Jersey; Chicago; and the San Francisco Bay Area with volunteers, programming, and partnerships in over 20 states.

Performance-Based Programs

The All Stars Talent Show Network

The All Stars Talent Show Network (ASTSN) involves young people, ages five to 25, performing and producing hip-hop talent shows in their neighborhoods. They are cheered on by an audience of family, neighbors, volunteers, and supporters. This experience is transformative for all.

The Performance Lab

The Performance Lab works with theatre artists and organizations across the country to produce and support cultural events and bridge-building activities that explore human conflict and social relations through the lens of performance—both on the stage and in life.

Development School for Youth and Development Coaching

Development Coaching

Development Coaching, a virtual program, gives young adults aged 18 to 24 an opportunity to partner one-on-one with caring industry leaders to help guide and enhance their personal and professional development. Development Coaching matches young adults with volunteer coaches from coast to coast based on shared interests and experiences and provides training that supports both coach and coachee to learn from each other and grow together.

Development School for Youth

Development School for Youth (DSY) is a leadership-training program for young people between the ages of 16 and 21. DSY's leadership-training cycles are organized as ensemble performances and include a series of workshops led by senior executives from corporations who partner with the program. DSY graduates are placed in summer internships provided by sponsoring companies.

Strategic and Thought Leadership Initiatives

Through innovative collaborations and strategic partnerships, ASP works closely with nonprofit, civic, community college, and corporate partners interested in incorporating its performance approach in the design and implementation of training solutions and new afterschool programming, as well as in the creation of career readiness programs and initiatives. ASP further invests in thought leadership activities, conversations, writing, and research to advance afterschool development as a field and a game-changing strategy for social transformation.

All Stars Project, Inc.

Notes to Financial Statements

The Alumni Amplifier initiative

The Alumni Amplifier Initiative is a national platform that elevates ASP alumni as influencers, storytellers, and community leaders while strengthening their leadership and broadening the reach of the ASP's network. Through public forums, the Initiative supports alumni who are continuing to grow, lead, and create new opportunities in their communities. By investing in alumni leadership and initiatives, ASP is cultivating leaders whose development continues to create development for others and extending the power of our development through performance model.

Operation Conversation

Operation Conversation is a bridge-building initiative that addresses the social and racial divide in America. In a two-part virtual workshop, people from diverse communities and all walks of life learn and perform with new tools that develop empathy, appreciation, active listening, and curiosity skills. Using the power of performance, these workshops engage racism and promote healing in everyday life.

Operation Conversation: Cops & Kids is an innovative police-community relations program run by ASP in partnership with local police departments. The program uses performance, improvisation, and conversation to help inner-city teenagers and police officers develop a positive relationship.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP). In the statement of financial position, assets are presented in order of liquidity or conversion to cash, and liabilities are presented according to their maturity resulting in the use of cash.

Net Asset Classification

The classification of a not-for-profit organization's net assets and its support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets—with donor restrictions and without donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

With Donor Restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time, and/or purpose restrictions. ASP reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. When a donor restriction expires—that is, when a stipulated time restriction ends, or purpose restriction is accomplished—the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

All Stars Project, Inc.

Notes to Financial Statements

See Notes 13 and 14 for more information on the composition of net assets with donor restrictions and the releases from restrictions, respectively.

Without Donor Restrictions - Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. From time-to-time, the Board of Directors designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

See Note 12 for more information on the composition of board-designated endowment net assets without donor restrictions.

Cash and Cash Equivalents

ASP considers all highly liquid instruments, including those in endowment accounts, purchased with a maturity of three months or less and money market accounts, to be cash equivalents.

Financial Instruments and Fair Value

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, established a hierarchy for inputs used in measuring fair value that maximized the use of observable inputs and minimized the use of unobservable inputs, requiring that inputs that are most observable be used when available. Observable inputs are those that market participants operating within the same marketplace as ASP would use in pricing ASP's asset or liability based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of ASP are traded. ASP estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants who have investments in the same or similar assets would use, as determined by the money managers for each investment based on best information available in the circumstances.

The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable, as follows:

Level 1 - Valuation is based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuation is based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly.

Level 3 - Valuation is based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

Investment income is recognized when earned and consists of interest and dividends. Dividends are recorded on the ex-dividend date. Purchases and sales are recorded on a trade-date basis.

Pledges Receivable

ASP records pledges receivable that are expected to be collected within one year at net realizable value. Pledges receivable expected to be collected in future years are initially recorded at fair value

All Stars Project, Inc.
Notes to Financial Statements

using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contributions revenue in the statement of activities.

Allowance for Uncollectible Pledges Receivables

An allowance for uncollectible pledges receivable is provided based upon management's judgment of potential defaults. The determination includes such factors as prior collection history and communications with donors.

The allowance is increased by provisions charged to expense. Actual losses, net of any recoveries, are charged to the allowance. There is an allowance of \$69,000 as of December 31, 2025.

Debt Issuance Costs

Debt issuance costs represent costs incurred in connection with the issuance of long-term debt. ASP records these costs as direct deductions from the related debt. Such costs are being amortized to interest expense over the term of the respective debt using the effective-interest method. As of December 31, 2025, debt issuance costs of \$158,742 are netted against mortgage on assets held for sale on the statement of financial position and the total interest expense for debt issuance costs is \$25,392 for the year ended December 31, 2025.

Fixed Assets, Net

Fixed assets, net, are recorded at cost when purchased. Expenditures for additions, renewals, and betterments with a cost in excess of \$3,000 per unit and an estimated useful life of greater than one year are capitalized; expenditures for maintenance and repairs are charged to expenses as incurred. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, and leasehold improvements are amortized over the term of the lease or the life of the asset, whichever is shorter, as follows:

Asset Category	Years
Building	40
Condominium	40
Condominium improvements	40
Furniture, fixtures, and equipment	3-10
Computer equipment	3-5
Leasehold improvements	Lesser of lease term or 10

Impairment of Long-Lived Assets

ASP follows the provision of ASC 360-10-35, *Accounting for the Impairment or Disposal of Long-Lived Assets*, which requires ASP to review long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. For the year ended December 31, 2025, there have been no such losses.

All Stars Project, Inc.

Notes to Financial Statements

Grants to Other Organizations

Grants are recorded when awarded and are for a period that is not to extend beyond one year.

Contributions

Contributions received are recorded as with or without donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires—that is, when a stipulated time restriction ends, or purpose restriction is accomplished—restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service. Contributions are nonexchange transactions in which no commensurate value is exchanged. Therefore, contributions fall under the purview of ASC Topic 958, *Not-for-Profit Entities*. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Revenue Recognition

ASP recognizes revenue when control of the promised goods or services is transferred to outside parties in an amount that reflects the consideration ASP expects to be entitled to in exchange for those goods or services. Theatre and All Stars ticket sales and subscriptions are considered non-refundable exchange transactions. Subscriptions are recorded as revenue during the applicable period. The portion of subscriptions that has not been recognized represents a deferred liability at year-end. No portion of such subscription is allocated to revenues. Theatre and All Stars ticket sales are recognized as revenues when performances take place.

Special event revenues are comprised of ticket components of ASP's special events. Revenue is recognized when events take place. All of the special event ticket purchases are disaggregated from contributions. The non-tax-deductible portion of special event revenues is considered an exchange transaction. In 2025, the exchange portion of all special event tickets associated with special event revenues was \$202,750. At December 31, 2025, there were no liabilities pertaining to special event revenues.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

Donated Services

ASP records donated services that require specialized skills and would typically need to be purchased if they had not been contributed. During the year ended December 31, 2025, contributed non-financial assets consisted of catering services provided for the New Jersey Fall Benefit. These donated services are reported in the statement of activities as contributed non-financial assets and as part of special events direct expenses.

All Stars Project, Inc.
Notes to Financial Statements

Year ended December 31, 2025

Financial Statement Disaggregation	Revenue Recognized	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques/Inputs
Contributed non-financial assets	\$ 35,039	Special events direct expenses	No donor restrictions	Estimated fair-market value based on industry prevailing rates for similar services.

These financial statements do not reflect a value for these donated services, as they do not meet the requirements for recognition under GAAP.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Those expenses include salaries and related expenses of administrative and clerical staff, depreciation and amortization, interest, insurance, certain database and computer services, professional services, travel, trainings and seminar, and facilities costs. Occupancy-related and facilities costs for office space are based on estimates of time and efforts. Certain costs of the database and technology are allocated based on utilization of specific technology. Other costs are allocated based on ratios of time and effort and of all departments and programs benefiting from costs incurred.

Advertising

ASP expenses advertising costs as incurred. During the year ended December 31, 2025, ASP incurred advertising costs of \$157,134, including brochure and flyer design costs, which are included in the accompanying statement of functional expenses under advertising and design.

Income Taxes

ASP is exempt from federal, state, and local income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and, therefore, has made no provision for income taxes in the accompanying financial statements. In addition, ASP has been determined by the Internal Revenue Service (IRS) not to be a “private foundation” within the meaning of Section 509(a) of the Code.

Under ASC 740, an organization must recognize the financial statement effects of a tax position taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. ASP does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. ASP has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, ASP has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. For the year ended December 31, 2025, there were no income tax-related interest or penalties recorded or included in the statement of activities. Management believes that ASP is no longer subject to income tax examinations for years prior to 2019.

All Stars Project, Inc.

Notes to Financial Statements

Concentrations of Credit Risk

Financial instruments that potentially subject ASP to concentration of credit risk consist primarily of cash and cash equivalents. At various times, ASP has cash deposits at financial institutions, which exceed the Federal Deposit Insurance Corporation (FDIC) insurance limits. The financial institutions have strong credit ratings and management believes that credit risk related to these accounts is minimal.

ASP assessed its risk and diversified its cash holdings by opening additional accounts at different banks before the FDIC seizure and its balances at First Republic Bank (FRB) were below the \$250,000 FDIC insurance limit. Management continues to evaluate its risk arising from cash concentration as part of an overall risk assessment strategy.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risk and Uncertainties

ASP's investments consist of a variety of investment securities and investment funds. Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of ASP's investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Leases

ASP 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. ASP 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.

All Stars Project, Inc.
Notes to Financial Statements

3. Liquidity and Availability of Resources

ASP's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

December 31, 2025

Cash and cash equivalents	\$ 2,633,654
Investments, at fair value, current portion	2,826,830
Pledges receivable, current portion	2,500,027
Less: permanent endowment within cash and cash equivalents	(76,902)
Total Financial Assets Available to Management for General Expenditures Within One Year	\$ 7,883,609

Liquidity Management

ASP receives significant contributions restricted by donors and considers contributions restricted for programs that are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. ASP includes these in financial assets available to meet cash needs for general expenditures within one year, since ASP expects to meet the donor's restriction in the ordinary course of business.

ASP manages its liquidity following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term expenditures and operating needs, and maintaining sufficient liquidity to provide reasonable assurance that long-term obligations will be discharged. ASP monitors liquidity and cash flows on an ongoing basis to ensure an appropriate amount of cash and cash equivalents are available to meet current claim payment and expenditure needs.

ASP has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. ASP's endowment fund consists of donor-restricted endowment and board-designated endowment. Income from donor-restricted endowment is restricted until appropriated by ASP's Board of Directors for expenditure. None of the unappropriated endowment earnings are expected to be used for operations within the next year. Board-designated endowment and income on board-designated endowment are not restricted. ASP does not intend to spend from its board-designated endowment; however, the entire board-designated endowment is available for general expenditures.

4. Investments, at Fair Value

ASP's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with ASC 820. See Note 2 for the discussion of ASP's policies regarding this hierarchy.

A description of the valuation technique applied to ASP's major categories of assets measured at fair value is as follows. There have been no changes in the valuation methodology as of December 31, 2025.

All Stars Project, Inc.
Notes to Financial Statements

Mutual Funds and Exchange-Traded Funds - These assets are valued at the closing price reported on the active market on which the individual securities are traded. These investments are classified as Level 1.

Fixed Income Securities - These assets are priced by ASP's custodian using nationally recognized pricing services. Fixed income securities generally do not trade on a daily basis. For these securities, the pricing services prepare estimates of fair value measurements using their proprietary pricing applications, which include available relevant market information, benchmark curves, benchmarking of similar securities, sector groupings, and matrix pricing. These investments are classified as Level 2.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while ASP believes its valuation method is 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.

ASP had no financial assets and liabilities that were measured at fair value on a non-recurring basis during the year ended December 31, 2025. In addition, there were no transfers between levels during the year ended December 31, 2025.

The following tables present by level, within the fair value hierarchy, ASP's investments at fair value as of December 31, 2025. As required by fair value measurement accounting standards, investments are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement.

December 31, 2025

	Level 1	Level 2	Level 3	Total
Mutual funds - equities	\$ 3,322,190	\$ -	\$ -	\$ 3,322,190
Exchange-traded funds - equities	2,675,980	-	-	2,675,980
Fixed income	-	954,350	-	954,350
	\$ 5,998,170	\$ 954,350	\$ -	\$ 6,952,520

5. Pledges Receivable, Net

Pledges receivable have been recorded at present value. At December 31, 2025, the net present value discount rates ranged from 2.43% to 9.71%.

December 31, 2025

Amount due in:	
One year	\$ 2,500,027
Two to five years	6,240,605
	8,740,632
Less: allowance for uncollectible pledges receivable	(69,000)
Less: discount	(1,016,519)
Total	\$ 7,655,113

All Stars Project, Inc.
Notes to Financial Statements

6. Leases and Lease Commitments

ASP evaluated current contracts to determine which met the criteria of a lease. The ROU assets represent ASP's right to use underlying assets for the lease term, and the lease liabilities represent ASP's obligations to make lease payments arising from these leases. The ROU assets and lease liabilities were calculated based on the present value of future lease payments using a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments over the terms of the lease agreements. All ASP's ROU assets and lease liabilities are related to operating leases.

In September 2021, ASP entered into a lease agreement at the Newark Gateway Center. The commencement date for the concourse space was November 30, 2021, and the commencement date for the office space was February 3, 2022. The extension provisions included in the lease are not reasonably certain to be exercised; therefore, all payments associated with the lease extension are not included in the ROU assets nor the lease liabilities recognized as of December 31, 2025.

ASP entered into a lease agreement for ASP's Chicago office in August 2022, with a commencement date of February 15, 2023. The extension provisions included in the lease are not reasonably certain to be exercised; therefore, all payments associated with the lease extension are not included in the ROU assets nor the lease liabilities recognized as of December 31, 2025.

In December 2023, ASP entered into a lease agreement for the New York City space, with a commencement date of December 30, 2023 and termination date of June 2025. ASP moved its NYC operations back to its owned space during 2025. There were no ROU assets nor lease liabilities related to this lease agreement at December 31, 2025.

For the year ended December 31, 2025, an operating lease cost associated with the lease assets and liabilities was \$347,386, and cash paid for amounts included in the measurement of lease liabilities totaled \$369,728.

The weighted-average remaining lease terms and discount rates for the operating leases and finance lease are as follows:

December 31, 2025

Weighted-average remaining lease term - operating leases	5.64 years
Weighted-average discount rate - operating leases	2.75%

The lease liabilities associated with future lease payments at December 31, 2025 are as follows:

Year ending December 31,

2026	\$	239,489
2027		251,182
2028		254,670
2029		257,549
2030		274,506
Thereafter		124,750
		1,402,146
Less: imputed interest		(62,259)
Present Value of Net Minimum Lease Payments	\$	1,339,887

All Stars Project, Inc.
Notes to Financial Statements

7. Fixed Assets, Net

Fixed assets, net, consist of the following:

December 31, 2025

Land	\$	225,000
Building		485,000
Condominium		7,750,000
Condominium improvements		9,404,770
Leasehold improvements		499,891
Furniture, fixtures, and equipment		246,257
Computer equipment		103,226
		18,714,144
Less: accumulated depreciation and amortization		(13,298,085)
Fixed Assets, Net	\$	5,416,059

Depreciation expense was \$564,343 for the year ended December 31, 2025.

8. Mortgage Payable

ASP has a tax-exempt mortgage loan payable from JPMorgan Chase, formerly from FRB, through Build NYC Resource Corporation (Build NYC) in the amount of \$10,720,000 at an interest rate of 3.95%. The loan matures in November 2038. The principal balance as of December 31, 2025 was \$3,762,027. Interest expense for the year ended December 31, 2025 totaled \$262,871, including \$25,392 for amortization of debt issuance costs.

The loan covenants require a debt service ratio of 1.20 to 1.00. In addition, cash and cash equivalents plus short- and long-term investments, which can be converted to cash within 60 days, and the current portion of pledges, minus any outstanding and current portion of loans, must be at least \$1,750,000 at the end of each quarter and year starting in 2013. As of December 31, 2025, ASP was not in compliance with debt service ratio covenant, and JP Morgan Chase was notified accordingly. The mortgage is collateralized by the condominium and pledges receivable.

ASP incurred \$553,272 of debt issuance costs in connection with the mortgage refinancing. These costs are being amortized over the term of the related mortgage using the effective-interest method. At December 31, 2025, the unamortized debt issuance costs were \$158,742. The effective interest rate for the year ended December 31, 2025 is approximately 4.2%.

ASP intends to repay the remaining principal balance in full prior to June 30, 2026.

Future payments required subsequent to December 31, 2025 are as follows:

Year ending December 31,

2026	\$	3,762,027
Less: unamortized debt issuance costs		(158,742)
Mortgage Payable, Net	\$	3,603,285

All Stars Project, Inc.

Notes to Financial Statements

9. Line of Credit

ASP has entered into a revolving line of credit agreement dated December 1, 2020 with JP Morgan Chase for \$1,000,000, bearing an interest rate of 8%. The line of credit was renewed on October 16, 2024 and expired on October 15, 2025 and was not renewed. ASP had not drawn on the line of credit as of December 31, 2025.

10. Employee Benefit Plans

ASP maintains an employee benefit plan under Section 403(b) of the Code covering all qualified employees. ASP matches 25% of the employee contributions bi-annually. For the year ended December 31, 2025, ASP's employer contribution was \$128,986.

11. Related Party Transactions

ASP has received gifts from board members. As of December 31, 2025, a portion of the gifts is included in pledges receivable. Gifts from board members that are included in pledges receivable on the statement of financial position amounted to \$3,908,261.

12. Endowment Funds

General

ASP's two endowment funds include funds designated by the Board of Directors, a donor-restricted endowment fund established for the New Jersey Development School for Youth, and a donor-restricted endowment for operations. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of ASP adopted the New York Prudent Management of Institutional Funds Act (NYPMIFA). NYPMIFA moves away from the "historic dollar value" standard and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. ASP is governed by the NYPMIFA spending policy, which establishes a standard maximum prudent spending limit of the average of its previous five years' balance.

As a result of this interpretation, when reviewing its donor-restricted endowment funds, ASP considers a fund to be "underwater" if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. ASP has interpreted NYPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, in accordance with NYPMIFA, ASP considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- Duration and preservation of the fund.
- Purposes of the organization and the fund.

All Stars Project, Inc.
Notes to Financial Statements

- General economic conditions.
- Possible effect of inflation and deflation.
- Expected total return from investment income and appreciation or depreciation of investments.
- Other resources of the organization.
- Investment policies of the organization.

Return Objectives, Strategies Employed, and Spending Policy

The objective of ASP is to maintain the principal endowment funds at the original amount designated by the donor while generating investment income to support the purposes designated by the donor. ASP is able to draw down a certain percentage per year of the fair market value of the endowment fund per donors' wishes. The draw-down percentage is expected to fall in a range between 4% and 6% and is reviewed and approved by the Finance Committee on an annual basis. The amount available for appropriation during each fiscal year is calculated by applying the approved spending rate to the average of the previous three fiscal years' endowment values. Any special appropriation must be approved by the Board of Directors.

The investment policy to achieve this objective is to invest in various investment securities and interest-bearing accounts. Interest earned in relation to the endowment funds is recorded as donor-restricted until appropriated.

Underwater Endowments

Underwater endowment funds are funds for which the fair value of the fund at the reporting date is less than either the original gift amount or the amount required to be maintained by the donor or by law that extends donor restrictions. At December 31, 2025, there are no underwater endowments.

The remainder of this page intentionally left blank.

All Stars Project, Inc.
Notes to Financial Statements

Endowment Net Asset Composition by Type of Fund

The endowment net asset composition of \$2,597,221 consists of the following:

December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor:			
New Jersey Development School for Youth	\$ -	\$ 101,000	\$ 101,000
General operating purposes	-	793,348	793,348
Board-designated endowment fund	750,000	-	750,000
Total Corpus of the Endowment Funds	750,000	894,348	1,644,348
Cumulative net investment gains	433,833	939,040	1,372,873
Cumulative release of income into operations	(152,837)	(267,163)	(420,000)
Total Spendable Funds	280,996	671,877	952,873
Total Endowment Net Assets	\$ 1,030,996	\$ 1,566,225	\$ 2,597,221

Changes in Endowment Net Assets

Year ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets , beginning of year	\$ 971,797	\$ 1,481,979	\$ 2,453,776
Investment income, net	118,128	175,317	293,445
Release of income into operations	(58,929)	(91,071)	(150,000)
Endowment Net Assets , end of year	\$ 1,030,996	\$ 1,566,225	\$ 2,597,221

13. Reserve Funds

National DSY Reserve Fund

ASP received total of \$283,800 in pledges and contributions to establish the National DSY Reserve Fund consisting of several named funds. These funds are restricted for the purpose of providing sustainable long-term support for participants in the Development School for Youth program. The principal of these contributions is invested in a diversified portfolio alongside ASP's other reserve funds, with oversight from the Investment Committee of the Board of Directors. Investment returns generated by the fund will be used annually to underwrite young people's participation in the DSY program, which is offered entirely free of charge. The amounts included in net assets without donor restrictions represent balances for which purpose of restriction was met of \$176,661, including \$93,592 in investment income, and a balance of \$201,000 net asset with donor restrictions (Note 14) equal to the amount pledged for future years. A total amount of \$176,661 of net assets without restriction is invested with a management designation of supporting DSY program long-term.

All Stars Project, Inc.
Notes to Financial Statements

DSY Chicago Reserve Fund

In October 2024, ASP established the Development School for Youth Chicago Reserve Fund (the Fund) through a gift agreement with the Leslie J. Raffel Foundation (the Foundation). The Foundation has pledged \$2,000,000 designated as a minimum balance. The Fund is restricted to support the DSY program in Chicago and is intended to enable the long-term health and stability of the program and to fund youth participation entirely free of charge.

The Fund is invested in a diversified portfolio and maintained in a separate account, distinct from other organizational assets, with oversight from the Board Finance Committee. Per the agreement, no expenditure may reduce the Fund below the \$2,000,000 minimum balance without explicit approval from the Board Finance Committee.

As of December 31, 2025, the pledge of \$2,000,000 is included in pledges receivable, and is included in the net assets with donor restriction (Note 14).

Gabrielle L. Kurlander Fund for Theatre and Culture-Creation Term Fund

In 2024, ASP established the Gabrielle L. Kurlander Fund for Theatre and Culture-Creation, a term-restricted fund designated to support the Performance Lab initiative. This fund is designed to supplement ASP's operations funding by underwriting one-time, nonrecurring expenses related to Performance Lab activities over a ten-year period (2024-2033).

The fund's investment returns are retained within the fund. Annual expenditures are limited to a proportion of the total fund balance based on the remaining term.

As of December 31, 2025, the Gabrielle L. Kurlander Fund for Theatre and Culture-Creation had a balance of \$149,221 included in net assets with donor restrictions (Note 14), with total amount of \$99,267 received and invested, including \$9,267 investment income, \$20,000 received and to be invested, and \$30,000 included in the pledges receivable.

The remainder of this page intentionally left blank.

All Stars Project, Inc.
Notes to Financial Statements

14. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following donor-stipulated purposes or periods:

December 31, 2025

Subject to passage of time:		
Pledges receivable (not purpose-restricted)	\$	4,960,224
Subject to incurring expenses to satisfy donor restrictions:		
Visionary 42 nd Street Campaign - mortgage payoff		514,889
All Stars Project of Dallas		-
Development School for Youth/Development Coaching		-
Reserve funds (subject to passage of time and purpose restriction):		
Gabrielle L. Kurlander Fund for Theatre and Culture-Creation		149,221
National DSY Fund - Development School for Youth		201,000
Chicago DSY Fund - Chicago Development School for Youth		2,000,000
Endowments:		
Subject to ASP endowment spending policy and appropriation:		
New Jersey Development School for Youth		101,000
Available for general operating purposes		793,348
Subject to ASP endowment spending policy and appropriation:		
New Jersey Development School for Youth		75,151
Available for general operating purposes		596,726
	\$	9,391,559

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

Year ended December 31, 2025

Operation Conversation: Cops and Kids	\$	17,169
Performance-based programs		100,000
Gabrielle L. Kurlander Fund for Theatre and Culture-Creation		30,000
National DSY Fund - Development School for Youth		7,155
Development School for Youth		910,696
Thought Leadership		92,263
All Stars Project of the San Francisco Bay Area		58,476
All Stars Project of Chicago		296,398
All Stars Project of New Jersey		114,691
All Stars Project of Dallas		1,113,115
All Stars Project of New York		367,789
42nd St Visionary Campaign - mortgage payoff and 42nd Street center		3,137,611
Endowment assets released into operations		91,071
	\$	6,336,434

15. Conditional Contribution

In 2023, ASP entered into a conditional contribution agreement providing up to \$2,000,000 in support of the expansion of the All Stars Project of Dallas and national training capabilities. The contribution is structured as five annual payments of \$400,000 each, with each payment contingent

All Stars Project, Inc.
Notes to Financial Statements

on the donor's assessment and confirmation that milestones for the prior year were achieved. Milestones are set and assessed annually.

Contribution revenue of \$400,000 was recognized in each of 2024 and 2025 as milestones were assessed and confirmed by the donor in each respective year. Subsequent to December 31, 2025, the donor confirmed that 2025 milestones were met and released the 2026 payment of \$400,000. Two conditional payments of \$400,000 each remain under the agreement, expected in 2027 and 2028 upon the donor's review and confirmation of 2026 and 2027 milestone achievement, respectively.

16. Subsequent Events

ASP's management has evaluated its December 31, 2025 financial statements for subsequent events through May 13, 2026, the date the financial statements were available to be issued.