

CODE PLATOON, NFP
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2025 AND 2024
TOGETHER WITH AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Code Platoon, NFP:

Opinion

We have audited the accompanying financial statements of Code Platoon, NFP (the Organization), which comprise the statement of financial position as of December 31, 2025, and 2024, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Code Platoon, NFP as of December 31, 2025, and 2024, and its changes in net assets 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. 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 Code Platoon, NFP and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report
To the Board of Directors of
Code Platoon, NFP

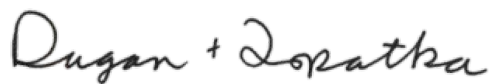
Auditor's Responsibilities for the Audit of the Financial Statements

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 Code Platoon, NFP'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 judgement, there are conditions or events, considered in the aggregate, which raise substantial doubt about Code Platoon, NFP'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.



DUGAN & LOPATKA

Warrenville, Illinois
June 15, 2026

CODE PLATOON, NFP
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

A S S E T S

	<u>2025</u>	<u>2024</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 199,058	\$ 124,830
Investments	1,300,614	1,574,116
Tuition receivable, net of allowance for credit losses of \$33,000 and \$15,500 for 2025 and 2024, respectively.	116,050	79,500
Grants receivable	-	125,880
Prepaid expenses	28,186	24,184
Security deposit	<u>14,256</u>	<u>14,256</u>
OTHER ASSETS:		
Right of use asset - operating lease	<u>-</u>	<u>13,229</u>
Total assets	<u>\$ 1,658,164</u>	<u>\$ 1,955,995</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 14,533	\$ 4,113
Deferred revenue	1,000	5,500
Operating lease liabilities, current	<u>-</u>	<u>13,229</u>
Total liabilities	15,533	22,842
COMMITMENTS		
NET ASSETS:		
Without donor restrictions	1,467,631	1,678,153
With donor restrictions	<u>175,000</u>	<u>255,000</u>
Total net assets	<u>1,642,631</u>	<u>1,933,153</u>
Total liabilities and net assets	<u>\$ 1,658,164</u>	<u>\$ 1,955,995</u>

CODE PLATOON, NFP
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES:						
Tuition, net of scholarships of \$1,053,000 and \$1,970,372 for 2025 and 2024, respectively	\$ 521,369	\$ -	\$ 521,369	\$ 672,205	\$ -	\$ 672,205
Sponsorships	20,000	-	20,000	20,000	-	20,000
Contributions	732,538	250,000	982,538	675,941	275,000	950,941
Investment income	76,499	-	76,499	90,564	-	90,564
Net assets released from restrictions	330,000	(330,000)	-	310,000	(310,000)	-
Total support and revenues	1,680,406	(80,000)	1,600,406	1,768,710	(35,000)	1,733,710
FUNCTIONAL EXPENSES:						
Program services	1,531,781	-	1,531,781	1,461,797	-	1,461,797
Management and general	255,414	-	255,414	250,127	-	250,127
Fundraising	103,733	-	103,733	81,141	-	81,141
Total functional expenses	1,890,928	-	1,890,928	1,793,065	-	1,793,065
CHANGE IN NET ASSETS	(210,522)	(80,000)	(290,522)	(24,355)	(35,000)	(59,355)
NET ASSETS, Beginning of year	1,678,153	255,000	1,933,153	1,702,508	290,000	1,992,508
NET ASSETS, End of year	\$ 1,467,631	\$ 175,000	\$ 1,642,631	\$ 1,678,153	\$ 255,000	\$ 1,933,153

The accompanying notes are an integral part of this statement.

CODE PLATOON, NFP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (290,522)	\$ (59,355)
Adjustments to reconcile net assets to net cash provided by (used in) operating activities:		
Realized and unrealized (gain) on investments	(29,803)	(19,904)
Noncash portion of lease expense for operating leases	13,229	77,250
Change in operating assets and liabilities:		
(Increase) in tuition receivable	(36,550)	(50,900)
(Increase) decrease in grants receivable	125,880	(75,880)
(Increase) in prepaid expenses	(4,002)	(928)
Increase (decrease) in accounts payable and accrued liabilities	10,420	(18,158)
(Decrease) in operating lease liabilities	(13,229)	(77,250)
(Decrease) in deferred revenue	(4,500)	(26,579)
	<u>(229,077)</u>	<u>(251,704)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	350,000	200,000
Purchases of investments	(46,695)	(70,658)
	<u>303,305</u>	<u>129,342</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	74,228	(122,362)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>124,830</u>	<u>247,192</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 199,058</u>	<u>\$ 124,830</u>

CODE PLATOON, NFP
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Accounting services	\$ -	\$ 41,075	\$ -	\$ 41,075
Advertising & marketing	95,006	-	-	95,006
Bad debt expense	23,000	-	-	23,000
Bank charges	912	4,563	-	5,475
Benefits expense	83,081	11,619	5,852	100,552
Dues & subscriptions	67,247	3,797	1,913	72,957
Events	293	-	26,946	27,239
HR services	-	24,000	-	24,000
Independent contractors	193,565	-	-	193,565
Insurance	6,759	4,925	476	12,160
Legal & professional fees	-	651	-	651
Lease expense	72,004	-	-	72,004
Meals & entertainment	-	4,047	-	4,047
Office expense	14,117	2,652	380	17,149
Other	-	4,499	-	4,499
PayPal fees	-	1,977	-	1,977
Payroll taxes	71,592	10,030	4,906	86,528
Shipping & delivery	-	241	-	241
Supplies	3,551	-	-	3,551
Taxes & licenses	2,200	-	-	2,200
Travel & parking	17	13,987	-	14,004
Wages	898,144	125,607	63,260	1,087,011
Website expense	293	1,744	-	2,037
	<u>\$ 1,531,781</u>	<u>\$ 255,414</u>	<u>\$ 103,733</u>	<u>\$ 1,890,928</u>
Total functional expenses	<u>\$ 1,531,781</u>	<u>\$ 255,414</u>	<u>\$ 103,733</u>	<u>\$ 1,890,928</u>

CODE PLATOON, NFP
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Accounting services	\$ -	\$ 38,815	\$ -	\$ 38,815
Advertising & marketing	84,664	-	-	84,664
Bad debt expense	8,500	-	-	8,500
Bank charges	-	2,901	-	2,901
Benefits expense	56,146	7,929	3,008	67,083
Dues & subscriptions	52,735	1,967	742	55,444
Events	287	-	25,587	25,874
HR services	-	24,000	-	24,000
Independent contractors	193,473	-	-	193,473
Insurance	3,791	7,234	203	11,228
Lease expense	84,863	-	-	84,863
Meals & entertainment	-	3,313	-	3,313
Office expense	16,800	3,045	390	20,235
Other	-	7,720	-	7,720
PayPal fees	-	949	-	949
Payroll taxes	69,985	9,877	3,752	83,614
Shipping & delivery	-	229	-	229
Supplies	4,357	381	-	4,738
Taxes & licenses	500	-	-	500
Travel & parking	203	11,476	-	11,679
Wages	885,159	125,117	47,459	1,057,735
Website expense	334	5,174	-	5,508
	<u>\$ 1,461,797</u>	<u>\$ 250,127</u>	<u>\$ 81,141</u>	<u>\$ 1,793,065</u>

The accompanying notes are an integral part of this statement.

CODE PLATOON, NFP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Code Platoon, NFP (the Organization) is a non-profit organization incorporated December 19, 2014 for the purpose of providing formal classroom training for veterans, active duty personnel and their spouses in computer programming and placing graduates in internship roles.

The financial statements were available to be issued on June 15, 2026 with subsequent events being evaluated through this date.

The following is the nature of operations and summary of the significant accounting policies applied by management in the preparation of the accompanying financial statements.

Basis of Accounting -

The financial statements are presented using the accrual method of accounting, in which revenues are recorded when earned and expenses are recorded when incurred.

Basis of Presentation -

Financial statement presentation follows the recommendations of the Accounting Standards Codification (ASC), *Financial Statements for Non-for-Profit Organizations*. Under the ASC, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization.

With donor restrictions - Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Tuition Receivables -

Tuition receivables are stated at amortized cost and recorded at the original invoice amount, net of an allowance for expected credit losses. The allowance is recognized upon origination of the receivable and reflects management's estimate of amounts expected to be collected over the receivable's contractual term.

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Tuition Receivables - (Continued)

The allowance for credit losses is determined primarily based on historical loss experience with similar assets, adjusted for current conditions. Receivables are evaluated collectively by pooling assets with similar risk characteristics, with individual evaluation for receivables that do not share those characteristics. As a nonpublic entity, the Company applies the practical expedients permitted under ASU 2025-05 for short-term trade receivables which include assuming the economic conditions as of year-end will remain unchanged for the remaining life of the current receivable; and electing the accounting policy to consider subsequent cash collection activity received after year-end but before the financial statements are issued. The Company considered cash collections through [date] in estimating expected credit losses.

Program Revenue Recognition -

The Organization receives program revenue from tuition. Tuition agreements consist of up to three performance obligations which are all considered to be met at a point in time. The performance obligations and the amount of the contract revenue allocated to each performance obligation varies based on the contracts with the government program that is funding the tuition or the individual student who is enrolled in the course. The three performance obligations are: the student enrolls in the class and begins the class, the student graduates and the student is placed with a job. The revenue associated with each performance obligation is recognized when the individual performance obligation is met.

Contributions and Grants -

The Organization recognizes contributions and grants when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest 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 upon which they depend have been met.

The Organization reports gifts of cash and other assets as with donor restriction revenue if they are received with donor stipulations that 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. Restricted contributions received and released in the same period are shown as contributions without donor restrictions on the statement of activities.

Grants Receivable -

Grant receivables are stated at the amount the Organization expects to collect from the outstanding balances. The Organization provides for uncollectible amounts, should they exist, through a charge to operations and a credit to an allowance for doubtful accounts based on an assessment of the current status of the individual accounts. Balances still outstanding after the Organization has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to accounts receivable. Based on a review of outstanding receivable, management determined that an allowance for doubtful accounts was not necessary at December 31, 2025 and 2024.

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Income Taxes -

The Organization has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes, except for taxes on unrelated business income generated from unrelated trade or business activities. The Organization files informational returns in the U.S. federal jurisdiction. With few exceptions, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years before 2022. The Organization does not expect a material net change in unrecognized tax benefits in the next twelve months.

Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include wages and related expenses, dues and subscriptions, office expense, lease expenses, supplies, insurance, and travel and parking, which are allocated on the basis of estimates of time and effort.

Use of Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles 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 -

The Organization has invested in money market funds which have been reported at fair market value for financial statement purposes. Due to the level of risk associated with certain investment securities, it is possible that the changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statement of financial position.

Deferred Revenue (Contract Liabilities) -

Deferred revenue consists of deposits from students for classes that have not yet started.

Advertising -

Advertising costs are expensed as they are incurred. The Organization incurred \$95,006 and \$84,664 of advertising costs for the years ended December 31, 2025 and 2024, respectively.

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Leases -

The Organization determines if an arrangement is a lease or contains a lease at inception of the contract. The Organization's operating leases are presented in operating lease right-of-use assets, current portion of operating lease liabilities, and long-term portion of operating lease liabilities in the accompanying statement of financial position.

Operating lease right-of-use assets and lease liabilities are measured based on the present value of future lease payments over the lease term at each lease's commencement date. As most of the Organization's leases do not specify their implicit rate, the Organization has elected a practical expedient to use the nominal yield, at lease inception, applicable to U.S. Treasury instruments with a maturity of similar length of the lease term.

Operating lease right-of-use assets include all fixed contractual lease payments and initial direct costs incurred by the Organization, less any lease incentives the Organization receives from the lessor. The Organization has elected a practical expedient to account for lease and non-lease components together as a single lease component. The terms of the Organization's leases generally contain lease payments and reimbursements to the lessor of the Organization's proportionate share of common area maintenance (CAM), real estate taxes and other pass-through charges. Only the fixed lease components are included in the right-of-use assets and lease liabilities. Additionally, the Organization has elected not to apply these lease accounting policies to leases with a term of one year or less at the commencement date.

Operating lease expense for lease payments is recognized on a straight-line basis over the terms of each lease. Variable lease components include CAM, real estate taxes and other charges and are recorded as lease expense as incurred.

The Organization's leases can contain options granting the right to renew or extend the term of the lease for specified option periods. The decision as to whether the Organization will exercise the renewal options is generally at the Organization's sole discretion. The Organization includes lease extensions in the lease term when it is reasonably certain that the Organization will exercise the extension.

(2) LEASES:

The Organization leases an office space in Chicago, Illinois. The lease expired in February 2025 and called for monthly payments of approximately \$6,600. Upon expiration of the lease, the Organization signed a new short-term lease agreement for another space in Chicago, Illinois. The short-term lease calls for monthly payments of approximately \$5,800 and expires in February 2026.

The components of lease expenses for the years ending December 31, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 13,306	\$ 84,863
Short -term lease cost	<u>58,698</u>	<u>-</u>
Total lease expense	<u>\$ 72,004</u>	<u>\$ 84,863</u>

(2) LEASES: (Continued)

Future minimum lease payments under noncancellable leases as of December 31, 2025 are as follows:

2026	<u>\$ 11,590</u>
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The following provides additional information related to the Organization's leases as of and for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Current portion of lease liabilities	\$ -	\$ 13,229
Long-term portion of lease liabilities	<u>-</u>	<u>-</u>
Total lease liabilities	<u>\$ -</u>	<u>\$ 13,229</u>
Weighted average lease term	-	2 months
Weighted average discount rate	-	4.67%

Cash paid for amounts included in the measurements of the Organization's leases for the years ended December 31, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Operating cash from operating leases	<u>\$ 13,306</u>	<u>\$ 80,501</u>

In November 2025 the Organization signed a lease agreement for a new space which commences in March 2026. The lease is one year in length and calls for monthly payments of approximately \$1,900 for the first month and then \$3,400 for the remaining 11 months.

(3) INVESTMENTS:

The composition of investments is as follows:

	<u>2025</u>	<u>2024</u>
Money market fund	\$ 709,530	\$ 1,034,804
Mutual funds	388,744	365,235
Equities	132,750	116,862
Exchange traded funds	<u>69,590</u>	<u>57,215</u>
	<u>\$ 1,300,614</u>	<u>\$ 1,574,116</u>

Investment return consists of the following:

Interest income	\$ 46,696	\$ 70,660
Realized and unrealized gain on investments	<u>29,803</u>	<u>19,904</u>
	<u>\$ 76,499</u>	<u>\$ 90,564</u>

(4) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value Measurements established a framework for measuring fair value. That framework provides 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 described as follows:

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 or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3:

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2025 and 2024.

Money Market Fund: Valued at the closing price (net asset value) reported on the active market on which the individual securities are traded.

Equities: Valued at the daily closing price reported on the active market the individual securities are traded.

Mutual Funds and Exchange traded funds: Valued at the daily closing price (net asset value) as reported on the active market the individual funds are traded.

(4) FAIR VALUE MEASUREMENTS: (Continued)

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value:

<u>Description</u>	<u>Assets at Fair Value as of December 31, 2025</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market fund	\$ 709,530	\$ -	\$ -	\$ 709,530
Mutual funds	388,744	-	-	388,744
Equities	132,750	-	-	132,750
Exchange traded funds	<u>69,590</u>	<u>-</u>	<u>-</u>	<u>69,590</u>
Total assets at fair value	<u>\$ 1,300,614</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,300,614</u>

<u>Description</u>	<u>Assets at Fair Value as of December 31, 2024</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market fund	\$ 1,034,804	\$ -	\$ -	\$ 1,034,804
Mutual funds	365,235	-	-	365,235
Equities	116,862	-	-	116,862
Exchange traded funds	<u>57,215</u>	<u>-</u>	<u>-</u>	<u>57,215</u>
Total assets at fair value	<u>\$ 1,574,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,574,116</u>

(5) SIGNIFICANT CONCENTRATION OF CREDIT RISK:

The Organization has concentrated its credit risk for cash by maintaining deposits in the bank, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

(6) REVENUE FROM CONTRACTS WITH MEMBERS:

The following table provides information about significant changes in deferred revenue (or contract liabilities) as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Deferred revenue, beginning of the year	\$ 5,500	\$ 32,079
Revenue recognized that was included in deferred revenue at the beginning of the year	(5,500)	(32,079)
Increase in deferred revenue due to cash received during the year	<u>1,000</u>	<u>5,500</u>
Deferred revenue, end of the year	<u>\$ 1,000</u>	<u>\$ 5,500</u>

(7) NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions on December 31, 2025 and 2024 available for future periods consist of the following:

	<u>2025</u>	<u>2024</u>
Time restricted	\$ -	\$ 255,000
Program restricted	<u>175,000</u>	<u>-</u>
Total restricted	<u>\$ 175,000</u>	<u>\$ 255,000</u>

(8) LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditure, that are, without donor or other restrictions limiting their use, within one year, comprise the following as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Financial Assets -		
Cash and cash equivalents	\$ 199,058	\$ 124,830
Investments	1,300,614	1,574,116
Tuition receivables, net	116,050	79,500
Grants receivable	<u>-</u>	<u>125,880</u>

Financial assets available to meet cash needs for general expenditures that is without donor or other restrictions limiting their use within one year	<u>\$ 1,615,722</u>	<u>\$ 1,904,326</u>
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The Organization manages its liquidity and reserves adhering to the following principles:

- Operating within a prudent range of financial soundness and stability
- Incurring unbudgeted costs only when costs are funded
- Maintaining adequate liquid assets to fund near-term operating needs

(9) ALLOWANCE FOR CREDIT LOSSES:

Credit loss activity consists of the following for the year ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 15,500	\$ 7,000
Credit loss expense	23,000	8,500
Write-offs	<u>(5,500)</u>	<u>-</u>
Balance, end of year	<u>\$ 33,000</u>	<u>\$ 15,500</u>

The Organization determines the allowance for credit losses by using a receivables aging schedule and utilizing historical loss percentages adjusted for the effects of current economic conditions in the industry in which the Organization operates, and reasonable and supportable forecasts of future economic conditions and how it will impact the Organization's industry. The Organization annually adjusts its historical loss percentages to reflect the anticipated adverse effect caused by the factors above.

(10) CONCENTRATION:

During the year ended December 31, 2025, one grantor represented approximately 14% of total support and revenue.

During the year ended December 31, 2024, one grantor represented approximately 13% of total support and revenue.