REVIEWED
FINANCIAL STATEMENTS

MARCH 31, 2026 AND 2025

SUB ZERO MISSION

INDEX

MARCH 31, 2026

With Summarized Comparative Financial Information for the Year Ended March 31, 2025)

Page

INDEPENDENT ACCOUNTANT'S REVIEW REPORT 1

STATEMENTS OF FINANCIAL POSITION 2

STATEMENTS OF ACTIVITIES 3

STATEMENTS OF FUNCTIONAL EXPENSES 4

STATEMENTS OF CASH FLOWS 5

NOTES TO FINANCIAL STATEMENTS 6

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Sub Zero Mission

We have reviewed the accompanying comparative financial statements of Sub Zero Mission (a nonprofit organization), which comprise the statement of financial position as of March 31, 2026 and 2025, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Sub Zero Mission and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Report of Summarized Comparative Information

The prior year summarized comparative information has been derived from Sub Zero Mission's 2025 financial statements and, in our review report dated July 31, 2025, we stated that we were not aware of any material modifications that should be made to those financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Cleveland, Ohio
July 30, 2026

H&J
Certified Public Accountants

SUB ZERO MISSION

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2026
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2025)

	2026	2025
ASSETS		
Cash and Cash Equivalents	$ 371,949	$ 349,093
Grants Receivable	88,142	-
Inventory:		
Store	29,319	26,279
Warming Items	57,142	83,126
Deposit	7,229	-
Capitalized Website, Net	23,438	-
Fixed Assets, Net	587,311	596,202
	$ 1,164,530	$ 1,054,700
LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	$ 10,862	$ 18,073
Accrued Compensation	11,902	-
TOTAL LIABILITIES	22,764	18,073
NET ASSETS		
Without Donor Restrictions	1,141,766	1,036,627
TOTAL LIABILITIES AND NET ASSETS	$ 1,164,530	$ 1,054,700

SUB ZERO MISSION

STATEMENTS OF ACTIVITIES

YEARS ENDED MARCH 31, 2026
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2025)

	2026	2025
SUPPORT AND REVENUE		
Grants and Contributions	$ 579,439	$ 514,243
Special Events, Net	121,757	138,206
In-Kind Contributions	114,350	117,690
Store Sales	2,124	4,439
Interest Income	3,002	73
TOTAL SUPPORT AND REVENUE	820,672	774,651
EXPENSES		
Program Services	600,039	497,335
Management and General	32,702	41,328
Fund Development	82,792	35,709
TOTAL EXPENSES	715,533	574,372
CHANGE IN NET ASSETS	105,139	200,279
NET ASSETS – Beginning	1,036,627	836,348
NET ASSETS – Ending	$ 1,141,766	$ 1,036,627

SUB ZERO MISSION

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED MARCH 31, 2026
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2025)

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND DEVELOPMENT	2026	2025
EXPENSES					
Salaries and Wages	$ 237,284	$ 16,167	$ 54,139	$ 307,590	$ 150,945
Payroll Taxes	22,605	1,866	6,250	30,721	18,003
	259,889	18,033	60,389	338,311	168,948
Donated Goods Used in Programs	140,334	-	-	140,334	150,800
Occupancy	50,047	1,580	1,054	52,681	45,812
Advertising and Marketing	13,323	-	13,322	26,645	25,722
Depreciation	22,666	716	477	23,859	26,069
Vehicle Repair and Maintenance	19,203	-	2,134	21,337	48,392
Board and Staff Development	10,095	10,093	-	20,188	5,806
HVRP Expenses	17,629	-	-	17,629	10,001
Office Expense	12,734	402	3,821	16,957	33,032
Information Technology	13,973	441	294	14,708	14,914
Insurance	11,035	348	232	11,615	12,103
Travel	11,431	-	-	11,431	10,570
Professional Services	8,206	1,025	1,026	10,257	3,583
Safety Equipment	5,106	-	-	5,106	-
Amortization	2,024	64	43	2,131	-
Miscellaneous	887	-	-	887	3,547
Donations	800	-	-	800	12,480
Code Blue Shelter	657	-	-	657	-
Interest	-	-	-	-	2,593
TOTAL EXPENSES	$ 600,039	$ 32,702	$ 82,792	$ 715,533	$ 574,372

See independent accountant's review report and accompanying notes.

SUB ZERO MISSION

STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31, 2026
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2025)

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 105,139	$ 200,279
Adjustments to Reconcile Changes in Net Assets to Cash Provided by Operating Activities:		
Depreciation	23,859	26,069
Amortization	2,131	
Changes in Operating Assets and Liabilities:		
Grants Receivable	(88,142)	-
Inventory	22,944	(2,708)
Accounts Payable and Accrued Expenses	(7,211)	3,352
Accrued Compensation	11,902	-
Net Provided by Operating Activities	70,622	226,992
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposit	(7,229)	-
Capitalized Website	(25,569)	-
Purchase of Fixed Assets	(14,968)	(8,530)
Net Used by Investing Activities	(47,766)	(8,530)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Long-Term Debt	-	(72,388)
Net Used by Financing Activities	-	(72,388)
NET INCREASE IN CASH AND CASH EQUIVALENTS	22,856	146,074
CASH AND CASH EQUIVALENTS – Beginning	349,093	203,019
CASH AND CASH EQUIVALENTS – Ending	$ 371,949	$ 349,093
SUPPLEMENTAL CASH FLOW DISCLOSURE:		
Interest Paid	$ -	$ 2,593

SUB ZERO MISSION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2026 AND 2025

NATURE OF OPERATIONS AND MISSION STATEMENT

Sub Zero Mission ("the Organization") is an Ohio nonprofit corporation, receives financial support through contributions from individuals, corporations and foundations, generally located in Northeast Ohio.

The Sub Zero Mission is a privately held, fully accredited charity based in Ohio. Our Mission is to prevent the freezing and injury caused by extreme weather exposure to the homeless and financially destitute Americans. We have special focus on military veterans. We collect sleeping bags and other warming items and distribute these directly to the homeless.

We have delivered warming items in over 40 cities in 8 different states, serving over 16,000 people experiencing homelessness to date.

The Homeless Veterans Re-Empowerment Program (HVRP) provides a safe and supportive pathway for veterans to rebuild their lives. By offering a range of services, including counseling, education, and mentoring, HVRP empowers veterans to:

- Overcome challenges
- Achieve stability
- Restore dignity

Through this holistic approach, HVRP honors the service and sacrifice of America's veterans.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

The Organization classifies its net assets and revenues, expenses, gains and losses on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

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. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

USE OF ESTIMATES

The preparation of financial statements in certain instances requires management to make estimates and assumptions that affect the reported amounts of assets 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.

CASH AND CASH EQUIVALENTS

Cash equivalents are highly liquid investments with an original maturity of three months or less at the date of purchase. Because of the short maturity of these financial instruments, the carrying value approximates cost due to the short maturities.

SUB ZERO MISSION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2026 AND 2025

CONCENTRATION OF RISK

Cash accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 for all combined deposits at the same bank. At times, cash balances may exceed federally insured limits. The Organization maintains its cash with high quality financial institutions which the Organization believes limit these risks.

The Organization, by its nature, operates in a small geographic area and therefore is subject to changes in the local economy.

ALLOWANCE FOR CREDIT LOSSES

Management evaluates financial assets for collectibility and records an allowance for expected credit losses when necessary. Grants receivable consist primarily of amounts due from governmental agencies under cost-reimbursement grant agreements. Management determined that no allowance for credit losses was necessary at March 31, 2026 and 2025.

INVENTORY

Store inventory consists primarily of merchandise purchased for resale and is stated at the lower of cost or net realizable value using the FIFO method. Warming item inventory consists primarily of donated sleeping bags, coats, tents, and related items held for distribution and is recorded at estimated fair value when received. Management determined that no inventory obsolescence allowance was necessary at March 31, 2026 or 2025.

CAPITALIZED WEBSITE

The Organization capitalizes costs incurred during the application development stage of internally developed website projects. The website is amortized on a straight-line basis over its estimated useful life of three years. At March 31, 2026, the website had a gross carrying amount of $25,569, accumulated amortization of $2,131, and a net carrying amount of $23,428. Amortization expense for the year ended March 31, 2026, was $2,131.

FIXED ASSETS

Fixed assets are recorded at historical cost, or if donated, at fair market value at date of donation. Land, building, and equipment purchased or donated with a value in excess of $5,000 is capitalized. Depreciation is computed using the straight-line method over the useful lives of the related assets. The estimated useful lives are as follows:

Building and Improvements	15 - 30 years
Furniture and Fixtures	7 - 10 years
Office Equipment	5 years
Vehicles	5 years

Repairs and maintenance, which are not considered betterments and do not extend the useful life of property, are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the asset and accumulated depreciation are removed from the accounts and the resulting profit or loss is reflected in income.

SUB ZERO MISSION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2026 AND 2025

REVENUE AND REVENUE RECOGNITION

Unconditional donor promises to give are reported at fair value at the date that there is sufficient verifiable evidence documenting that a promise was made by the donor and received by the Organization. The gifts are reported as either net assets without donor restriction or net assets with donor restriction if they are received with donor stipulations that sufficiently limit the use of the donated assets. When a donor restriction expires, through the passage of time or when the purpose is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and are reported on the statement of activities and changes in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

Grants receivable represent amounts due from governmental agencies under cost-reimbursement grant agreements for allowable expenditures incurred before year-end. Management believes all amounts are collectible.

The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

The Organization recognizes in-kind services in accordance with applicable accounting standards if the services received (a) create or enhance non-financial assets or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Organization receives services from volunteers who give significant amounts of their time to the Organization's programs, fundraising campaigns, and management. No amounts have been reflected for these types of donated services as they do not meet the criteria for recognition.

The Organization receives donations of new clothing, sleeping bags, tents, and other warming items for distribution to individuals experiencing homelessness. Donated goods are recognized as contribution revenue and as inventory or expense at their estimated fair value when received, provided the Organization obtains control of the donated assets.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of program and supporting service activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses reflects the natural classification detail of expenses by function. Certain costs are attributed to more than one program or supporting function and, therefore, require allocation amount the programs and supporting services benefited. Management believes their allocations are done on a reasonable and consistent basis.

ADVERTISING

Advertising costs are expensed as incurred.

INCOME TAXES

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code, is subject to federal income tax. The Organization currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

LEASE ACCOUNTING

The Organization evaluates all contractual arrangements to determine whether they contain a lease.

As of March 31, 2026 and 2025, the Organization does not have any material operating or finance leases that require recognition of right-of-use (ROU) assets or lease liabilities on the statement of financial position.

The Organization has elected the short-term lease exemption and, accordingly, does not recognize ROU assets or lease liabilities for leases with a non-cancelable term of 12 months or less. Lease payments associated with these short-term leases are recognized on a straight-line basis over the lease term and are included in occupancy or other functional expense categories, depending on the nature of the leased asset.

2. GRANTS RECEIVABLE

Grants receivable consist of amounts due from governmental agencies under cost-reimbursement grant agreements for allowable program expenditures incurred before March 31, 2026. The receivables are expected to be collected during fiscal year 2027. Management believes all amounts are collectible; therefore, no allowance for credit losses has been recorded.

3. FIXED ASSETS

Fixed assets at March 31 consist of the following

	2026	2025
Land	$ 105,340	$ 105,340
Land Improvements	60,575	60,575
Buildings	440,528	440,528
Office Improvements	5,105	5,105
Equipment	23,498	8,530
Vehicles	57,587	57,587
	692,633	677,665
Accumulated Depreciation	(105,322)	(81,463)
	$ 587,311	$ 596,202

4. SPECIAL EVENTS

The Organization conducts special fundraising events, with revenue, direct donor benefits, and other event-related expenses as follows:

	2026	2025
Revenue	$ 190,581	$ 191,755
Direct Donor Benefits	(68,824)	(53,549)
	$ 121,757	$ 138,206

SUB ZERO MISSION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2026 AND 2025

5. AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following at March 31:

	2026	2025
Financial Assets at Year-End:		
Cash and Cash Equivalents	$ 371,949	$ 349,093
Grants Receivable	88,142	-
Financial Assets Available to meet General Expenditures Over the Next Twelve Months	$ 460,091	$ 349,093

Financial assets are considered unavailable when illiquid, not convertible to cash within one year, or restricted by donors either for long-term purposes or for use in a certain time period. The Organization has no donor-imposed restrictions on the use of its financial assets at March 31, 2026.

The Organization is substantially supported by contributions and grants and depends on contributions without restrictions to meet its ongoing obligations. As part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization invests cash in excess of daily requirements in short-term investments.

6. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 30, 2026, date the financial statements were available to be issued.