ROC SOLID FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2024

PBMares SM

ASSURANCE, TAX & ADVISORY SERVICES

ROC SOLID FOUNDATION, INC.

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 – 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities and Change in Net Assets	4 – 5
Statements of Functional Expenses	6 – 7
Statements of Cash Flows	8
Notes to Financial Statements	9 – 14

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Roc Solid Foundation, Inc.
Chesapeake, Virginia

Opinion

We have audited the financial statements of Roc Solid Foundation, Inc. (the Foundation), which comprise the statements of financial position as of December 31, 2024 and 2023, the related statements of activities and change in net assets, functional expenses and cash flows for the year 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, 2024 and 2023, and the change in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

PBMares, LLP

Norfolk, Virginia
July 30, 2025

FINANCIAL STATEMENTS

ROC SOLID FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

		2024		2023
ASSETS				
Current Assets				
Cash and cash equivalents	**$**	**1,952,554**	$	1,471,067
Contributions receivable		**54,749**		40,933
Investments		**14,050**		11,052
Inventory		**119,389**		150,475
Other receivables		**-**		288
Total current assets		**2,140,742**		1,673,815
Property and Equipment, net		**185,810**		135,697
Intangible Assets, net		**25,285**		-
Total assets	**$**	**2,351,837**	$	1,809,512
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	**$**	**36,153**	$	31,064
Accrued wages and related liabilities		**8,108**		54,898
Total current liabilities		**44,261**		85,962
Net Assets				
Without donor restrictions		**2,017,576**		1,688,550
With donor restrictions		**290,000**		35,000
Total net assets		**2,307,576**		1,723,550
Total liabilities and net assets	**$**	**2,351,837**	$	1,809,512

See Notes to Financial Statements.

ROC SOLID FOUNDATION, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
Year Ended December 31, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support			
Contributions, sponsorships, and grants	$ 1,792,397	$ 2,196,537	$ 3,988,934
Gifts-in-kind	156,087	-	156,087
Fundraising event contributions	600,827	-	600,827
	2,549,311	2,196,537	4,745,848
Net assets released from restriction	1,941,537	(1,941,537)	-
Total support	4,490,848	255,000	4,745,848
Revenue			
Investment income	14,016	-	14,016
Realized and unrealized gains on investments, net	2,998	-	2,998
Total revenue	17,014	-	17,014
Total support and revenue	4,507,862	255,000	4,762,862
Functional Expenses			
Program services	3,030,925	-	3,030,925
Management and general	458,695	-	458,695
Fundraising	689,216	-	689,216
Total functional expenses	4,178,836	-	4,178,836
Change in net assets	329,026	255,000	584,026
Net Assets, beginning of year	1,688,550	35,000	1,723,550
Net Assets, end of year	$ 2,017,576	$ 290,000	$ 2,307,576

See Notes to Financial Statements.

ROC SOLID FOUNDATION, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
Year Ended December 31, 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support			
Contributions, sponsorships, and grants	$ 1,551,019	$ 1,212,214	$ 2,763,233
Gifts-in-kind	102,017	-	102,017
Fundraising event contributions	576,050	-	576,050
	2,229,086	1,212,214	3,441,300
Net assets released from restriction	1,177,214	(1,177,214)	-
Total support	3,406,300	35,000	3,441,300
Revenue			
Merchandise sales	1,762	-	1,762
Investment income	3,526	-	3,526
Realized and unrealized gains on investments, net	2,996	-	2,996
Loss on sale of property and equipment	(8,820)	-	(8,820)
Total revenue	(536)	-	(536)
Total support and revenue	3,405,764	35,000	3,440,764
Functional Expenses			
Program services	2,809,882	-	2,809,882
Management and general	388,455	-	388,455
Fundraising	323,140	-	323,140
Total functional expenses	3,521,477	-	3,521,477
Change in net assets	(115,713)	35,000	(80,713)
Net Assets, beginning of year	1,804,263	-	1,804,263
Net Assets, end of year	$ 1,688,550	$ 35,000	$ 1,723,550

See Notes to Financial Statements.

ROC SOLID FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	Program Services	Management and General	Fundraising	Total
Salaries, Benefits, and Payroll Taxes	$ 912,885	$ 341,151	$ 531,778	$ 1,785,814
Materials and Supplies	1,027,150	-	-	1,027,150
Travel	291,746	-	-	291,746
Children Activities and Services	301,911	-	-	301,911
Fundraising	-	-	157,438	157,438
Postage and Delivery	128,458	-	-	128,458
Advertising and Marketing	96,800	-	-	96,800
Professional Fees	-	74,716	-	74,716
Equipment Rental	54,993	-	-	54,993
Technology	54,514	-	-	54,514
Occupancy and Storage	28,820	7,080	-	35,900
Insurance	-	35,534	-	35,534
Depreciation	34,655	-	-	34,655
Other Taxes and Fees	32,129	-	-	32,129
Telecommunication	19,583	-	-	19,583
Utilities	12,961	-	-	12,961
Family Meals/Volunteer Appreciation	10,964	-	-	10,964
Training	4,747	-	-	4,747
Conference and Meetings	9,532	-	-	9,532
Sponsorship	9,077	-	-	9,077
Printing and Publication	-	214	-	214
Total functional expenses	$ 3,030,925	$ 458,695	$ 689,216	$ 4,178,836

See Notes to Financial Statements.

ROC SOLID FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	Program Services	Management and General	Fundraising	Total
Salaries, Benefits, and Payroll Taxes	$ 1,005,502	$ 264,460	$ 193,501	$ 1,463,463
Materials and Supplies	776,298	-	-	776,298
Travel	255,452	-	-	255,452
Children Activities and Services	274,311	-	-	274,311
Fundraising	-	-	129,639	129,639
Advertising and Marketing	93,505	-	-	93,505
Postage and Delivery	89,735	-	-	89,735
Professional Fees	-	64,024	-	64,024
Family Meals/Volunteer Appreciation	57,529	-	-	57,529
Technology	45,516	-	-	45,516
Other Taxes and Fees	34,276	4,561	-	38,837
Equipment Rental	36,150	-	-	36,150
Insurance	-	34,288	-	34,288
Occupancy and Storage	14,970	12,752	-	27,722
Conference and Meetings	23,567	-	-	23,567
Depreciation	25,755	-	-	25,755
Training	21,285	-	-	21,285
Telecommunication	14,717	3,143	-	17,860
Repairs and Maintenance	17,663	-	-	17,663
Utilities	6,135	5,227	-	11,362
Bad Debt	10,800	-	-	10,800
Sponsorship	3,673	-	-	3,673
Printing and Publication	3,043	-	-	3,043
Total functional expenses	$ 2,809,882	$ 388,455	$ 323,140	$ 3,521,477

See Notes to Financial Statements.

ROC SOLID FOUNDATION, INC.

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

		2024		2023
Cash Flows from Operating Activities				
Change in net assets	**$**	**584,026**	$	(80,713)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation		**34,655**		25,755
Bad debt		**-**		10,800
Loss on disposal of assets		**-**		8,820
Contributed investments		**-**		(1,019)
Gain on investments		**(2,998)**		(2,996)
Change in operating assets and liabilities:				
Contributions receivable		**(13,816)**		(35,733)
Other receivables		**288**		11,479
Inventory		**31,086**		(2,566)
Accounts payable		**5,089**		(7,448)
Accrued wages and related liabilities		**(46,790)**		13,917
Net cash provided (used in) by operating activities		**591,540**		(59,704)
Cash Flows from Investing Activities				
Purchase of property and equipment		**(84,768)**		(61,997)
Purchase of intangible assets		**(25,285)**		-
Net cash used in investing activities		**(110,053)**		(61,997)
Net change in cash and cash equivalents		**481,487**		(121,701)
Cash and Cash Equivalents				
Beginning of year		**1,471,067**		1,592,768
End of year	**$**	**1,952,554**	$	1,471,067

See Notes to Financial Statements.

ROC SOLID FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Foundation and Significant Accounting Policies

Nature of Foundation: Roc Solid Foundation, Inc. (the Foundation) is a not-for-profit Virginia-based corporation. The mission of the Foundation is to build hope for children battling cancer and their families by offering opportunities for them do what they do best - play. Incorporated in 2008, the Foundation prepares ready bags for in-hospital patients and constructs custom-built playsets for children of all ages.

Basis of presentation: The accompanying 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).

Cash and cash equivalents: The Foundation considers all highly liquid financial instruments with an original maturity of three months or less to be cash equivalents.

Contributions receivable: The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities and change in net assets. All receivables as of December 31, 2024 and 2023 were expected to be collected within one year. The Foundation determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. There was no allowance for uncollectable promises to give as of December 31, 2024 and 2023.

Investments: Investments are reported at their fair value in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities and change in net assets. Donated investments are recorded at estimated fair market value on the date of donation.

Property and equipment: Property and equipment are recorded at cost or, if contributed, at the estimated fair value at the date of contribution. Contributions are reported as unrestricted support unless the donor restricted the donated asset to a specific purpose. Long-lived assets held and used by the Foundation are reviewed for impairment whenever changes in circumstances indicate the carrying value of an asset may not be recoverable. Depreciation is calculated using straight-line and accelerated methods based on the following useful lives:

Building improvements	5 – 20 years
Machinery and equipment	5 – 10 years
Furniture and equipment	5 – 7 years
Vehicles	7 years

Note 1. Nature of Foundation and Significant Accounting Policies (Continued)

Intangible assets: Intangible assets consists of capitalized software which is amortized over the estimated useful life of 10 years using the straight-line method. Capitalized software costs consist of certain costs incurred during the application development stage for new technology. These costs relate to the development of internal-use software. The application stage generally includes software design and configuration, coding, testing, and installation activities. Costs related to training or maintenance of internal-use software are expensed as incurred, while upgrades and enhancements are capitalized if it is probable that such expenditures will result in additional functionality. The Foundation is not amortizing capitalized software under development as projects are not complete.

Leases: The Foundation elected the short-term lease exemption for all leases with a term of 12 months or less and therefore did not recognize right-of-use lease assets or lease liabilities on the accompanying statements of financial position. The Foundation leases their primary office building, storage units, and other small office space through short-term operating leases with various terms expiring through 2025. For the years ended December 31, 2024 and 2023, rent expense totaled $35,900 and $27,722, respectively.

Use of estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income taxes: The Foundation is exempt from income taxes unders Section 501(c)(3) of the Internal Revenue Code, except on net income, if any, resulting from unrelated business taxable income. Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Foundation's management has evaluated the impact of the standard to its financial statements. The Foundation's income tax returns are subject to examination by taxing authorities, generally for a period of three years from the date the returns are filed. The Foundation's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

Inventory: Inventory consists of playsets and ready bag materials to support their mission. Inventory is stated at the lower of cost or net realizable value.

Classification of net assets: The Foundation reports information regarding its financial position and activities according to two net asset categories based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to or are no longer subject to donor-imposed stipulations. Revenues, expenses, gains, and losses that are not limited by donor-imposed restrictions are reported in this classification.

Note 1. Nature of Foundation and Significant Accounting Policies (Continued)

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may expire with the passage of time or that may be satisfied by actions of the Foundation. When donor stipulations expire, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities and change in net assets as net assets released from donor restrictions. At December 31, 2024 and 2023, net assets with donor restrictions totaled $424,596 and $35,000, respectively. See further discussion at Note 3.

Revenue recognition: The Foundation derives its revenue and support from contributions, sponsorships, grants, gift-in-kind, and special events.

Support is recognized as revenue in accordance with FASB Topic 958 when a donor makes a contribution or promise to give that is unconditional. Contributions of tangible assets are recorded at fair value at the date of the gift. Grant income is recognized in the year the grant is awarded.

Advertising costs: The Foundation expenses advertising costs as incurred. Advertising costs expensed for the years ended December 31, 2024 and 2023 were $96,800 and $93,505, respectively.

Functional allocation of expenses: The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and change in net assets and the statements of functional expenses. Management's estimate of functional expense allocation is based on time and effort for certain expenses. For certain administrative expenses, management takes into consideration historical information, knowledge of operations, and time involved to arrive at the best estimate of allocation between program and supporting services.

Reclassifications: Certain amounts in the 2023 financial statements have been reclassified to conform with current year financial statement presentation. These reclassifications had no effect on financial position or operating results as previously reported.

Subsequent events: The Foundation has evaluated events and transactions for potential recognition or disclosure through July 30, 2025, which is the date the financial statements were available to be issued.

Note 2. Liquidity and Availability

The Foundation's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, are as follows:

	2024	2023
Cash and cash equivalents	**$ 1,952,554**	$ 1,471,067
Contributions receivable	**54,749**	40,933
Investments	**14,050**	11,052
	2,021,353	1,523,052
Less amounts restricted by donors for specific use	**(290,000)**	(35,000)
	$ 1,731,353	$ 1,488,052

Note 2. Liquidity and Availability (Continued)

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation considers general expenditures to be all program services, management and general, and fundraising costs presented in the statements of functional expenses incurred in the ordinary course of the advancement of the Foundation's mission.

Note 3. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at December 31:

	2024	2023
Play It Forward	**$ 290,000**	$ 35,000

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the other events specified by donors during the years ended December 31 as follows:

	2024	2023
Play It Forward	**$ 1,360,528**	$ 815,328
Ready bags	**581,009**	361,886
	$ 1,941,537	$ 1,177,214

Note 4. Donated Goods

The Foundation recorded no donated professional services for the years ended December 31, 2024 and 2023. Community volunteers donate a significant amount of non-professional time to program services which cannot be objectively valued and are not reflected.

The Foundation received $156,087 and $102,017 of materials and supplies for the years ended December 31, 2024 and 2023, respectively. The contributed materials and supplies consist of playset materials and various goods to be utilized in ready bags and are recorded as in-kind contributions and inventory based on the current price on a publicly available website on the date of donation.

Note 5. Fair Value Measurements

The Foundation determines the fair value of its financial instruments based on the fair value hierarchy established in accounting standards which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Accounting standards define fair value as the exchange price that would be received for an asset or liability in the most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Accounting standards describe three levels of inputs that may be used to measure fair value:

Level 1 Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodology used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Equity securities: The fair value of corporate equity securities is estimated using market price quotations. These securities are generally categorized in Level 1 of the fair value hierarchy. At December 31, 2024 and 2023, the Foundation had $14,050 and $11,052, respectively, in this category. There are no other assets or liabilities measured at fair value on a recurring basis.

Note 6. Investments

Investments consisted of the following as of December 31:

	2024		2023	
	Cost	**Fair Value**	Cost	Fair Value
Equity securities	**$ 2,988**	**$ 14,050**	$ 2,988	$ 11,052

Note 7. Property and Equipment

Property and equipment consisted of the following at December 31:

	2024	2023
Building improvements	**$ 49,710**	$ 26,760
Machinery and equipment	**83,771**	64,725
Furniture and equipment	**15,019**	12,389
Vehicles	**164,919**	124,777
	313,419	228,651
Less accumulated depreciation	**(127,609)**	(92,954)
	$ 185,810	$ 135,697

Depreciation expense was $34,655 and $25,755 for the years ended December 31, 2024 and 2023, respectively.

Note 8. Concentration Risks

The Foundation is subject to concentration risk due to the fact that approximately 12% and 11% of its revenue and support was received from one major donor for each of the years ended December 31, 2024 and 2024, respectively. These donors did not have a balance due to the Foundation as of December 31, 2024 and 2023.

The Foundation places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts. The Foundation from time to time may have amounts on deposit in excess of the insured limits.

At December 31, 2024 and 2023, approximately 82% and 80%, respectively, of the Foundation's investment portfolio was concentrated in a single publicly traded equity security. As a result, the Company is subject to significant market risk in connection with fluctuations in the fair value of that security.