

BOULDER CREST FOUNDATION

Bluemont, Virginia

FINANCIAL STATEMENTS

DECEMBER 31, 2025

C O N T E N T S

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Boulder Crest Foundation
Bluemont, Virginia

Opinion

We have audited the financial statements of Boulder Crest Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2025 and 2024, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2025 and 2024, and the change in net assets, functional expenses and its 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 the Foundation 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

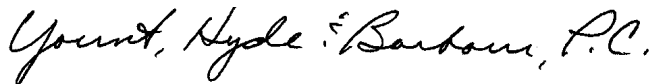
Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Winchester, Virginia
April 23, 2026

BOULDER CREST FOUNDATION

Statements of Financial Position

December 31, 2025 and 2024

Assets	2025	2024
Current Assets		
Cash and cash equivalents	\$ 2,702,500	\$ 2,927,087
Pledges receivable, current portion	510,000	10,000
Prepaid expenses and other current assets	649,989	448,265
Other receivables	242,134	699,467
Total current assets	\$ 4,104,623	\$ 4,084,819
Property and Equipment		
Buildings	\$ 22,735,558	\$ 19,369,537
Land and improvements	6,553,226	4,855,092
Furniture and equipment	1,228,063	1,133,877
Website and application	197,876	197,708
Vehicles	879,202	809,456
Construction in progress	384,818	246,493
	\$ 31,978,743	\$ 26,612,163
Less accumulated depreciation	7,289,446	6,359,892
Total property and equipment, net	\$ 24,689,297	\$ 20,252,271
Other Assets		
Investments	\$ 29,869,057	\$ 22,083,657
Intangibles	24,837	24,837
Pledges receivable, net of discount, less current portion	450,178	-
Total other assets	\$ 30,344,072	\$ 22,108,494
Total assets	\$ 59,137,992	\$ 46,445,584
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 374,907	\$ 519,710
Deferred revenue	275,000	-
Total Liabilities	\$ 649,907	\$ 519,710
Net Assets		
Without donor restrictions	\$ 55,287,827	\$ 44,900,874
With donor restrictions	3,200,258	1,025,000
Total net assets	\$ 58,488,085	\$ 45,925,874
Total liabilities and net assets	\$ 59,137,992	\$ 46,445,584

See Notes to Financial Statements.

BOULDER CREST FOUNDATION

Statement of Activities

For the Year Ended December 31, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gain and Other Support			
Contributions:			
Contributed financial assets	\$ 9,388,837	\$ 3,200,258	\$ 12,589,095
Contributed nonfinancial assets	5,255,405	--	5,255,405
Special events:			
Contribution portion of special events	873,702	--	873,702
Exchange portion of special events, net	600,170	--	600,170
Grants	8,146,869	--	8,146,869
Sponsorship revenue	500,000	--	500,000
Seminar income, net	837,193	--	837,193
Book sales, net	121,908	--	121,908
Investment return, net	1,441,891	--	1,441,891
Other revenue	86,447	--	86,447
Net assets released from restrictions	<u>1,025,000</u>	<u>(1,025,000)</u>	<u>--</u>
Total revenues, gain and other support	<u>\$ 28,277,422</u>	<u>\$ 2,175,258</u>	<u>\$ 30,452,680</u>
Expenses			
Program services	\$ 15,805,816	\$ --	\$ 15,805,816
Management and general	1,151,116	--	1,151,116
Fundraising	<u>933,537</u>	<u>--</u>	<u>933,537</u>
Total expenses	<u>\$ 17,890,469</u>	<u>\$ --</u>	<u>\$ 17,890,469</u>
Change in net assets	<u>10,386,953</u>	<u>2,175,258</u>	<u>12,562,211</u>
Net assets, beginning of year	<u>\$ 44,900,874</u>	<u>\$ 1,025,000</u>	<u>\$ 45,925,874</u>
Net assets, end of year	<u>\$ 55,287,827</u>	<u>\$ 3,200,258</u>	<u>\$ 58,488,085</u>

See Notes to Financial Statements.

BOULDER CREST FOUNDATION

Statement of Activities

For the Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gain (Loss) and Other Support			
Contributions:			
Contributed financial assets	\$ 5,238,001	\$ 1,000,000	\$ 6,238,001
Contributed nonfinancial assets	2,534,134	--	2,534,134
Special events:			
Contribution portion of special events	813,166	--	813,166
Exchange portion of special events, net	507,369	--	507,369
Grants	10,331,991	--	10,331,991
Sponsorship revenue	500,000	--	500,000
Seminar income, net	330,685	--	330,685
Book sales, net	92,484	--	92,484
Investment return, net	1,062,608	--	1,062,608
(Loss) on disposal of assets	58,405	--	58,405
Net assets released from restrictions	<u>378,900</u>	<u>(378,900)</u>	<u>--</u>
Total revenues, gain (loss) and other support	<u>\$ 21,847,743</u>	<u>\$ 621,100</u>	<u>\$ 22,468,843</u>
Expenses			
Program services	\$ 14,059,212	\$ --	\$ 14,059,212
Management and general	823,189	--	823,189
Fundraising	<u>870,159</u>	<u>--</u>	<u>870,159</u>
Total expenses	<u>\$ 15,752,560</u>	<u>\$ --</u>	<u>\$ 15,752,560</u>
Change in net assets	<u>6,095,183</u>	<u>621,100</u>	<u>6,716,283</u>
Net assets, beginning of year	<u>\$ 38,805,691</u>	<u>\$ 403,900</u>	<u>\$ 39,209,591</u>
Net assets, end of year	<u>\$ 44,900,874</u>	<u>\$ 1,025,000</u>	<u>\$ 45,925,874</u>

See Notes to Financial Statements.

BOULDER CREST FOUNDATION

Statement of Functional Expenses For the Year Ended December 31, 2025

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Conferences, training and meetings	\$ 113,759	\$ 73,408	\$ 19,908	\$ 207,075
Depreciation	929,554	--	--	929,554
Employee benefits	618,787	39,358	47,855	706,000
Employer taxes	418,725	23,610	40,760	483,095
Fundraising events expenses	--	--	47,647	47,647
General fundraising expenses	--	--	40,340	40,340
Information technology	220,846	26,582	109,596	357,024
Insurance	230,036	--	--	230,036
Office and supplies expenses	358,517	28,846	24,725	412,088
Outreach	1,041,060	--	--	1,041,060
Professional and contract services	2,555,981	481,799	84,443	3,122,223
PTG Institute and Struggle Well	439,333	--	--	439,333
Retreat program and property expenses	1,244,853	--	--	1,244,853
Salaries	5,119,071	334,225	494,076	5,947,372
Travel	1,266,759	143,288	24,187	1,434,234
Warrior PATHH Network	1,248,535	--	--	1,248,535
Total	<u>\$ 15,805,816</u>	<u>\$ 1,151,116</u>	<u>\$ 933,537</u>	<u>\$ 17,890,469</u>

See Notes to Financial Statements.

BOULDER CREST FOUNDATION

Statement of Functional Expenses For the Year Ended December 31, 2024

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Conferences, training and meetings	\$ 84,981	\$ 89,606	\$ 9,969	\$ 184,556
Depreciation	811,431	--	--	811,431
Employee benefits	461,206	14,683	39,363	515,252
Employer taxes	321,995	21,636	37,782	381,413
Fundraising events expenses	--	--	50,196	50,196
General fundraising expenses	--	--	59,777	59,777
Information technology	229,658	16,935	79,721	326,314
Insurance	171,695	12,814	--	184,509
Office and supplies expenses	156,624	40,599	77,813	275,036
Outreach	1,747,243	--	14,086	1,761,329
Professional and contract services	2,319,099	226,316	5,959	2,551,374
PTG Institute and Struggle Well	593,227	--	--	593,227
Retreat program and property expenses	962,687	--	--	962,687
Salaries	4,029,988	336,280	457,020	4,823,288
Travel	1,070,708	64,320	38,473	1,173,501
Warrior PATHH Network	1,098,670	--	--	1,098,670
Total	<u>\$ 14,059,212</u>	<u>\$ 823,189</u>	<u>\$ 870,159</u>	<u>\$ 15,752,560</u>

See Notes to Financial Statements.

BOULDER CREST FOUNDATION

Statements of Cash Flows

For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ 12,562,211	\$ 6,716,283
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	929,554	811,431
Unrealized and realized (gain)	(593,493)	(170,873)
Donation of property and equipment	(5,016,878)	(2,195,037)
(Increase) decrease in pledges receivable	(950,178)	35,000
(Increase) in prepaid expenses and other current assets	(201,724)	(224)
Decrease (increase) in other receivables	457,333	(309,139)
(Decrease) in accounts payable and accrued expenses	(144,803)	(130,695)
Increase in deferred revenue	275,000	--
Net cash provided by operating activities	\$ 7,317,022	\$ 4,756,746
Cash Flows from Investing Activities		
Purchase of property and equipment	\$ (349,702)	\$ (3,293,841)
Purchase of investment	(16,555,749)	(12,930,405)
Proceeds from sales of investments	9,363,842	10,751,435
Net cash (used in) investing activities	\$ (7,541,609)	\$ (5,472,811)
(Decrease) in cash and cash equivalents	\$ (224,587)	\$ (716,065)
Cash and Cash Equivalents		
Beginning	2,927,087	3,643,152
Ending	\$ 2,702,500	\$ 2,927,087
Supplemental Disclosures of Non-Cash Investing Activities,		
in-kind donations of property and equipment	\$ 5,016,878	\$ 2,195,037

See Notes to Financial Statements.

BOULDER CREST FOUNDATION

Notes to Financial Statements

Note 1. Description of the Organization

Boulder Crest Foundation (the “Foundation”) exists to enable active military service members, military veterans, first responders, and their family members, as well as those struggling with the effects of trauma, to transform times of deep struggle into profound strength and posttraumatic growth (PTG), including without limitation by: (a) owning and operating retreat facilities for the delivery of PTG-based programs; (b) partnering with other military and first responder-focused nonprofit organizations to support their delivery of Boulder Crest programs; (c) delivering PTG-based training programs to actively serving military and first responders at locations across the country.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. Net assets, revenues, and expenses are classified based on the terms of donor-imposed restrictions, if any. Accordingly, the net assets, revenues, and expenses of the Foundation are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. 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.

Use of Estimates

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

Investments

Investments are recorded at fair market value in the statements of financial position. Any realized and unrealized gains and losses are reflected in the statements of activities.

Notes to Financial Statements

Prepaid Expenses

Prepaid expenses represent amounts paid for services that will occur in future reporting periods.

Cash and Cash Equivalents

For financial statement purposes, the Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents. Balances in these accounts may, at times, exceed federally insured limits. The Foundation has not experienced any loss in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Pledges Receivable

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on these amounts are computed using the prime rate. Amortization of the discount is included in contribution revenue. Total pledges receivable discount for the year ended December 31, 2025 is \$49,822. There is no pledges receivable discount for the year ended December 31, 2024. There is no allowance for uncollectible promises to give for the years ended December 31, 2025 and 2024.

Property and Equipment

Property and equipment are stated at cost or, if donated, at the estimated fair market value at the time of donation. Depreciation is calculated using the straight-line method over the assets' useful lives as follows:

Buildings	39.5 years
Land improvements	10-39.5 years
Furniture and equipment	3-15 years
Website and application	3 years
Vehicles	3-7 years

Revenue Recognition

The Foundation recognizes revenue in accordance with ASC Topic 606. This standard provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

Nature of Products and Services

Sponsorship revenue, seminar income and book sales are considered exchange transactions and recorded as revenue at the point in time in which the goods or services are provided by the Foundation.

Notes to Financial Statements

The Foundation records special events revenue equal to the cost of direct benefits to donors and contribution revenue for the difference.

Transaction Price

The transaction price is the amount of consideration to which the Foundation expects to be entitled in exchange for transferring goods and services to the customer.

Contract Balances

Funds received by the Foundation relating to revenue generating activities of future reporting periods would be recorded as a contract liability (deferred revenue) on the statements of financial position. Deferred revenue recognized for the year ended December 31, 2025 was \$275,000. There was no deferred revenue recognized as of December 31, 2024 and January 1, 2024.

Contributions and Grants

The Foundation recognizes contributions and grants when cash, securities, other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met.

Gifts of cash and other assets for the general use and benefit of the Foundation are presented as net assets without donor restrictions. Other contributions are presented as net assets with donor restrictions if they are received with donor stipulations that further limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Net assets with donor restrictions whose restrictions are met in the same year are reflected as net assets without donor restrictions. Promises to give are recognized as revenue when the pledge is received from a donor. Amounts due to be received or paid are discounted to their net present value. Changes in discounts are recognized as contribution revenue or expense over the period of the pledge.

Allocation Methodology for the Statement of Functional Expenses

The cost of providing the various programs and activities has been summarized in the statement of functional expenses. Certain costs have been allocated among program services, management and general, and fundraising. All expenses have been allocated based on direct costs with the exception of salaries, taxes and payroll fees which are allocated based on direct costs and time and effort. Such allocations have been made by management on an equitable basis.

Income Taxes

The Foundation is exempt from federal and state income taxes under Internal Revenue Code 501(c)(3) and has been determined not to be a private foundation under Code Section 509(a). The Foundation will only be taxed to the extent it has taxable trade or business income unrelated to its exempt purpose.

Notes to Financial Statements

Leases

The Foundation determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Foundation also considers whether its service arrangements include the right to control the use of an asset.

The Foundation recognizes most leases on its statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition on the statement of activities.

The Foundation made an accounting policy election not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Foundation made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable, they will be incurred.

The Foundation has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate, vehicle and equipment asset classes. The non-lease components typically represent additional services transferred to the Foundation, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Notes to Financial Statements

Note 3. Liquidity and Availability of Resources

The following represents the Foundation's financial assets at December 31, 2025 and 2024:

	2025	2024
Financial assets, at year-end:		
Cash and cash equivalents	\$ 2,702,500	\$ 2,927,087
Pledges receivable, net	510,000	10,000
Other receivables	242,134	699,467
Investments	29,869,057	22,083,657
Total financial assets	\$ 33,323,691	\$ 25,720,211
Less amounts not available to be used within one year:		
Restricted by donors for purpose	\$ 3,200,258	\$ 1,025,000
Board designated - operating reserve	16,000,000	13,300,000
	\$ 19,200,258	\$ 14,325,000
Financial assets available to meet cash needs for general expenditures within one year	\$ 14,123,433	\$ 11,395,211

The Foundation has \$14,123,433 and \$11,395,211 of financial assets available within one year of the statements of financial position date to meet cash needs for general expenditures as of December 31, 2025 and 2024, respectively. The Foundation manages its liquidity on an ongoing basis by maintaining adequate cash and short-term investments, monitoring forecasted cash flows, and structuring its financial assets to be available as obligations come due. The Foundation's primary sources of liquidity are contributions, grants, program revenues, and investment income, which are received throughout the year. In addition to financial assets available to meet general expenditures, the Foundation maintains board-designated operating reserves that could be made available, if necessary, upon approval of the Board of Directors. Management's policy is to maintain financial assets sufficient to cover approximately twelve months of normal operating expenditures and to monitor liquidity needs through regular budget-to-actual and cash flow analyses.

Notes to Financial Statements

Note 4. Pledges Receivable

The following represents the Foundation's outstanding pledges receivable at December 31, 2025 and 2024:

	2025	2024
Within one year	\$ 510,000	\$ 10,000
One to three years	<u>500,000</u>	<u>- -</u>
	\$ 1,010,000	\$ 10,000
Less present value discount (3.47%)	<u>(49,822)</u>	<u>- -</u>
	<u><u>\$ 960,178</u></u>	<u><u>\$ 10,000</u></u>

Note 5. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of December 31, 2025 and 2024:

	2025	2024
PATHH Programs	\$ 250,000	\$ - -
Struggle Well application	1,500,000	1,000,000
Texas property improvements	1,450,258	
Time restriction	<u>- -</u>	<u>25,000</u>
	<u><u>\$ 3,200,258</u></u>	<u><u>\$ 1,025,000</u></u>

Net assets were released from donor restrictions for the years ended December 31, 2025 and 2024 by incurring expenses satisfying the purpose specified by the donor as follows:

	2025	2024
PATHH Programs	\$ - -	\$ 204,900
Struggle Well application	1,000,000	154,000
Time restriction	<u>25,000</u>	<u>20,000</u>
	<u><u>\$ 1,025,000</u></u>	<u><u>\$ 378,900</u></u>

Notes to Financial Statements

Note 6. Contributed Nonfinancial Assets

For the years ended December 31, 2025 and 2024, contributed nonfinancial assets recognized within the statement of activities include the following:

	<u>2025</u>	<u>2024</u>
Cabins supplies	\$ 1,200	\$ --
Family rest and relaxation	2,594	128,147
Other	71,961	5,689
Property and equipment	5,016,878	2,287,624
PATHH supplies	47,746	--
Property operations	52,737	--
PATHH contractor services	<u>19,590</u>	<u>--</u>
	\$ 5,212,706	\$ 2,421,460
Donated fundraising event supplies and services	<u>42,699</u>	<u>112,674</u>
	<u>\$ 5,255,405</u>	<u>\$ 2,534,134</u>

Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed supplies (cabins, PATHH, and family rest and relaxation) were valued using estimated U.S. wholesale prices of identical or similar products. Contributed event supplies are used in fundraising services.

Contributed contractor services (property operations and PATHH) are valued based on the rate provided by the contractor. Fair value is determined based on prevailing market rates for similar services, considering the nature of the services provided, the contractor's level of expertise, and rates charged for comparable services in the geographic area.

Contributed property and equipment are valued based on independent third-party appraisals obtained at or near the date of donation. These appraisals consider relevant market data, the condition and utility of the assets, and other factors affecting value. The Foundation reviews the appraisals for reasonableness and uses them as the primary basis for recording the contributed assets.

The Foundation does not have a policy to monetize any contributed financial assets received; the Foundation intends to use any other in-kind contributions for its program and support services.

Notes to Financial Statements

Note 7. Fair Value Measurements

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are briefly described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

- Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instrument.

- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair values of all of the marketable securities as of December 31, 2025 and 2024 are based on unadjusted, quoted prices in active markets as of the measurement date (often referred to as Level 1 inputs.)

The following table presents the balance of financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2025 and 2024, respectively.

	2025			
	Level 1	Level 2	Level 3	Total
Assets				
Mutual funds	\$ 4,198,240	\$ --	\$ --	\$ 4,198,240
Fixed income	21,257,571	--	--	21,257,571
Exchange traded funds	4,039,137	--	--	4,039,137
Equities	272,520	--	--	272,520
Unit investment trusts	101,589	--	--	101,589
	\$ 29,869,057	\$ --	\$ --	\$ 29,869,057
	2024			
	Level 1	Level 2	Level 3	Total
Assets				
Mutual funds	\$ 5,671,363	\$ --	\$ --	\$ 5,671,363
Fixed income	13,199,465	--	--	13,199,465
Exchange traded funds	2,890,957	--	--	2,890,957
Equities	235,685	--	--	235,685
Unit investment trusts	86,187	--	--	86,187
	\$ 22,083,657	\$ --	\$ --	\$ 22,083,657

Notes to Financial Statements

Note 8. Investments

Investments as of December 31, 2025 and 2024, were as follows:

	2025		
	Cost	Market Value	Unrealized Appreciation
Mutual funds	\$ 4,165,681	\$ 4,198,240	\$ 32,559
Fixed income	21,156,526	21,257,571	101,045
Exchange traded funds	3,578,209	4,039,137	460,928
Equities	189,603	272,520	82,917
Unit investment trusts	86,381	101,589	15,208
Total	\$ 29,176,400	\$ 29,869,057	\$ 692,657
	2024		
	Cost	Market Value	Unrealized Appreciation
Mutual funds	\$ 5,647,329	\$ 5,671,363	\$ 24,034
Fixed income	13,204,895	13,199,465	(5,430)
Exchange traded funds	2,784,998	2,890,957	105,959
Equities	189,223	235,685	46,462
Unit investment trusts	76,369	86,187	9,818
Total	\$ 21,902,814	\$ 22,083,657	\$ 180,843

Investment return, net was as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Dividend income	\$ 268,857	\$ 304,089
Interest income	628,838	647,486
Net realized and unrealized gain	593,493	170,873
Investment fees	(49,297)	(59,840)
	\$ 1,441,891	\$ 1,062,608

Notes to Financial Statements

Note 9. Operating Lease

The Foundation maintains a lease for office equipment with monthly payments of \$210.

This lease is renewed on a month-to-month basis and insignificant resulting in no right-of-use asset or lease liability reflected in the accompanying statement of financial position. Total lease expense included in the statement of activities for the lease is \$210 and \$2,260 for the year ended December 31, 2025 and 2024, respectively.

Note 10. Revenue Concentration

The Foundation receives a significant portion of its support and revenue from a few sources. For the years ended 2025 and 2024, approximately 42% and 29%, respectively, was derived from three and two sources, respectively.

Note 11. Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through April 23, 2026, the date the financial statements were available to be issued. The Foundation has determined there are no subsequent events that require recognition or disclosure.