

Reviewed Financial Statements

Candorful, Inc.

December 31, 2025

CANDORFUL, INC.
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

April 10, 2026
To the Board of Directors
Candorful, Inc.
Malden, MA

We have reviewed the accompanying financial statements of Candorful, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 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 these 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.

Accountants' 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 Candorful, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' 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 accordance with accounting principles generally accepted in the United States of America.



BETRO AND COMPANY, P.C.
Certified Public Accountants

CANDORFUL, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 199,485
Prepaid expenses	<u>1,059</u>
Total current assets	<u>200,544</u>
Property and equipment, net	478
Software implementation costs	<u>37,151</u>
TOTAL ASSETS	\$ <u>238,173</u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accrued expenses	\$ <u>2,089</u>
Total liabilities	<u>2,089</u>
Net assets:	
Without donor restrictions	236,084
With donor restrictions	<u>-</u>
Total net assets	<u>236,084</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>238,173</u>

See accompanying independent accountants' review report and notes to financial statements.

CANDORFUL, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities			
Revenue and support:			
Contributions	\$ 55,864	\$ -	\$ 55,864
Grants and sponsorship revenue	71,285	103,680	174,965
Contributions of information technology licenses	24,000	-	24,000
In-kind contributions of services	324,332	-	324,332
Net assets released from restrictions	103,680	(103,680)	-
Total revenue and support	579,161	-	579,161
Operating expenses:			
Program services	563,944	-	563,944
Management, general and administrative expenses	18,662	-	18,662
Fundraising	17,785	-	17,785
Total expenses	600,391	-	600,391
Change in net assets from operating activities	(21,230)	-	(21,230)
Non-operating activities:			
Interest income	4,901	-	4,901
Total non-operating activities	4,901	-	4,901
Change in net assets	(16,329)	-	(16,329)
Net assets, beginning of year	252,413	-	252,413
NET ASSETS, END OF YEAR	\$ 236,084	\$ -	\$ 236,084

See accompanying independent accountants' review report and notes to financial statements.

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

	<u>Program Services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Payroll expenses:				
Salaries	\$ 172,546	\$ 14,044	\$ 14,044	\$ 200,634
Payroll taxes	<u>13,287</u>	<u>1,082</u>	<u>1,082</u>	<u>15,451</u>
Total payroll expenses	<u>185,833</u>	<u>15,126</u>	<u>15,126</u>	<u>216,085</u>
Operating expenses:				
Advertising, marketing and payment platform	-	-	2,659	2,659
Insurance	-	2,027	-	2,027
Professional fees	14,200	-	-	14,200
Bank and credit card fees	-	82	-	82
Office supplies	-	150	-	150
Technology expense	39,306	-	-	39,306
Shipping and delivery expense	-	89	-	89
Taxes and permits	-	861	-	861
In kind contributed services	324,332	-	-	324,332
Travel and entertainment	<u>-</u>	<u>327</u>	<u>-</u>	<u>327</u>
Total operating expenses	<u>377,838</u>	<u>3,536</u>	<u>2,659</u>	<u>384,033</u>
Total expenses before depreciation	563,671	18,662	17,785	600,118
Depreciation	<u>273</u>	<u>-</u>	<u>-</u>	<u>273</u>
TOTAL EXPENSES	<u>\$ 563,944</u>	<u>\$ 18,662</u>	<u>\$ 17,785</u>	<u>\$ 600,391</u>

See accompanying independent accountants' review report and notes to financial statements.

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

Cash flow from operating activities:	
Change in net assets	\$ (16,329)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	273
(Increase) in operating assets:	
Prepaid expenses	(62)
Increase in operating liabilities:	
Accrued expenses	<u>616</u>
Net cash flows used in operating activities	<u>(15,502)</u>
Cash flow from investing activities:	
Software implementation costs	<u>(37,151)</u>
Net cash flows used in investing activities	<u>(37,151)</u>
Net decrease in cash and cash equivalents	(52,653)
Cash and cash equivalents, beginning of year	<u>252,138</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u><u>199,485</u></u>

See accompanying independent accountants' review report and notes to financial statements.

CANDORFUL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

1. DESCRIPTION OF ORGANIZATION

Candorful, Inc. ("Candorful, Inc." or the "Organization"), an incorporated not-for-profit organization organized under the laws of the Commonwealth of Massachusetts on September 27, 2017, was established to provide career placement assistance, including coaching, practice, and preparation for transitioning military veterans and other underrepresented / at-risk populations and their families, enabling them to build skills necessary to articulate their non-traditional experience to civilian recruiters and hiring managers, and to obtain jobs that leverage their non-traditional experience. In addition, the Organization created an online platform to provide access to the Organization's coaching team from any location including military deployment locations. The Organization does business as Candorful, Inc. in Massachusetts. The Organization is a 501(c) (3) public charity and exempt from federal and state taxes. Donations to the Organization are tax deductible. Additional information on the organization, and its programs and activities may be found on its website: www.candorful.org.

2. SUMMARY OF SIGNIFICANT POLICIES

Candorful, Inc. prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by Candorful, Inc. are described subsequently to enhance the usefulness and understandability of the financial statements.

Basis of accounting

The financial statements of Candorful, Inc. have been prepared on the accrual method of accounting. Accordingly, assets are recorded when Candorful, Inc. obtains the rights of ownership or is entitled to claims for receipt, and liabilities are recorded when the obligation is incurred.

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, Candorful, Inc.'s management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. Candorful, Inc.'s management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Net assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absences of restrictions on use that are placed by its donors, as follows:

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

CANDORFUL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

2. SUMMARY OF SIGNIFICANT POLICIES (Continued)

Net assets (continued)

Net assets with donor restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; Candorful, Inc. must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Classification of transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decrease in net assets without donor restrictions.

Measure of operations

In its statement of activities, Candorful, Inc. includes in its definition of *operations* all revenues and expenses that are an integral part of its programs and supporting activities. Interest income is reported as a nonoperating activity.

Cash and cash equivalents

Candorful, Inc. considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Candorful, Inc. maintains its cash in bank accounts insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2025, cash balances did not exceed the federally insured limit. Candorful, Inc. has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable

Candorful, Inc. records accounts receivable at net realizable value. The Organization evaluates its receivables for expected credit losses in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 326, *Financial Instruments - Credit Losses*. Expected credit losses are estimated based on historical collection experience, current conditions, and reasonable and supportable forecasts. At December 31, 2025, there was no accounts receivable balance.

CANDORFUL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

2. SUMMARY OF SIGNIFICANT POLICIES (Continued)

Contribution Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. At December 31, 2025, there was no contribution receivable balance.

Property and equipment

Property and equipment are stated at cost at the time of acquisition or fair market value at the time of donation. All land and buildings are capitalized. Equipment is capitalized if it has a cost of \$1,000 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is recorded on a straight-line basis based over the related asset's estimated useful lives ranging from 5 - 39 years.

Software implementation costs

Candorful, Inc. accounts for costs related to cloud computing and software-as-a-service ("SaaS") arrangements in accordance with ASC 350-40, *Intangibles - Goodwill and Other - Internal-Use Software*. Costs incurred during the preliminary project stage are expensed as incurred. Costs incurred during the application development stage, including configuration and coding costs paid to third-party vendors, are capitalized as software implementation costs. Costs incurred during the post-implementation stage, including training and maintenance, are expensed as incurred. Capitalized software implementation costs are amortized on a straight-line basis over the estimated useful life of five years, beginning when the functionality is ready for its intended use. Software implementation costs not yet placed in service are carried at cost and are not amortized until the functionality is available for use.

Impairment of Long-Lived Assets and Software Implementation Costs

Candorful, Inc. evaluates long-lived assets, including property and equipment and capitalized software implementation costs, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds its estimated fair value.

Contributions and grants

Contributions and grants, including unconditional promises to give, are recognized when received. All contributions and grants are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year.

CANDORFUL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

2. SUMMARY OF SIGNIFICANT POLICIES (Continued)

Contributions and grants (continued)

Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Contributed services and in-kind contributions

Donated facilities, services, and materials are recorded at estimated fair value at the date of receipt. Contributed services are recognized when the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided by donation.

Contributed services and in-kind contributions meeting these criteria are reported as both revenue and expense in the statements of activities and functional expenses at estimated fair value based on comparable market rates for similar services (See Note 3). Contributed services that do not meet these criteria are not recognized in the financial statements.

Functional allocation of expenses

The cost of providing Candorful, Inc.'s programs and other activities is summarized on a functional basis in the statements of activities and functional expenses. Expenses that can be directly identified with a program or supporting service are charged accordingly. Expenses that are common to multiple functions are allocated among program and supporting services based on estimates of time and effort as well as the nature of the expense. Management and general administrative expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Organization.

Compensated absences

Employees of Candorful, Inc. are entitled to paid time off (vacation, personal, and sick time) depending on job classification, length of service, and other factors. The Organization's policy does not permit the accumulation of unused paid time off beyond December 31 of each year. Accordingly, no liability for compensated absences has been recorded in the accompanying financial statements, as employees forfeit any unused balances at year-end. The Organization recognizes the costs of compensated absences when actually paid to employees.

Income taxes

Candorful, Inc. qualifies as a tax-exempt entity under Code Section 501 (c)(3) of the IRC. As a not-for-profit entity, Candorful, Inc. is subject to unrelated business income tax ("UBIT"), if applicable. Candorful, Inc. is not classified as a private foundation. In accordance with ASC 740, *Income Taxes*, Candorful, Inc. applies the "more likely than not" threshold to the recognition and derecognition of tax positions for its financial statements. Management has evaluated Candorful, Inc.'s tax positions and has concluded that there were no uncertain tax positions that qualified for either recognition or disclosure in these financial statements.

CANDORFUL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

3. IN-KIND DONATIONS

For the year ended December 31, 2025, total in-kind donations which have been recorded in the accompanying financial statements consist of the following:

Donated coaching services	\$ 324,332
Total in-kind donations	\$ 324,332

Donated coaching services represent the estimated fair value of volunteer coaching sessions provided by individuals possessing specialized interviewing and career coaching skills. Fair value is estimated based on comparable market rates for similar professional services.

4. SOFTWARE IMPLEMENTATION COSTS

Candorful, Inc. engaged a third-party technology consultant to perform configuration and coding services related to the Organization's cloud-based interview and career coaching platform. The project involved the development of additional program functionality to expand the Organization's networking practice coaching services to program participants. Costs totaling \$37,151 have been capitalized as of December 31, 2025.

As the enhanced functionality had not been placed into service as of December 31, 2025, the costs are carried as software implementation costs in progress on the statement of financial position and no amortization has been recorded. Upon completion of testing and placement into service, the Organization will begin amortizing these costs on a straight-line basis over an estimated useful life of five years.

5. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date consists of cash and cash equivalents in the amount of \$199,485. The Organization has a goal to maintain at least six months of cash on hand to meet expenditures as of their year-end, which it has attained as of December 31, 2025.

CANDORFUL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

6. SUBSEQUENT EVENTS

Candorful, Inc. has evaluated events subsequent to its year ended December 31, 2025, through April 10, 2026, the date these financial statements were available to be issued.

Subsequent to year-end, Candorful, Inc. entered into an organizational combination with FourBlock, Inc., a nonprofit organization dedicated to supporting transitioning military veterans through career readiness programming. The Candorful Board of Directors voted unanimously to approve the transaction on March 31, 2026, and the transaction was finalized on April 8, 2026.

Under the terms of the transaction, FourBlock assumed governance and operational oversight of Candorful, Inc., and the Candorful board of directors was replaced by the FourBlock board of directors. Candorful, Inc. will continue to operate its programs and activities under FourBlock's oversight, maintaining its separate 501(c)(3) status. The Candorful brand is expected to be maintained following the combination.