

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2025 This Form is Open to Public Inspection
--	---	---

Part I	Annual Report Identification Information
For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B	This return/report is: ☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan TRANSFAIR USA 401(K) PLAN
1b	Three-digit plan number (PN) ▶ 001
1c	Effective date of plan 07/01/2008
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) TRANSFAIR USA FAIR TRADE USA 360 GRAND AVENUE, #311 OAKLAND, CA 94610
2b	Employer Identification Number (EIN) 41-1848081
2c	Plan Sponsor's telephone number 510-663-5260
2d	Business code (see instructions) 813000

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	08/13/2026	CARLOS RUIZ
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 179
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	 6a(1) 90 6a(2) 86 6b 0 6c 84 6d 170 6e 0 6f 170 6g(1) 154 6g(2) 154 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2F 2G 2J 2K 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
---	---

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached 0
- (4) ☒ **C** (Service Provider Information)
- (5) ☐ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2025 Form M-1 annual report. If the plan was not required to file the 2025 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2025
		This Form is Open to Public Inspection.
For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025		
A Name of plan TRANSFAIR USA 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 TRANSFAIR USA	D Employer Identification Number (EIN) 41-1848081	

Part I	Service Provider Information (see instructions)
You must complete this Part, in accordance with the instructions, to report the information required for each person who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received only eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.	
1 Information on Persons Receiving Only Eligible Indirect Compensation	
a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. ☒ Yes ☐ No	
b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).	
(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation FIDELITY INVESTMENTS INSTITUTIONAL 04-2647786	
(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65	RECORDKEEPER	600	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
ARIEL APPRECIATION - U.S. BANK GLO 801 PENNSYLVANIA AVE, SUITE 219252 KANSAS CITY, MI 64105	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
AS EMRG MKTS EQ IS - ALLSPRING FUN 525 MARKET ST SAN FRANCISCO, CA 94105	0.15%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
CB SMALL CAP A - FRANKLIN TEMPLETO 94-3167260	0.50%	

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
COHEN & STEERS RLTY - SS&C GIDS, I 2000 CROWN COLONY DRIVE QUINCY, MA 02169	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
COLUMBIA DIV INC A - COLUMBIA MGT 430 W 7TH STREET STE 219104 KANSAS CITY, MO 64105	0.50%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
CRM MID CAP VAL INV - ULTIMUS FUND 31-1663251	0.35%	

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
H & W HIGH YIELD A - US BANCORP FU 39-0281260	0.45%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
MFS MID CAP GRTH R3 - MFS SERVICE 04-2865649	0.50%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
NEUBERGER QUAL EQ TR - SS&C GLOBAL 2000 CROWN COLONY DRIVE QUINCY, MA 02169	0.40%	

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PIMCO TOT RETURN ADM - SS&C GLOBAL 2000 CROWN COLONY DRIVE QUINCY, MA 02169	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2025 This Form is Open to Public Inspection
	For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025	
	A Name of plan TRANSFAIR USA 401(K) PLAN	B Three-digit plan number (PN) 001
C Plan sponsor's name as shown on line 2a of Form 5500 TRANSFAIR USA	D Employer Identification Number (EIN) 41-1848081	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	370515	642517
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	58718	62093
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	13232833	15384413
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other.....	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
1e Buildings and other property used in plan operation	1e	0	0
1f Total assets (add all amounts in lines 1a through 1e)	1f	13662066	16089023

Liabilities

1g Benefit claims payable	1g	0	0
1h Operating payables	1h	0	0
1i Acquisition indebtedness	1i	0	0
1j Other liabilities	1j	0	0
1k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

1l Net assets (subtract line 1k from line 1f)	1l	13662066	16089023
--	-----------	----------	----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	337056	
(B) Participants	2a(1)(B)	905986	
(C) Others (including rollovers)	2a(1)(C)	212943	
(2) Noncash contributions	2a(2)	0	1455985
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	22207	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	2580	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		24787
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	649552
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	649552	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		649552
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	0
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	0
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		1797823
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		3928147

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1500590	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1500590
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses:			
(1) Salaries and allowances	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Recordkeeping fees	2i(3)	600	
(4) IQPA audit fees	2i(4)	0	
(5) Investment advisory and investment management fees	2i(5)	0	
(6) Bank or trust company trustee/custodial fees	2i(6)	0	
(7) Actuarial fees	2i(7)	0	
(8) Legal fees	2i(8)	0	
(9) Valuation/appraisal fees	2i(9)	0	
(10) Other trustee fees and expenses	2i(10)	0	
(11) Other expenses	2i(11)	0	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		600
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1501190

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2426957
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **BAKER TILLY US, LLP**

(2) EIN: **30-1413443**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		☒	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		☒	
e Was this plan covered by a fidelity bond?	☒		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2025 This Form is Open to Public Inspection.
For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025		
A Name of plan TRANSAIR USA 401(K) PLAN		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 TRANSAIR USA		D Employer Identification Number (EIN) 41-1848081
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-6568107		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A		
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2025 v. 250312		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year.....

15b

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year.....

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

19 If the total number of participants is 1,000 or more, complete lines (a) and (b):

a Enter the percentage of plan assets held as:

Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%

High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:

☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation.....

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

☒ Design-based safe harbor method

☐ "Prior year" ADP test

☒ "Current year" ADP test

☐ N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter 06 / 30 / 2020 (MM/DD/YYYY) and the Opinion Letter serial number Q702438A.



Report of Independent Auditors and
Consolidated Financial Statements

Fair Trade USA and Good World Solutions

December 31, 2025 and 2024

Table of Contents

	Page
Report of Independent Auditors	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities and Changes in Net Assets	5
Consolidated Statements of Functional Expenses	7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9

Report of Independent Auditors

The Board of Directors
Fair Trade USA and Good World Solutions

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Fair Trade USA and Good World Solutions, which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Fair Trade USA and Good World Solutions as of December 31, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Fair Trade USA and Good World Solutions and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fair Trade USA and Good World Solutions' ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 Fair Trade USA and Good World Solutions' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fair Trade USA and Good World Solutions' 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.

Baker Tilly US, LLP

San Francisco, California
June 11, 2026

Consolidated Financial Statements

Fair Trade USA and Good World Solutions
Consolidated Statements of Financial Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,411,970	\$ 3,840,342
Service fees receivable, net	5,766,553	6,244,541
Grants receivable	137,049	540,025
Prepaid expenses	428,613	488,815
Short-term investments	4,306,242	6,237,036
Other assets	<u>95,945</u>	<u>271,035</u>
Total current assets	<u>18,146,372</u>	<u>17,621,794</u>
NONCURRENT ASSETS		
Property and equipment, net	<u>2,686,195</u>	<u>39,966</u>
Total noncurrent assets	<u>2,686,195</u>	<u>39,966</u>
Total assets	<u><u>\$ 20,832,567</u></u>	<u><u>\$ 17,661,760</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 388,934	\$ 215,187
Accrued liabilities	3,307,915	3,216,266
Contract liabilities	<u>-</u>	<u>97,510</u>
Total current liabilities	<u>3,696,849</u>	<u>3,528,963</u>
Total liabilities	<u>3,696,849</u>	<u>3,528,963</u>
NET ASSETS		
Without donor restrictions	16,753,101	13,474,660
With donor restrictions	<u>382,617</u>	<u>658,137</u>
Total net assets	<u>17,135,718</u>	<u>14,132,797</u>
Total liabilities and net assets	<u><u>\$ 20,832,567</u></u>	<u><u>\$ 17,661,760</u></u>

See accompanying notes.

Fair Trade USA and Good World Solutions
Consolidated Statement of Activities and Changes in Net Assets
Year Ended December 31, 2025

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Service fees	\$ 21,264,653	\$ -	\$ 21,264,653
Grants and contributions	201,782	273,500	475,282
Contributions of nonfinancial assets	381,561	-	381,561
Other revenue	263,017	-	263,017
Net assets released from restriction	549,020	(549,020)	-
Total revenue and support	22,660,033	(275,520)	22,384,513
OPERATING EXPENSES			
Program services	15,263,880	-	15,263,880
Supporting services			
Management and general	3,253,149	-	3,253,149
Fundraising	864,563	-	864,563
Total supporting services	4,117,712	-	4,117,712
Total operating expenses	19,381,592	-	19,381,592
CHANGE IN NET ASSETS	3,278,441	(275,520)	3,002,921
NET ASSETS, beginning of year	13,474,660	658,137	14,132,797
NET ASSETS, end of year	\$ 16,753,101	\$ 382,617	\$ 17,135,718

See accompanying notes.

Fair Trade USA and Good World Solutions
Consolidated Statement of Activities and Changes in Net Assets
Year Ended December 31, 2024

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Service fees	\$ 20,879,498	\$ -	\$ 20,879,498
Grants and contributions	200,167	776,345	976,512
Contributions of nonfinancial assets	423,078	-	423,078
Other revenue	328,143	-	328,143
Net assets released from restriction	1,087,629	(1,087,629)	-
Total revenue and support	22,918,515	(311,284)	22,607,231
OPERATING EXPENSES			
Program services	15,757,400	-	15,757,400
Supporting services			
Management and general	3,028,211	-	3,028,211
Fundraising	1,636,361	-	1,636,361
Total supporting services	4,664,572	-	4,664,572
Total operating expenses	20,421,972	-	20,421,972
CHANGE IN NET ASSETS	2,496,543	(311,284)	2,185,259
NET ASSETS, beginning of year	10,978,117	969,421	11,947,538
NET ASSETS, end of year	<u>\$ 13,474,660</u>	<u>\$ 658,137</u>	<u>\$ 14,132,797</u>

See accompanying notes.

Fair Trade USA and Good World Solutions
Consolidated Statements of Functional Expenses
Years Ended December 31, 2025 and 2024

2025				
	Program	Management and General	Fundraising	Total Expenses
OPERATING EXPENSES				
Personnel	\$ 8,585,837	\$ 2,284,046	\$ 557,635	\$ 11,427,518
Professional fees	4,090,174	493,987	106,885	4,691,046
Computer, telecom, and equipment	1,113,131	215,543	69,610	1,398,284
Other	422,706	107,653	23,645	554,004
Travel	405,719	68,269	18,187	492,175
Conferences, conventions, and trade shows	195,546	5,466	9,727	210,739
Promotional activities and materials	161,393	19,211	32,791	213,395
Depreciation and amortization	276,706	58,974	15,673	351,353
Third party	7,500	-	30,410	37,910
Facility	5,168	-	-	5,168
	<u>\$ 15,263,880</u>	<u>\$ 3,253,149</u>	<u>\$ 864,563</u>	<u>\$ 19,381,592</u>
2024				
	Program	Management and General	Fundraising	Total Expenses
OPERATING EXPENSES				
Personnel	\$ 9,225,440	\$ 2,280,005	\$ 1,090,123	\$ 12,595,568
Professional fees	4,491,109	427,001	341,889	5,259,999
Computer, telecom, and equipment	1,093,269	221,003	72,028	1,386,300
Travel	326,333	22,642	51,411	400,386
Other	299,542	63,417	17,160	380,119
Conferences, conventions, and trade shows	193,392	882	9,690	203,964
Promotional activities and materials	54,472	5	2,933	57,410
Depreciation and amortization	68,977	13,256	7,163	89,396
Third party	-	-	43,964	43,964
Facility	4,866	-	-	4,866
	<u>\$ 15,757,400</u>	<u>\$ 3,028,211</u>	<u>\$ 1,636,361</u>	<u>\$ 20,421,972</u>

See accompanying notes.

Fair Trade USA and Good World Solutions
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 3,002,921	\$ 2,185,259
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	351,353	89,396
Changes in operating assets and liabilities		
Service fees receivable	477,988	(841,895)
Grants receivable	402,976	(290,134)
Prepaid expenses	60,202	142,742
Other assets	175,090	(266,657)
Accounts payable	173,747	(58,814)
Accrued liabilities	91,649	1,397,909
Contract liabilities	(97,510)	(144,750)
Net cash provided by in operating activities	<u>4,638,416</u>	<u>2,213,056</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(2,997,582)	(10,300)
Purchases of short-term investments	-	(2,664,125)
Sale of short-term investments	<u>1,930,794</u>	<u>-</u>
Net cash used in investing activities	<u>(1,066,788)</u>	<u>(2,674,425)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	3,571,628	(461,369)
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,840,342</u>	<u>4,301,711</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 7,411,970</u></u>	<u><u>\$ 3,840,342</u></u>

See accompanying notes.

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

Note 1 – Nature of Operations

On October 1, 2010, Transfair USA began doing business as Fair Trade USA. Fair Trade USA was incorporated in Minnesota in April 1996 as a nonprofit public benefit organization. During 2011, Fair Trade USA became the sole member of Good World Solutions, Inc. (GWS), a California nonprofit public benefit organization. Fair Trade USA's and Good World Solutions' (collectively, the Organization) principal place of business is in Oakland, California.

The Organization enables sustainable development and community empowerment by cultivating a more equitable global trade model that benefits farmers, workers, fisherman, consumers, industry, and the earth. The Organization achieves its mission by certifying and promoting fair trade products.

In addition to promoting successful empowering relationships between farmers and businesses, the Organization educates American consumers about Fair Trade and economic development. The Organization also verifies that farmers, workers, and fisherman who produce Fair Trade Certified™ (FTC) products are paid a fair price for their products, receive a social premium, and adhere to the Fair Trade environmental, labor, and governance standards. The Organization communicates on a regular basis with farmers, workers, and fisherman in developing countries and provides support for producers entering the system and those working to stay in the system. The Organization has service agreements with more than 1,100 participating companies (manufacturers, retailers, and importers) in the United States and around the world to offer FTC products that have met the Fair Trade criteria, providing these companies permission to use the FTC label on product packaging.

Ultimately, the Organization envisions a day when Fair Trade products are readily available in mainstream stores across the country, when United States consumers can opt for a "Fair Trade Lifestyle" and shop responsibly in every product category. FTC products under the Organization's service agreements include coffee, tea, sugar, cocoa, coconut, fresh fruit, seafood, flowers, factory, and consumer packaged goods in which Fair Trade ingredients are used.

The Organization's major sources of revenue are service fees, foundation and corporate grants, and contributions. The Organization holds exclusive rights to engage in service agreements to allow for the use of the "Fair Trade Certified™" trademark in the United States of America and select foreign countries. Service fees are received from participating companies (roasters for coffee, and importers and retailers for other products) and are based on the amount of Fair Trade products either purchased and/or sold per the service agreements.

Foundation and corporate grants fund the expansion of existing services and tools into new regions and industries, as well as to pilot new technological innovations to further the Organization's mission to bring the voice of the worker into improving worker well-being.

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

Note 2 – Summary of Significant Accounting Policies

Basis of presentation – The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets and revenue and support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Represents resources available to support the Organization's operations without donor restrictions and donor restricted resources that have become available for use by the Organization in accordance with the intention of the donor.

Net assets with donor restrictions – Represents contributions that are limited in use by the Organization in accordance with donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Basis of consolidation – The accompanying consolidated financial statements present the consolidated financial position and changes in net assets and cash flows of the Organization. All material intercompany accounts and transactions have been eliminated in consolidation.

Cash and cash equivalents – The Organization places its cash and cash equivalents with high-quality credit institutions. Cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and present insignificant risk of changes in value because of changes in interest rates. The Organization maintains its cash in bank deposit accounts which, at times, some may be in excess of federally insured limits. Management believes the Organization is not exposed to any significant risks on cash accounts.

Service fees receivable, net – Service fees are generally billed quarterly or semi-annually based on either purchases and/or sales of FTC products reported by licensees. The Organization recognizes revenues and a corresponding receivable after considering implicit and explicit price concessions. Service fees receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The Organization separates service fees receivable into risk pools based on their aging. In determining the amount of the allowance as of the statement of financial position date, the Organization develops a loss rate for each risk pool. The loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions. Uncollectible service fee receivables are written off when all collection efforts have been exhausted. The allowance for credit losses as of December 31, 2025 and 2024, was \$30,712 and \$0, respectively.

Short-term investments – Short-term investments are stated at fair value and consist of certificates of deposit held with an original maturity greater than three months. Interest income is included in other revenue on the consolidated statements of activities and changes in net assets.

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

Fair value measurements – The Organization carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization classifies its financial assets and liabilities according to three levels, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 – Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 – Observable inputs other than quoted market prices included within Level 1 for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability that are not corroborated by market data.

Property and equipment, net – Property and equipment, if purchased, are recorded at cost or, if donated, at the estimated fair value at the time of receipt. Software development costs (internal and external) incurred during the application development stage for new software and software enhancements are capitalized and amortized, if the software's expected economic useful life is greater than one year. Property and equipment are depreciated over the estimated useful lives of three to eight years on the straight-line basis. Leasehold improvements are amortized using the straight-line method over the lesser of the useful lives of the assets or the term of the respective lease. The Organization capitalizes all expenditures for property and equipment with a cost basis of greater than \$2,000 and which have a useful life in excess of one year.

The Organization periodically evaluates the carrying value of its long-lived assets for impairment. When the carrying value of an asset exceeds estimated recoverability, an asset impairment is recognized. No impairment was recognized for the years ended December 31, 2025 and 2024.

Revenue recognition – The Organization records service fee revenue in the period in which participating companies either purchase and/or sell FTC products, as defined in the applicable service agreement, which is when the performance obligation is met. Consideration is based on the applicable service agreement. Service fee revenue is shown net of implicit and explicit price concessions provided to participating companies.

Service fee revenue was from the following product lines as of December 31:

	2025	2024
Coffee	\$ 7,362,582	\$ 7,945,824
Consumer packaged goods	5,110,654	4,548,672
Apparel and home goods	3,856,097	3,988,105
Produce and flowers	4,601,652	3,981,830
Seafood	333,668	415,067
	<u>\$ 21,264,653</u>	<u>\$ 20,879,498</u>

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

The Organization recognizes grant and donor contributions upon the earlier of receipt or when an agreement has been executed. Contributions received without donor-imposed restrictions are reported as increases in support without donor restrictions. Contributions received with donor-imposed restrictions that are received and spent in the same year are reported as an increase in support without donor restrictions. Contributions received with donor-imposed restrictions that are not satisfied in the same year as received are reported as increases in support with donor restrictions. Conditional promises to give are not recognized until they become unconditional, that is when the barriers to entitlement have been overcome and a right of release or return has occurred.

The Organization recognizes contributed nonfinancial assets for contributed goods and services if they create or enhance nonfinancial assets or require specialized skills, which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations. Contributed goods and services are recorded as contributions at their estimated fair value based on wholesale values that would be received for selling similar goods and current rates for similar services on the date of receipt. Such contributions are reported as support without donor restrictions unless the donor has restricted the use of the asset for a specific purpose and the asset is therefore reported as an increase in support with donor restrictions. During the years ended December 31, 2025 and 2024, the Organization received contributed professional services valued at \$160,990 and \$263,143, respectively, which were used for management and general, program services, and fundraising activities, and software licenses at \$220,571 and \$159,935, respectively, which were used for management and general, program services, and fundraising activities. Programs services consist of business development, supply chain, certification, standards, impact, communication, and technology. All professional services, software licenses, and advertising were utilized during the respective years within the Organization.

Contract liabilities – Service revenue and other support where cash was received, but not yet earned, are recorded as contract liabilities. The amount of contract liabilities of \$0 and \$97,510 as of December 31, 2025 and 2024, respectively, represented unearned service fees and unearned consulting and contractor fees. Contract liabilities are recognized as revenue when services are performed by the Organization as stipulated in the applicable service agreements.

Functional expenses – The costs of providing the program services and supporting services activities of the Organization are shown in the consolidated statements of functional expenses. Expenses that can be directly identified with a specific function are allocated directly to that function. Expenses that cannot be directly identified with a specific function are allocated among the program services and the supporting services activities benefited based upon employee time and effort recorded on functions related to the specific activity, or in the case of shared expenses, using an allocation based on personnel costs, space usage, or other relevant bases.

Income tax status – Fair Trade USA and GWS are qualified organizations exempt from federal, Minnesota, and California income taxes under the provisions of Sections 501(c)(3) of the Internal Revenue Code, Chapter 317A of the Minnesota Statutes, and 23701d of the California Revenue and Taxation Code. Accordingly, no provision for federal, Minnesota, or California income tax is reflected in the accompanying consolidated financial statements.

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

The Organization recognizes the effects of its income tax positions only if those positions are more likely than not of being sustained. The Organization has evaluated its tax positions and has concluded as of December 31, 2025 and 2024, that the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Use of estimates – The preparation of consolidated financial statements in conformity with U.S. GAAP 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 consolidated financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 – Grants Receivable

Total grants receivable consisted of the following at December 31:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
General support	\$ 57,000	\$ 80,049	\$ 137,049
	<u>\$ 57,000</u>	<u>\$ 80,049</u>	<u>\$ 137,049</u>
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
General support	\$ 181,775	\$ 358,250	\$ 540,025
	<u>\$ 181,775</u>	<u>\$ 358,250</u>	<u>\$ 540,025</u>

Grants receivable that are expected to be collected in subsequent years are typically discounted using a risk adjusted market interest rate applicable to the years in which the grants are expected to be received or when the promise is made. At December 31, 2025 and 2024, management had not adjusted grants receivable using the applicable interest rate as they have deemed any adjustment to be insignificant to the consolidated financial statements. All receivables are considered fully recoverable for the years ended December 31, 2025 and 2024. At December 31, 2025 and 2024, all grant receivables are considered receivable in less than one year.

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

Note 4 – Fair Value Measurements

The levels in the Accounting Standards Codification Topic 820, *Fair Value Measurement*, fair value hierarchy into which the Organization's investments fall as of December 31 were as follows:

	2025	2024
Certificates of deposit - Level 2	\$ 4,306,242	\$ 6,237,036
	<u>\$ 4,306,242</u>	<u>\$ 6,237,036</u>

Investments are exposed to various risks such as interest rate, market, liquidity, and credit risks.

While the Organization believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Those estimated values may differ significantly from the values that would have been used had a readily available market for such investments existed, or had such investments been liquidated, and these differences could be material to the consolidated financial statements.

Note 5 – Property and Equipment, Net

Property and equipment, net consisted of the following at December 31:

	2025	2024
Machinery and equipment	\$ 1,112,899	\$ 1,109,269
Website development	304,083	304,083
Furniture and fixtures	168,590	168,590
Leasehold improvements	68,930	68,930
Capitalized software development	<u>2,993,952</u>	<u>-</u>
Property and equipment	4,648,454	1,650,872
Less accumulated depreciation and amortization	<u>(1,962,259)</u>	<u>(1,610,906)</u>
Property and equipment, net	<u>\$ 2,686,195</u>	<u>\$ 39,966</u>

Depreciation and amortization expense for the years ended December 31, 2025 and 2024, was \$351,353 and \$89,396, respectively.

Note 6 – Notes Payable

In November 2023, the Organization renewed its secured line of credit agreement with FRB in the amount of \$1,000,000. The line of credit bore interest at a rate of 8.50% and matured in November 2024. The Organization did not renew this line of credit after its maturity.

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

Note 7 – Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31:

	2025	2024
Core support for enhancing market activation and expansion efforts in Asia and the Americas	\$ 161,519	\$ 355,234
To bring together key stakeholders from across the nonprofit, private, and public sectors to support the implementation of the Tuna Harvest Strategy in Indonesia's archipelagic waters	85,426	124,880
To fund a micro-grant program that is aimed at bringing additional value to producers within Lake Champlain Chocolate's supply chain	20,922	51,480
This program aims to equip nonprofits with funding, cutting-edge technology, and pro bono expertise to confidently create customized Artificial Intelligent agent solutions	57,269	-
The purpose is to train farmers from 97 coffee growers organizations across 3 countries (Guatemala, Honduras and Nicaragua) in coffee quality	41,481	-
The Neiman Marcus Group Certification Payment and donated as Grant to support Factory producer	12,500	-
To support the women in that factory as they get on their feet with their Fair Trade Committee	3,500	-
General Operation	-	47,000
To support the Certification & Ratings Collaboration project	-	35,500
To provide additional income and improve the well-being of 731 farmers in the Fair Trade program, directly benefitting around 3,655 people in north-central Nicaragua	-	18,635
To conduct data collection in support of living wage research across 2 tea regions in India	-	15,110
To enhancing its Partner Portal with a data warehouse and Artificial Intelligent / Machine Learning, which will allow their partners to better evaluate supply chain risks and see their impact	-	10,298
	<u>\$ 382,617</u>	<u>\$ 658,137</u>

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

Net assets with donor restrictions released from restrictions by incurring expenses were comprised of the following for the years ended December 31:

	2025	2024
Core support for enhancing market activation and expansion efforts in Asia and the Americas	\$ 193,717	\$ 4,766
To equip nonprofits with funding, cutting-edge technology, and pro bono expertise to confidently create customized AI agent solutions.	142,731	-
To support phase II of the tuna consortium work Sven has been carrying out in Indonesia with a group of partners	39,452	75,531
General Operation	42,000	8,000
To support the Certification & Ratings Collaboration project	35,500	34,500
To fund a micro-grant program that is aimed at bringing additional value to producers within LCC's supply chain over the next two years via profits from their sales from their Signature brand line	30,558	-
To provide additional income and improve the well-being of 731 farmers in the Fair Trade program, directly benefitting around 3,655 people in north-central Nicaragua	18,635	27,015
To conduct data collection in support of living wage research across across two tea regions in India	15,110	97,423
To enhancing its Partner Portal with a data warehouse and Artificial Intelligent / Machine Learning, which will allow their partners to better and see their impact	10,298	49,702
Improving the livelihoods & building resilient coffee communities in Central America	8,519	-
The Neiman Marcus Group Certification Payment and donated as Grant to support Factory producer	7,500	-
To support Producer Fair Trade committee	5,000	-
Support for building new tools to deliver better learning content and access to those materials for producers and workers and to use technology to enable better assurance of compliance by companies to drive impact to people and planet	-	661,338
To support the revision of its Agricultural Production Standard facilitate market adoption and producer and community support in Indonesia and India	-	60,848
To support living wage study in Assam and West Bengal, India	-	28,506
Skoll-Kenya Support flooding	-	25,000
Skoll-Brazil Support flooding	-	15,000
	<u>\$ 549,020</u>	<u>\$ 1,087,629</u>

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

Note 8 – Program Services

Business development – The Business Development program works with companies to increase sales of FTC products in the market.

Certification impact program operations – The Certification department audits transactions between companies offering FTC products and their international suppliers to guarantee that the farmers and workers who produce FTC goods are paid a fair price for their products, receive a social premium, and adhere to the Fair Trade environmental, labor, and governance standards.

Supply chain management – Supply chain management includes support for producers, exporters, importers, retailers, and roasters throughout the Fair Trade supply chain. That support helps producers deliver high quality products that fit within the Organization’s mission and are desired by retailers and consumers. Producer training and assistance services include: quality and environmental training, market data and linkage, access to capital, governance training, and other technical assistance.

Marketing communications and education – The Organization executes a broad range of marketing and public relations programs whose goal is to raise consumer awareness of international trade issues in general, and Fair Trade concerns in particular. The resulting increase in consumer awareness leads directly to an increase in consumer demand.

Good World Solutions Technology – Good World Solutions Technology, in the form of its principal tools, Voice of the Client (micro-finance), and the Fair Wage Guide, provides quantitative tools and analytics to establish an anonymous two-way communication channel for workers and borrowers to report, and for companies and lenders to receive, unfiltered data directly from workers. GWS products are also used to survey farmers and workers producing Fair Trade Certified products to assess the impact of Fair Trade programs against defined livelihood and well-being measures.

Program services incurred were comprised of the following for the years ended December 31:

	2025	2024
Business development	\$ 5,624,786	\$ 5,195,406
Certification impact program operations	4,322,694	2,450,288
Supply chain management	2,808,186	4,883,367
Marketing communications and education	2,507,376	3,225,814
Good World Solutions Technology	838	2,525
	<u>\$ 15,263,880</u>	<u>\$ 15,757,400</u>

Note 9 – Commitments

The Organization pays for the office rental for one of its consultants in Cote d'Ivoire. The consultant manages the rent and the Organization reimburses the rent fee for them.

Rent expense, included in facility expenses on the consolidated statements of functional expenses, for the years ended December 31, 2025 and 2024, was \$5,168 and \$4,866, respectively.

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

Note 10 – Concentrations

During the years ended December 31, 2025 and 2024, one customer accounted for approximately 7% of total service fees for both years.

As of the years ended December 31, 2025 and 2024, one customer accounted for approximately 6% of total service fees receivable, net, for both years.

Note 11 – Retirement Plan

The Organization sponsors a 401(k) profit sharing plan covering all eligible employees who have completed six months of service. The Organization makes matching contributions up to 4% of the employee's eligible compensation. Employees are eligible to make elective contributions up to the maximum amount allowed by the Internal Revenue Code. The Organization contributed \$337,056 and \$300,849, respectively, to the plan for the years ended December 31, 2025 and 2024, which are included in personnel expenses on the consolidated statements of functional expenses.

Note 12 – Liquidity and Availability

Financial assets available for general expenditure, within one year of the consolidated statements of financial position at December 31 comprise the following:

	2025	2024
Financial assets, year end		
Cash and cash equivalents	\$ 7,411,970	\$ 3,840,342
Service fees receivable	5,766,553	6,244,541
Grants receivable, current portion	137,049	540,025
Short-term investments	4,306,242	6,237,036
	<u>17,621,814</u>	<u>16,861,944</u>
Less assets unavailable for general expenditures within one year		
Cash and cash equivalents held with donor restrictions	(302,568)	(299,887)
Grants receivable, current portion with donor restrictions	(80,049)	(358,250)
	<u>(382,617)</u>	<u>(658,137)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 17,239,197</u>	<u>\$ 16,203,807</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements in certificate of deposits and money market funds. The service fee receivable and grants receivable, current portion, are expected to be collected within one year.

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

Note 13 – Subsequent Events

Subsequent events are events or transactions that occur after the consolidated statement of financial position date, but before the consolidated financial statements are available to be issued. The Organization recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. The Organization's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statement of financial position, but arose after the consolidated statement of financial position date and before the consolidated financial statements were available to be issued.

The Organization has evaluated subsequent events through June 11, 2026, which is the date the consolidated financial statements were available to be issued.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.



Report of Independent Auditors and
Consolidated Financial Statements

Fair Trade USA and Good World Solutions

December 31, 2025 and 2024

Table of Contents

	Page
Report of Independent Auditors	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities and Changes in Net Assets	5
Consolidated Statements of Functional Expenses	7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9

Report of Independent Auditors

The Board of Directors
Fair Trade USA and Good World Solutions

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Fair Trade USA and Good World Solutions, which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Fair Trade USA and Good World Solutions as of December 31, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Fair Trade USA and Good World Solutions and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fair Trade USA and Good World Solutions' ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 Fair Trade USA and Good World Solutions' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fair Trade USA and Good World Solutions' 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.

Baker Tilly US, LLP

San Francisco, California
June 11, 2026

Consolidated Financial Statements

Fair Trade USA and Good World Solutions
Consolidated Statements of Financial Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,411,970	\$ 3,840,342
Service fees receivable, net	5,766,553	6,244,541
Grants receivable	137,049	540,025
Prepaid expenses	428,613	488,815
Short-term investments	4,306,242	6,237,036
Other assets	<u>95,945</u>	<u>271,035</u>
Total current assets	<u>18,146,372</u>	<u>17,621,794</u>
NONCURRENT ASSETS		
Property and equipment, net	<u>2,686,195</u>	<u>39,966</u>
Total noncurrent assets	<u>2,686,195</u>	<u>39,966</u>
Total assets	<u><u>\$ 20,832,567</u></u>	<u><u>\$ 17,661,760</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 388,934	\$ 215,187
Accrued liabilities	3,307,915	3,216,266
Contract liabilities	<u>-</u>	<u>97,510</u>
Total current liabilities	<u>3,696,849</u>	<u>3,528,963</u>
Total liabilities	<u>3,696,849</u>	<u>3,528,963</u>
NET ASSETS		
Without donor restrictions	16,753,101	13,474,660
With donor restrictions	<u>382,617</u>	<u>658,137</u>
Total net assets	<u>17,135,718</u>	<u>14,132,797</u>
Total liabilities and net assets	<u><u>\$ 20,832,567</u></u>	<u><u>\$ 17,661,760</u></u>

See accompanying notes.

Fair Trade USA and Good World Solutions
Consolidated Statement of Activities and Changes in Net Assets
Year Ended December 31, 2025

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Service fees	\$ 21,264,653	\$ -	\$ 21,264,653
Grants and contributions	201,782	273,500	475,282
Contributions of nonfinancial assets	381,561	-	381,561
Other revenue	263,017	-	263,017
Net assets released from restriction	549,020	(549,020)	-
Total revenue and support	22,660,033	(275,520)	22,384,513
OPERATING EXPENSES			
Program services	15,263,880	-	15,263,880
Supporting services			
Management and general	3,253,149	-	3,253,149
Fundraising	864,563	-	864,563
Total supporting services	4,117,712	-	4,117,712
Total operating expenses	19,381,592	-	19,381,592
CHANGE IN NET ASSETS	3,278,441	(275,520)	3,002,921
NET ASSETS, beginning of year	13,474,660	658,137	14,132,797
NET ASSETS, end of year	\$ 16,753,101	\$ 382,617	\$ 17,135,718

See accompanying notes.

Fair Trade USA and Good World Solutions
Consolidated Statement of Activities and Changes in Net Assets
Year Ended December 31, 2024

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Service fees	\$ 20,879,498	\$ -	\$ 20,879,498
Grants and contributions	200,167	776,345	976,512
Contributions of nonfinancial assets	423,078	-	423,078
Other revenue	328,143	-	328,143
Net assets released from restriction	1,087,629	(1,087,629)	-
Total revenue and support	22,918,515	(311,284)	22,607,231
OPERATING EXPENSES			
Program services	15,757,400	-	15,757,400
Supporting services			
Management and general	3,028,211	-	3,028,211
Fundraising	1,636,361	-	1,636,361
Total supporting services	4,664,572	-	4,664,572
Total operating expenses	20,421,972	-	20,421,972
CHANGE IN NET ASSETS	2,496,543	(311,284)	2,185,259
NET ASSETS, beginning of year	10,978,117	969,421	11,947,538
NET ASSETS, end of year	<u>\$ 13,474,660</u>	<u>\$ 658,137</u>	<u>\$ 14,132,797</u>

See accompanying notes.

Fair Trade USA and Good World Solutions
Consolidated Statements of Functional Expenses
Years Ended December 31, 2025 and 2024

2025				
	Program	Management and General	Fundraising	Total Expenses
OPERATING EXPENSES				
Personnel	\$ 8,585,837	\$ 2,284,046	\$ 557,635	\$ 11,427,518
Professional fees	4,090,174	493,987	106,885	4,691,046
Computer, telecom, and equipment	1,113,131	215,543	69,610	1,398,284
Other	422,706	107,653	23,645	554,004
Travel	405,719	68,269	18,187	492,175
Conferences, conventions, and trade shows	195,546	5,466	9,727	210,739
Promotional activities and materials	161,393	19,211	32,791	213,395
Depreciation and amortization	276,706	58,974	15,673	351,353
Third party	7,500	-	30,410	37,910
Facility	5,168	-	-	5,168
	<u>\$ 15,263,880</u>	<u>\$ 3,253,149</u>	<u>\$ 864,563</u>	<u>\$ 19,381,592</u>
2024				
	Program	Management and General	Fundraising	Total Expenses
OPERATING EXPENSES				
Personnel	\$ 9,225,440	\$ 2,280,005	\$ 1,090,123	\$ 12,595,568
Professional fees	4,491,109	427,001	341,889	5,259,999
Computer, telecom, and equipment	1,093,269	221,003	72,028	1,386,300
Travel	326,333	22,642	51,411	400,386
Other	299,542	63,417	17,160	380,119
Conferences, conventions, and trade shows	193,392	882	9,690	203,964
Promotional activities and materials	54,472	5	2,933	57,410
Depreciation and amortization	68,977	13,256	7,163	89,396
Third party	-	-	43,964	43,964
Facility	4,866	-	-	4,866
	<u>\$ 15,757,400</u>	<u>\$ 3,028,211</u>	<u>\$ 1,636,361</u>	<u>\$ 20,421,972</u>

See accompanying notes.

Fair Trade USA and Good World Solutions
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 3,002,921	\$ 2,185,259
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	351,353	89,396
Changes in operating assets and liabilities		
Service fees receivable	477,988	(841,895)
Grants receivable	402,976	(290,134)
Prepaid expenses	60,202	142,742
Other assets	175,090	(266,657)
Accounts payable	173,747	(58,814)
Accrued liabilities	91,649	1,397,909
Contract liabilities	(97,510)	(144,750)
Net cash provided by in operating activities	<u>4,638,416</u>	<u>2,213,056</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(2,997,582)	(10,300)
Purchases of short-term investments	-	(2,664,125)
Sale of short-term investments	<u>1,930,794</u>	<u>-</u>
Net cash used in investing activities	<u>(1,066,788)</u>	<u>(2,674,425)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	3,571,628	(461,369)
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,840,342</u>	<u>4,301,711</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 7,411,970</u></u>	<u><u>\$ 3,840,342</u></u>

See accompanying notes.

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

Note 1 – Nature of Operations

On October 1, 2010, Transfair USA began doing business as Fair Trade USA. Fair Trade USA was incorporated in Minnesota in April 1996 as a nonprofit public benefit organization. During 2011, Fair Trade USA became the sole member of Good World Solutions, Inc. (GWS), a California nonprofit public benefit organization. Fair Trade USA's and Good World Solutions' (collectively, the Organization) principal place of business is in Oakland, California.

The Organization enables sustainable development and community empowerment by cultivating a more equitable global trade model that benefits farmers, workers, fisherman, consumers, industry, and the earth. The Organization achieves its mission by certifying and promoting fair trade products.

In addition to promoting successful empowering relationships between farmers and businesses, the Organization educates American consumers about Fair Trade and economic development. The Organization also verifies that farmers, workers, and fisherman who produce Fair Trade Certified™ (FTC) products are paid a fair price for their products, receive a social premium, and adhere to the Fair Trade environmental, labor, and governance standards. The Organization communicates on a regular basis with farmers, workers, and fisherman in developing countries and provides support for producers entering the system and those working to stay in the system. The Organization has service agreements with more than 1,100 participating companies (manufacturers, retailers, and importers) in the United States and around the world to offer FTC products that have met the Fair Trade criteria, providing these companies permission to use the FTC label on product packaging.

Ultimately, the Organization envisions a day when Fair Trade products are readily available in mainstream stores across the country, when United States consumers can opt for a "Fair Trade Lifestyle" and shop responsibly in every product category. FTC products under the Organization's service agreements include coffee, tea, sugar, cocoa, coconut, fresh fruit, seafood, flowers, factory, and consumer packaged goods in which Fair Trade ingredients are used.

The Organization's major sources of revenue are service fees, foundation and corporate grants, and contributions. The Organization holds exclusive rights to engage in service agreements to allow for the use of the "Fair Trade Certified™" trademark in the United States of America and select foreign countries. Service fees are received from participating companies (roasters for coffee, and importers and retailers for other products) and are based on the amount of Fair Trade products either purchased and/or sold per the service agreements.

Foundation and corporate grants fund the expansion of existing services and tools into new regions and industries, as well as to pilot new technological innovations to further the Organization's mission to bring the voice of the worker into improving worker well-being.

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

Note 2 – Summary of Significant Accounting Policies

Basis of presentation – The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets and revenue and support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Represents resources available to support the Organization's operations without donor restrictions and donor restricted resources that have become available for use by the Organization in accordance with the intention of the donor.

Net assets with donor restrictions – Represents contributions that are limited in use by the Organization in accordance with donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Basis of consolidation – The accompanying consolidated financial statements present the consolidated financial position and changes in net assets and cash flows of the Organization. All material intercompany accounts and transactions have been eliminated in consolidation.

Cash and cash equivalents – The Organization places its cash and cash equivalents with high-quality credit institutions. Cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and present insignificant risk of changes in value because of changes in interest rates. The Organization maintains its cash in bank deposit accounts which, at times, some may be in excess of federally insured limits. Management believes the Organization is not exposed to any significant risks on cash accounts.

Service fees receivable, net – Service fees are generally billed quarterly or semi-annually based on either purchases and/or sales of FTC products reported by licensees. The Organization recognizes revenues and a corresponding receivable after considering implicit and explicit price concessions. Service fees receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The Organization separates service fees receivable into risk pools based on their aging. In determining the amount of the allowance as of the statement of financial position date, the Organization develops a loss rate for each risk pool. The loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions. Uncollectible service fee receivables are written off when all collection efforts have been exhausted. The allowance for credit losses as of December 31, 2025 and 2024, was \$30,712 and \$0, respectively.

Short-term investments – Short-term investments are stated at fair value and consist of certificates of deposit held with an original maturity greater than three months. Interest income is included in other revenue on the consolidated statements of activities and changes in net assets.

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

Fair value measurements – The Organization carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization classifies its financial assets and liabilities according to three levels, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 – Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 – Observable inputs other than quoted market prices included within Level 1 for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability that are not corroborated by market data.

Property and equipment, net – Property and equipment, if purchased, are recorded at cost or, if donated, at the estimated fair value at the time of receipt. Software development costs (internal and external) incurred during the application development stage for new software and software enhancements are capitalized and amortized, if the software's expected economic useful life is greater than one year. Property and equipment are depreciated over the estimated useful lives of three to eight years on the straight-line basis. Leasehold improvements are amortized using the straight-line method over the lesser of the useful lives of the assets or the term of the respective lease. The Organization capitalizes all expenditures for property and equipment with a cost basis of greater than \$2,000 and which have a useful life in excess of one year.

The Organization periodically evaluates the carrying value of its long-lived assets for impairment. When the carrying value of an asset exceeds estimated recoverability, an asset impairment is recognized. No impairment was recognized for the years ended December 31, 2025 and 2024.

Revenue recognition – The Organization records service fee revenue in the period in which participating companies either purchase and/or sell FTC products, as defined in the applicable service agreement, which is when the performance obligation is met. Consideration is based on the applicable service agreement. Service fee revenue is shown net of implicit and explicit price concessions provided to participating companies.

Service fee revenue was from the following product lines as of December 31:

	2025	2024
Coffee	\$ 7,362,582	\$ 7,945,824
Consumer packaged goods	5,110,654	4,548,672
Apparel and home goods	3,856,097	3,988,105
Produce and flowers	4,601,652	3,981,830
Seafood	333,668	415,067
	<u>\$ 21,264,653</u>	<u>\$ 20,879,498</u>

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

The Organization recognizes grant and donor contributions upon the earlier of receipt or when an agreement has been executed. Contributions received without donor-imposed restrictions are reported as increases in support without donor restrictions. Contributions received with donor-imposed restrictions that are received and spent in the same year are reported as an increase in support without donor restrictions. Contributions received with donor-imposed restrictions that are not satisfied in the same year as received are reported as increases in support with donor restrictions. Conditional promises to give are not recognized until they become unconditional, that is when the barriers to entitlement have been overcome and a right of release or return has occurred.

The Organization recognizes contributed nonfinancial assets for contributed goods and services if they create or enhance nonfinancial assets or require specialized skills, which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations. Contributed goods and services are recorded as contributions at their estimated fair value based on wholesale values that would be received for selling similar goods and current rates for similar services on the date of receipt. Such contributions are reported as support without donor restrictions unless the donor has restricted the use of the asset for a specific purpose and the asset is therefore reported as an increase in support with donor restrictions. During the years ended December 31, 2025 and 2024, the Organization received contributed professional services valued at \$160,990 and \$263,143, respectively, which were used for management and general, program services, and fundraising activities, and software licenses at \$220,571 and \$159,935, respectively, which were used for management and general, program services, and fundraising activities. Programs services consist of business development, supply chain, certification, standards, impact, communication, and technology. All professional services, software licenses, and advertising were utilized during the respective years within the Organization.

Contract liabilities – Service revenue and other support where cash was received, but not yet earned, are recorded as contract liabilities. The amount of contract liabilities of \$0 and \$97,510 as of December 31, 2025 and 2024, respectively, represented unearned service fees and unearned consulting and contractor fees. Contract liabilities are recognized as revenue when services are performed by the Organization as stipulated in the applicable service agreements.

Functional expenses – The costs of providing the program services and supporting services activities of the Organization are shown in the consolidated statements of functional expenses. Expenses that can be directly identified with a specific function are allocated directly to that function. Expenses that cannot be directly identified with a specific function are allocated among the program services and the supporting services activities benefited based upon employee time and effort recorded on functions related to the specific activity, or in the case of shared expenses, using an allocation based on personnel costs, space usage, or other relevant bases.

Income tax status – Fair Trade USA and GWS are qualified organizations exempt from federal, Minnesota, and California income taxes under the provisions of Sections 501(c)(3) of the Internal Revenue Code, Chapter 317A of the Minnesota Statutes, and 23701d of the California Revenue and Taxation Code. Accordingly, no provision for federal, Minnesota, or California income tax is reflected in the accompanying consolidated financial statements.

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

The Organization recognizes the effects of its income tax positions only if those positions are more likely than not of being sustained. The Organization has evaluated its tax positions and has concluded as of December 31, 2025 and 2024, that the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Use of estimates – The preparation of consolidated financial statements in conformity with U.S. GAAP 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 consolidated financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 – Grants Receivable

Total grants receivable consisted of the following at December 31:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
General support	\$ 57,000	\$ 80,049	\$ 137,049
	<u>\$ 57,000</u>	<u>\$ 80,049</u>	<u>\$ 137,049</u>
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
General support	\$ 181,775	\$ 358,250	\$ 540,025
	<u>\$ 181,775</u>	<u>\$ 358,250</u>	<u>\$ 540,025</u>

Grants receivable that are expected to be collected in subsequent years are typically discounted using a risk adjusted market interest rate applicable to the years in which the grants are expected to be received or when the promise is made. At December 31, 2025 and 2024, management had not adjusted grants receivable using the applicable interest rate as they have deemed any adjustment to be insignificant to the consolidated financial statements. All receivables are considered fully recoverable for the years ended December 31, 2025 and 2024. At December 31, 2025 and 2024, all grant receivables are considered receivable in less than one year.

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

Note 4 – Fair Value Measurements

The levels in the Accounting Standards Codification Topic 820, *Fair Value Measurement*, fair value hierarchy into which the Organization's investments fall as of December 31 were as follows:

	2025	2024
Certificates of deposit - Level 2	\$ 4,306,242	\$ 6,237,036
	<u>\$ 4,306,242</u>	<u>\$ 6,237,036</u>

Investments are exposed to various risks such as interest rate, market, liquidity, and credit risks.

While the Organization believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Those estimated values may differ significantly from the values that would have been used had a readily available market for such investments existed, or had such investments been liquidated, and these differences could be material to the consolidated financial statements.

Note 5 – Property and Equipment, Net

Property and equipment, net consisted of the following at December 31:

	2025	2024
Machinery and equipment	\$ 1,112,899	\$ 1,109,269
Website development	304,083	304,083
Furniture and fixtures	168,590	168,590
Leasehold improvements	68,930	68,930
Capitalized software development	<u>2,993,952</u>	<u>-</u>
Property and equipment	4,648,454	1,650,872
Less accumulated depreciation and amortization	<u>(1,962,259)</u>	<u>(1,610,906)</u>
Property and equipment, net	<u>\$ 2,686,195</u>	<u>\$ 39,966</u>

Depreciation and amortization expense for the years ended December 31, 2025 and 2024, was \$351,353 and \$89,396, respectively.

Note 6 – Notes Payable

In November 2023, the Organization renewed its secured line of credit agreement with FRB in the amount of \$1,000,000. The line of credit bore interest at a rate of 8.50% and matured in November 2024. The Organization did not renew this line of credit after its maturity.

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

Note 7 – Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31:

	2025	2024
Core support for enhancing market activation and expansion efforts in Asia and the Americas	\$ 161,519	\$ 355,234
To bring together key stakeholders from across the nonprofit, private, and public sectors to support the implementation of the Tuna Harvest Strategy in Indonesia's archipelagic waters	85,426	124,880
To fund a micro-grant program that is aimed at bringing additional value to producers within Lake Champlain Chocolate's supply chain	20,922	51,480
This program aims to equip nonprofits with funding, cutting-edge technology, and pro bono expertise to confidently create customized Artificial Intelligent agent solutions	57,269	-
The purpose is to train farmers from 97 coffee growers organizations across 3 countries (Guatemala, Honduras and Nicaragua) in coffee quality	41,481	-
The Neiman Marcus Group Certification Payment and donated as Grant to support Factory producer	12,500	-
To support the women in that factory as they get on their feet with their Fair Trade Committee	3,500	-
General Operation	-	47,000
To support the Certification & Ratings Collaboration project	-	35,500
To provide additional income and improve the well-being of 731 farmers in the Fair Trade program, directly benefitting around 3,655 people in north-central Nicaragua	-	18,635
To conduct data collection in support of living wage research across 2 tea regions in India	-	15,110
To enhancing its Partner Portal with a data warehouse and Artificial Intelligent / Machine Learning, which will allow their partners to better evaluate supply chain risks and see their impact	-	10,298
	<u>\$ 382,617</u>	<u>\$ 658,137</u>

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

Net assets with donor restrictions released from restrictions by incurring expenses were comprised of the following for the years ended December 31:

	2025	2024
Core support for enhancing market activation and expansion efforts in Asia and the Americas	\$ 193,717	\$ 4,766
To equip nonprofits with funding, cutting-edge technology, and pro bono expertise to confidently create customized AI agent solutions.	142,731	-
To support phase II of the tuna consortium work Sven has been carrying out in Indonesia with a group of partners	39,452	75,531
General Operation	42,000	8,000
To support the Certification & Ratings Collaboration project	35,500	34,500
To fund a micro-grant program that is aimed at bringing additional value to producers within LCC's supply chain over the next two years via profits from their sales from their Signature brand line	30,558	-
To provide additional income and improve the well-being of 731 farmers in the Fair Trade program, directly benefitting around 3,655 people in north-central Nicaragua	18,635	27,015
To conduct data collection in support of living wage research across across two tea regions in India	15,110	97,423
To enhancing its Partner Portal with a data warehouse and Artificial Intelligent / Machine Learning, which will allow their partners to better and see their impact	10,298	49,702
Improving the livelihoods & building resilient coffee communities in Central America	8,519	-
The Neiman Marcus Group Certification Payment and donated as Grant to support Factory producer	7,500	-
To support Producer Fair Trade committee	5,000	-
Support for building new tools to deliver better learning content and access to those materials for producers and workers and to use technology to enable better assurance of compliance by companies to drive impact to people and planet	-	661,338
To support the revision of its Agricultural Production Standard facilitate market adoption and producer and community support in Indonesia and India	-	60,848
To support living wage study in Assam and West Bengal, India	-	28,506
Skoll-Kenya Support flooding	-	25,000
Skoll-Brazil Support flooding	-	15,000
	<u>\$ 549,020</u>	<u>\$ 1,087,629</u>

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

Note 8 – Program Services

Business development – The Business Development program works with companies to increase sales of FTC products in the market.

Certification impact program operations – The Certification department audits transactions between companies offering FTC products and their international suppliers to guarantee that the farmers and workers who produce FTC goods are paid a fair price for their products, receive a social premium, and adhere to the Fair Trade environmental, labor, and governance standards.

Supply chain management – Supply chain management includes support for producers, exporters, importers, retailers, and roasters throughout the Fair Trade supply chain. That support helps producers deliver high quality products that fit within the Organization’s mission and are desired by retailers and consumers. Producer training and assistance services include: quality and environmental training, market data and linkage, access to capital, governance training, and other technical assistance.

Marketing communications and education – The Organization executes a broad range of marketing and public relations programs whose goal is to raise consumer awareness of international trade issues in general, and Fair Trade concerns in particular. The resulting increase in consumer awareness leads directly to an increase in consumer demand.

Good World Solutions Technology – Good World Solutions Technology, in the form of its principal tools, Voice of the Client (micro-finance), and the Fair Wage Guide, provides quantitative tools and analytics to establish an anonymous two-way communication channel for workers and borrowers to report, and for companies and lenders to receive, unfiltered data directly from workers. GWS products are also used to survey farmers and workers producing Fair Trade Certified products to assess the impact of Fair Trade programs against defined livelihood and well-being measures.

Program services incurred were comprised of the following for the years ended December 31:

	2025	2024
Business development	\$ 5,624,786	\$ 5,195,406
Certification impact program operations	4,322,694	2,450,288
Supply chain management	2,808,186	4,883,367
Marketing communications and education	2,507,376	3,225,814
Good World Solutions Technology	838	2,525
	<u>\$ 15,263,880</u>	<u>\$ 15,757,400</u>

Note 9 – Commitments

The Organization pays for the office rental for one of its consultants in Cote d'Ivoire. The consultant manages the rent and the Organization reimburses the rent fee for them.

Rent expense, included in facility expenses on the consolidated statements of functional expenses, for the years ended December 31, 2025 and 2024, was \$5,168 and \$4,866, respectively.

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

Note 10 – Concentrations

During the years ended December 31, 2025 and 2024, one customer accounted for approximately 7% of total service fees for both years.

As of the years ended December 31, 2025 and 2024, one customer accounted for approximately 6% of total service fees receivable, net, for both years.

Note 11 – Retirement Plan

The Organization sponsors a 401(k) profit sharing plan covering all eligible employees who have completed six months of service. The Organization makes matching contributions up to 4% of the employee's eligible compensation. Employees are eligible to make elective contributions up to the maximum amount allowed by the Internal Revenue Code. The Organization contributed \$337,056 and \$300,849, respectively, to the plan for the years ended December 31, 2025 and 2024, which are included in personnel expenses on the consolidated statements of functional expenses.

Note 12 – Liquidity and Availability

Financial assets available for general expenditure, within one year of the consolidated statements of financial position at December 31 comprise the following:

	2025	2024
Financial assets, year end		
Cash and cash equivalents	\$ 7,411,970	\$ 3,840,342
Service fees receivable	5,766,553	6,244,541
Grants receivable, current portion	137,049	540,025
Short-term investments	4,306,242	6,237,036
	<u>17,621,814</u>	<u>16,861,944</u>
Less assets unavailable for general expenditures within one year		
Cash and cash equivalents held with donor restrictions	(302,568)	(299,887)
Grants receivable, current portion with donor restrictions	(80,049)	(358,250)
	<u>(382,617)</u>	<u>(658,137)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 17,239,197</u>	<u>\$ 16,203,807</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements in certificate of deposits and money market funds. The service fee receivable and grants receivable, current portion, are expected to be collected within one year.

Fair Trade USA and Good World Solutions

Notes to Consolidated Financial Statements

Note 13 – Subsequent Events

Subsequent events are events or transactions that occur after the consolidated statement of financial position date, but before the consolidated financial statements are available to be issued. The Organization recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. The Organization's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statement of financial position, but arose after the consolidated statement of financial position date and before the consolidated financial statements were available to be issued.

The Organization has evaluated subsequent events through June 11, 2026, which is the date the consolidated financial statements were available to be issued.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.