# ROC SOLID FOUNDATION, INC.

## FINANCIAL STATEMENTS

## DECEMBER 31, 2025

PBMares SM

ASSURANCE, TAX & ADVISORY SERVICES

**ROC SOLID FOUNDATION, INC.**

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CPAs and Consultants

# 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, 2025 and 2024, 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, 2025 and 2024, 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
May 26, 2026

# FINANCIAL STATEMENTS

**ROC SOLID FOUNDATION, INC.**

**STATEMENTS OF FINANCIAL POSITION**
**December 31, 2025 and 2024**

| | | **2025** | | 2024 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | **$** | **2,523,642** | $ | 1,952,554 |
| Contributions receivable | | **18,125** | | 54,749 |
| Investments | | **42,695** | | 14,050 |
| Inventory | | **95,140** | | 119,389 |
| Prepaid expenses | | **4,950** | | - |
| **Total current assets** | | **2,684,552** | | 2,140,742 |
| Property and Equipment, net | | **225,466** | | 185,810 |
| Intangible Assets, net | | **142,719** | | 25,285 |
| **Total assets** | **$** | **3,052,737** | $ | 2,351,837 |
| **LIABILITIES AND NET ASSETS** | | | | |
| Current Liabilities | | | | |
| Accounts payable | **$** | **34,140** | $ | 36,153 |
| Accrued wages and related liabilities | | **14,952** | | 8,108 |
| Refundable advances | | **892,500** | | - |
| **Total current liabilities** | | **941,592** | | 44,261 |
| Net Assets | | | | |
| Without donor restrictions | | **1,759,703** | | 2,017,576 |
| With donor restrictions | | **351,442** | | 290,000 |
| **Total net assets** | | **2,111,145** | | 2,307,576 |
| **Total liabilities and net assets** | **$** | **3,052,737** | $ | 2,351,837 |

See Notes to Financial Statements.

**ROC SOLID FOUNDATION, INC.**

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**
**Year Ended December 31, 2025**

| | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Total |
|---|---|---|---|
| Support | | | |
| Contributions, sponsorships, and grants | $ 1,624,583 | $ 2,019,522 | $ 3,644,105 |
| Gifts-in-kind | 202,595 | - | 202,595 |
| Fundraising event contributions | 624,928 | - | 624,928 |
| | 2,452,106 | 2,019,522 | 4,471,628 |
| Net assets released from restriction | 1,958,080 | (1,958,080) | - |
| **Total support** | 4,410,186 | 61,442 | 4,471,628 |
| Revenue | | | |
| Interest income | 28,738 | - | 28,738 |
| Realized and unrealized losses on investments, net | (6,690) | - | (6,690) |
| Other Income | 13,439 | - | 13,439 |
| **Total revenue** | 35,487 | - | 35,487 |
| **Total support and revenue** | 4,445,673 | 61,442 | 4,507,115 |
| Functional Expenses | | | |
| Program services | 3,419,256 | - | 3,419,256 |
| Management and general | 500,405 | - | 500,405 |
| Fundraising | 783,885 | - | 783,885 |
| **Total functional expenses** | 4,703,546 | - | 4,703,546 |
| **Change in net assets** | (257,873) | 61,442 | (196,431) |
| Net Assets, beginning of year | 2,017,576 | 290,000 | 2,307,576 |
| Net Assets, end of year | $ 1,759,703 | $ 351,442 | $ 2,111,145 |

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 | | | |
| Interest 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 FUNCTIONAL EXPENSES**
**Year Ended December 31, 2025**

| | Program Services | Management and General | Fundraising | Total |
|---|---|---|---|---|
| Salaries, Benefits, and Payroll Taxes | $ 1,057,619 | $ 392,501 | $ 629,287 | $ 2,079,407 |
| Materials and Supplies | 1,182,316 | - | - | 1,182,316 |
| Travel | 286,997 | - | - | 286,997 |
| Children Activities and Services | 210,547 | - | - | 210,547 |
| Fundraising | - | - | 154,598 | 154,598 |
| Technology | 122,140 | - | - | 122,140 |
| Advertising and Marketing | 114,172 | - | - | 114,172 |
| Postage and Delivery | 103,811 | - | - | 103,811 |
| Occupancy and Storage | 72,500 | 10,912 | - | 83,412 |
| Other Taxes and Fees | 77,078 | - | - | 77,078 |
| Professional Fees | - | 68,975 | - | 68,975 |
| Equipment Rental | 58,939 | - | - | 58,939 |
| Depreciation | 41,951 | - | - | 41,951 |
| Insurance | - | 24,795 | - | 24,795 |
| Telecommunication | 24,013 | - | - | 24,013 |
| Conference and Meetings | 19,739 | - | - | 19,739 |
| Sponsorship | 11,906 | - | - | 11,906 |
| Utilities | 9,338 | - | - | 9,338 |
| Family Meals/Volunteer Appreciation | 8,745 | - | - | 8,745 |
| Amortization | 7,579 | - | - | 7,579 |
| Miscellaneous Expenses | 6,016 | - | - | 6,016 |
| Training | 3,850 | - | - | 3,850 |
| Printing and Publication | - | 3,222 | - | 3,222 |
| **Total functional expenses** | $ 3,419,256 | $ 500,405 | $ 783,885 | $ 4,703,546 |

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 |
| Conference and Meetings | 9,532 | - | - | 9,532 |
| Sponsorship | 9,077 | - | - | 9,077 |
| Training | 4,747 | - | - | 4,747 |
| 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.**

**STATEMENTS OF CASH FLOWS**
**Years Ended December 31, 2025 and 2024**

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Cash Flows from Operating Activities | | | | |
| Change in net assets | **$** | **(196,431)** | $ | 584,026 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | | | |
| Depreciation | | **41,951** | | 34,655 |
| Amortization | | **7,579** | | - |
| Non-cash contribution - donated investments | | **(35,335)** | | - |
| Loss on investments | | **6,690** | | (2,998) |
| Change in operating assets and liabilities: | | | | |
| Contributions receivable | | **36,624** | | (13,816) |
| Other receivables | | **-** | | 288 |
| Inventory | | **24,249** | | 31,086 |
| Prepaid Rent | | **(4,950)** | | - |
| Accounts payable | | **(2,013)** | | 5,089 |
| Accrued wages and related liabilities | | **6,844** | | (46,790) |
| Refundable advances | | **892,500** | | - |
| **Net cash provided by operating activities** | | **777,708** | | 591,540 |
| Cash Flows from Investing Activities | | | | |
| Purchase of property and equipment | | **(81,607)** | | (84,768) |
| Purchase of intangible assets | | **(125,013)** | | (25,285) |
| **Net cash used in investing activities** | | **(206,620)** | | (110,053) |
| **Net change in cash and cash equivalents** | | **571,088** | | 481,487 |
| Cash and Cash Equivalents | | | | |
| Beginning of year | | **1,952,554** | | 1,471,067 |
| End of year | **$** | **2,523,642** | $ | 1,952,554 |

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, 2025 and 2024 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, 2025 and 2024.

***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 consist of capitalized internal-use software, which is amortized over an estimated useful life of 10 years using the straight-line method. Capitalized costs include expenditures incurred during the application development stage, such as design, coding, testing, and installation. Costs related to training and maintenance are expensed as incurred. Upgrades and enhancements are capitalized when they provide additional functionality. Capitalized software under development is not amortized until placed in service.

***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, 2025 and 2024, rent expense totaled $83,412 and $41,413, 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.

*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, 2025 and 2024, net assets with donor restrictions totaled $351,442 and $290,000, respectively. See further discussion at Note 3.

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

***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 nonfinancial assets are recorded at fair value at the date of the gift. Contributions that contain donor-imposed conditions, including both a barrier to entitlement and a right of return or release, are considered conditional contributions and are not recognized as revenue until the conditions are substantially met.

***Refundable Advances:*** Refundable advances represent amounts received for conditional contributions for which the related conditions have not yet been substantially met. These amounts are recorded as liabilities until such time that the conditions are satisfied.

***Advertising costs:*** The Foundation expenses advertising costs as incurred. Advertising costs expensed for the years ended December 31, 2025 and 2024 were $114,172 and $96,800, 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 2024 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 May 26, 2026, 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:

| | **2025** | 2024 |
|---|---|---|
| Cash and cash equivalents | **$ 2,523,642** | $ 1,952,554 |
| Contributions receivable | **18,125** | 54,749 |
| Investments | **42,695** | 14,050 |
| | **2,584,462** | 2,021,353 |
| Less refundable advances | **(892,500)** | - |
| Less amounts restricted by donors for specific use | **(351,442)** | (290,000) |
| | **$ 1,340,520** | $ 1,731,353 |

**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:

| | **2025** | 2024 |
|---|---|---|
| Play It Forward | **$ 351,442** | $ 290,000 |

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:

| | **2025** | 2024 |
|---|---|---|
| Play It Forward | **$ 1,305,826** | $ 1,360,528 |
| Ready bags | **652,254** | 581,009 |
| | **$ 1,958,080** | $ 1,941,537 |

**Note 4. Donated Goods**

The Foundation recorded no donated professional services for the years ended December 31, 2025 and 2024. 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 $202,595 and $156,087 of materials and supplies for the years ended December 31, 2025 and 2024, 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. Conditional Contributions and Refundable Advances**

During the year ended December 31, 2025, the Foundation received funding from an unrelated third-party to support specific programmatic initiatives scheduled to be executed in 2026, including the Ready Bag Rally and 2026 playset builds. The funding is restricted to the execution of these future programs and is conditional upon completion of the related programmatic activities. Until such activities are completed, the Foundation is not entitled to the funds. If the programs are not executed, the funds are subject to return to the donor or redirection in accordance with donor direction.

## Note 5. Conditional Contributions and Refundable Advances (Continued)

The contributions include performance-based barriers, as entitlement to the funds is contingent upon the Foundation completing specified future programs and related activities. Contribution revenue is recognized only as these conditions are substantially met.

Refundable advances represent the carrying amount of conditional contributions outstanding for which the conditions had not been met as of the reporting date. Refundable advances totaled $892,500 and $0 at December 31, 2025 and 2024, respectively, and are reported as liabilities on the statements of financial position. Management expects the conditions related to these refundable advances to be satisfied during 2026.

## Note 6. 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, 2025 and 2024, the Foundation had $42,695 and $14,050, respectively, in this category. There are no other assets or liabilities measured at fair value on a recurring basis.

## Note 7. Investments

Investments consisted of the following as of December 31:

| | **2025** | | 2024 | |
|---|---|---|---|---|
| | **Cost** | **Fair Value** | Cost | Fair Value |
| Equity securities | **$ 38,331** | **$ 42,695** | $ 2,988 | $ 14,050 |

## Note 8. Property and Equipment

Property and equipment consisted of the following at December 31:

| | **2025** | 2024 |
|---|---|---|
| Building improvements | **$ 49,710** | $ 49,710 |
| Machinery and equipment | **103,306** | 83,771 |
| Furniture and equipment | **30,381** | 15,019 |
| Vehicles | **211,629** | 164,919 |
| | **395,026** | 313,419 |
| Less accumulated depreciation | **(169,560)** | (127,609) |
| | **$ 225,466** | $ 185,810 |

Depreciation expense was $41,951 and $34,655 for the years ended December 31, 2025 and 2024, respectively.

## Note 9. Intangible Assets

Intangible assets consist of capitalized internal-use software, as described in Note 1. Intangible assets at December 31, 2025 and 2024 consisted of the following:

| | **2025** | 2024 |
|---|---|---|
| Internal-use software | **$ 150,298** | $ - |
| Software in development | **-** | 25,285 |
| | **150,298** | 25,285 |
| Less accumulated amortization | **(7,579)** | - |
| | **$ 142,719** | $ 25,285 |

Amortization expense related to intangible assets was $7,579 and $0 for the years ended December 31, 2025 and 2024, respectively. Capitalized software under development is not amortized until placed in service.

## Note 10. Concentration Risks

The Foundation is subject to concentration risk related to its revenue and support. In 2024, approximately 12% of total revenue and support was received from one donor; no amounts were due from this donor at year-end. There were no significant donor concentrations in 2025.

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.

Approximately 88% and 82% of the Foundation's investment portfolio was concentrated in two publicly traded equity securities and a single publicly traded equity security at December 31, 2025 and 2024, respectively. As a result, the Company is subject to significant market risk in connection with fluctuations in the fair value of that security.