Vital Strategies Action Fund, Inc.

Financial Statements

December 31, 2025

Independent Auditors' Report

Board of Trustees of
Vital Strategies Action Fund, Inc.

Opinion

We have audited the accompanying financial statements of Vital Strategies Action Fund, Inc. (the "Action Fund"), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Action Fund as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Action Fund 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 the Action Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Action Fund'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 the Action Fund'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 the Action Fund's December 31, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 18, 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.

PKF O'Connor Davies, LLP

July 23, 2026

Vital Strategies Action Fund, Inc.

Statement of Financial Position
December 31, 2025
(with comparative amounts at December 31, 2024)

	2025	2024
ASSETS		
Cash	$ 3,600,138	$ 4,853,742
Grants receivable	2,460,000	896,715
	$ 6,060,138	$ 5,750,457
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 496,883	$ 219,434
Net Assets		
Without donor restrictions	872,600	745,987
With donor restrictions	4,690,655	4,785,036
Total Net Assets	5,563,255	5,531,023
	$ 6,060,138	$ 5,750,457

See notes to financial statements

Vital Strategies Action Fund, Inc.

Statement of Activities
Year Ended December 31, 2025
(with summarized totals for the year ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
REVENUE AND SUPPORT				
Grants	$ -	$ 5,433,000	$ 5,433,000	$ 8,525,430
Net assets released from restrictions	5,527,381	(5,527,381)	-	-
Total Revenue and Support	5,527,381	(94,381)	5,433,000	8,525,430
OPERATING EXPENSES				
Program services	4,857,171	-	4,857,171	4,446,712
Management and general	479,625	-	479,625	446,649
Fundraising	54,909	-	54,909	27,523
Total Operating Expenses	5,391,705	-	5,391,705	4,920,884
Excess of Revenue and Support over Operating Expenses	135,676	(94,381)	41,295	3,604,546
NONOPERATING EXPENSES				
Losses on foreign currency translation	(9,063)	-	(9,063)	(4,109)
Change in Net Assets (Deficit)	126,613	(94,381)	32,232	3,600,437
NET ASSETS				
Beginning of year	745,987	4,785,036	5,531,023	1,930,586
End of year	$ 872,600	$ 4,690,655	$ 5,563,255	$ 5,531,023

See notes to financial statements

Vital Strategies Action Fund, Inc.

Statement of Functional Expenses
Year Ended December 31, 2025
(with summarized totals for the year ended December 31, 2024)

		Supporting Services			
	Program Services	Management and General	Fundraising	2025 Total	2024 Total
Grant expenses	$ 3,715,088	$ -	$ -	$ 3,715,088	$ 3,947,823
Salaries	376,625	331,843	43,046	751,514	529,777
Payroll taxes and benefits	114,134	61,775	11,863	187,772	154,832
Consultants	518,576	-	-	518,576	176,731
Professional fees	-	33,595	-	33,595	-
Program service agreements	84,492	-	-	84,492	-
Travel	23,222	-	-	23,222	14,762
Conference and meetings	262	-	-	262	332
Occupancy costs	18,777	47,179	-	65,956	65,992
Utilities	982	2,439	-	3,421	6,298
Other expenses	5,013	2,794	-	7,807	24,337
Total Expenses	$ 4,857,171	$ 479,625	$ 54,909	$ 5,391,705	$ 4,920,884

See notes to financial statements

Vital Strategies Action Fund, Inc.

Statement of Cash Flows
Year Ended December 31, 2025
(with comparative amounts for the year ended December 31, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 32,232	$ 3,600,437
Adjustments to reconcile change in net assets to net cash from operating activities		
Change in operating assets and liabilities		
Grants receivable	(1,563,285)	(896,715)
Accounts payable and accrued expenses	277,449	(22,619)
Net Cash from Operating Activities	(1,253,604)	2,681,103
CASH		
Beginning of year	4,853,742	2,172,639
End of year	$ 3,600,138	$ 4,853,742

See notes to financial statements

1. Organization and Tax Status

Vital Strategies Action Fund, Inc. (the “Action Fund”) is a not-for-profit organization incorporated January 16, 2020, under the laws of the State of Delaware. The Action Fund is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code. The fund was established for the promotion of social welfare and is an affiliate of Vital Strategies, Inc. The Action Fund is organized to advocate for legislation, regulations and government programs to strengthen public health systems and address the world’s leading causes of illness, injury and death. The Action Fund intends to advocate for data-driven decision making in government, advance evidence-based public health policies and support campaigns that have the greatest potential to improve and save lives.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which requires management to make estimates and 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. Accordingly, actual results could differ from those estimates.

Operating Measure

The operating measure in the statement of activities is identified as excess of revenue and support over operating expenses. Changes in net assets which are excluded from the operating measure include losses on foreign currency translation.

Revenue Recognition

When revenue is earned over a period that spans the year end, it is recognized in the applicable period in which it is earned.

Net Asset Presentation

Net assets without donor restrictions are available for use at the discretion of the Board of Trustees (the “Board”) and/or management for program and general operating expenses.

Net assets with donor restrictions are subject to donor-imposed stipulations that will be met by actions of the Action Fund, or passage of time.

The Action Fund reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use or time of the donated assets. 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 restriction and reported on the statement of activities as net assets released from restrictions.

2. Summary of Significant Accounting Policies *(continued)*

Grant Agreements

Grant agreements are examined on an individual basis to determine if they meet the requirements of a contribution rather than an exchange transaction. Those grants, that are considered to be unconditional contributions, as well as other unconditional contributions, are recorded upon receipt of an unconditional pledge or of cash and reported as net assets with or without donor restrictions depending on the existence of any donor restrictions.

Grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding, after management has used reasonable collection efforts, are written off through a charge to the valuation allowance and a credit to receivables. At December 31, 2025 and 2024, the Action Fund deems all grants receivable are collectible.

Functional Expense Allocation

Expenses are summarized and categorized based upon their functional classification as either program services, management and general or fundraising. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain expenses are attributable to more than one program or supporting function and have been allocated in reasonable ratios determined by management. The more significant expenses that are allocated include salaries, payroll taxes and benefits, and occupancy costs, which are allocated based on time and effort and full time equivalent.

Foreign Currency Translation

The Action Fund has determined that its functional currency is the U.S. dollar. Revenue and expense accounts are translated at the date the payments were made to the vendors.

Accounting for Uncertainty in Income Taxes

The Action Fund recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Action Fund had no uncertain tax positions that would require financial statement recognition or disclosure. The Action Fund is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2022.

2. Summary of Significant Accounting Policies *(continued)*

Summarized Comparative Information

The statements of activities and functional expenses include certain prior year summarized comparative information in total but not by net asset class or functional class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Action Fund's financial statements as of and for the year ended December 31, 2024 from which the summarized information was derived.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is July 23, 2026.

3. Liquidity and Availability of Financial Assets

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

	2025	2024
Financial assets at year-end:		
Cash	$ 3,600,138	$ 4,853,742
Grants receivable	2,460,000	896,715
Less amounts unavailable for general expenditure:		
Donor imposed restrictions by purpose	(4,690,655)	(4,785,036)
Financial Assets at Year-End Available to Meet Cash Needs for General Expenditure Within One Year	$ 1,369,483	$ 965,421

As part of the Action Fund's liquidity strategy, management structures its financial assets, consisting of cash and receivables to be available as its general expenditures, liabilities and obligations come due within one year. In addition, the Action Fund receives cash flow from grants made from donors through its fundraising efforts.

4. Grants Receivable

At December 31, 2025 and 2024, the Action Fund had grants receivable from foundations amounting to $2,460,000 and $896,715.

The receivables are fully collectible and no allowance for doubtful accounts has been established.

5. Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions for the years ended December 31:

	2025			
	Beginning of Year	Additions	Released from Restrictions	End of Year
Overdose Prevention (Opioid)	$ -	$ 218,000	$ (39,466)	$ 178,534
Food Policy Program	2,144,800	5,165,000	(4,572,861)	2,736,939
RESET Alcohol	2,640,236	-	(910,676)	1,729,560
Public Health Law	-	50,000	(4,378)	45,622
	$ 4,785,036	$ 5,433,000	$ (5,527,381)	$ 4,690,655

	2024			
	Beginning of Year	Additions	Released from Restrictions	End of Year
Overdose Prevention (Opioid)	$ -	$ 150,000	$ (150,000)	$ -
Food Policy Program	565,656	6,582,000	(5,002,856)	2,144,800
RESET Alcohol	1,253,943	1,793,430	(407,137)	2,640,236
	$ 1,819,599	$ 8,525,430	$ (5,559,993)	$ 4,785,036

Contributions reported with donor restrictions shown in the above table are recognized in full in the year the grant agreement is signed and committed, provided all conditions have been met. For the years ended December 31, 2025 and 2024, unconditional contributions with donor restrictions totaled $5,433,000 and $8,525,430.

6. Related Party Transactions

The Action Fund maintains a resource sharing agreement with Vital Strategies, Inc. that allows for the exchange of general operations, projects, activities, and personnel.

During the course of a year, the transfer of funds and donations between the entities may be exercised through this agreement, for the most efficient and effective work arrangement.

At December 31, 2025 and 2024, the Action Fund had amounts due to Vital Strategies, Inc. of $496,883 and $219,434 which is included in accounts payable and accrued expenses on the statement of financial position.

7. Concentration of Credit Risk

Financial instruments that potentially subject the Action Fund to concentrations of credit risk include cash. At times, the cash balance exceeded the Federal Deposit insurance Corporation (“FDIC”) insurance limits. The FDIC provides deposit insurance coverage of up to $250,000 per depositor. As of December 31, 2025 and 2024, the Action Fund’s cash and cash equivalent balances on deposit exceeded the federal insurance limits by approximately $3.1 million and $4.4 million.

8. Other Significant Concentrations

For the years ended December 31, 2025 and 2024, the Action Fund received 100% of total grants from two donors. As of December 31, 2025 and 2024, one funding source accounted for approximately 100% of grants receivable.

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