FIRST DESCENTS

Financial Statements
As Of December 31, 2025
(With Summarized Financial Information
As Of December 31, 2024)

Together With Independent Auditors' Report

JDS professional group

certified public accountants, consultants and advisors

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
First Descents:

Opinion

We have audited the accompanying financial statements of First Descents (the "Organization"), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 the Organization as of December 31, 2025, and the changes in its net assets and 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' 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 auditors' 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 judgment 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 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 Organization'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 Organization's ability to continue as a going concern for a reasonable period of time.

Independent Auditors' Report (Continued)

We are required to communicate to 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.

Reporting on Summarized Comparative Information

We have previously audited the Organization's December 31, 2024, financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated July 9, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

JDS Professional Group

August 24, 2026

FIRST DESCENTS

Statement Of Financial Position
As Of December 31, 2025
(With Summarized Financial Information As Of December 31, 2024)

ASSETS	2025	2024
Current Assets:		
Cash and cash equivalents	$ 4,944,412	$ 6,232,284
Investments	1,733	25,058
Contributions and grants receivable	802,478	799,053
Inventory	23,545	15,373
Prepaid expenses	226,989	247,062
Total Current Assets	5,999,157	7,318,830
Non-Current Assets:		
Cash restricted to capital campaign	1,731,240	410,240
Cash restricted to endowment		250,000
Investments - endowment	250,000	
Contributions and grants receivable, net	911,659	679,805
Contributions and grants receivable restricted to capital campaign, net	1,800,920	2,502,016
Property and equipment, net of accumulated depreciation	1,988,248	1,961,438
Total Non-Current Assets	6,682,067	5,803,499
TOTAL ASSETS	$ 12,681,224	$ 13,122,329
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 5,388	$ 27,685
Accrued liabilities	131,403	160,050
Refundable advances	28,781	181,007
Lease liability	43,711	
Total Liabilities	209,283	368,742
Net Assets:		
Without Donor Restrictions	6,940,640	8,059,313
With Donor Restrictions	5,531,301	4,694,274
Total Net Assets	12,471,941	12,753,587
TOTAL LIABILITIES AND NET ASSETS	$ 12,681,224	$ 13,122,329

FIRST DESCENTS

Statement Of Activities
For The Year Ended December 31, 2025
(With Summarized Financial Information For The Year Ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Revenue and Support:				
Contributions and grants	$ 451,815	$ 2,334,041	$ 2,785,856	$ 7,638,797
Special events, net of direct benefit to donor	1,007,933		1,007,933	948,681
Contributions of nonfinancial assets	151,967		151,967	391,922
Investment income	196,742		196,742	208,147
Other income	21,607		21,607	3,978
Net assets released from restrictions - Satisfaction of purpose restriction	1,497,014	(1,497,014)		
Total Revenue And Support	3,327,078	837,027	4,164,105	9,191,525
Expenses:				
Program Services -				
Adventure programs	3,115,090		3,115,090	3,329,820
Supporting Services -				
General and administrative	316,017		316,017	312,679
Fundraising	1,014,644		1,014,644	1,159,353
Total Supporting Services	1,330,661		1,330,661	1,472,032
Total Expenses	4,445,751		4,445,751	4,801,852
CHANGES IN NET ASSETS FROM OPERATIONS	(1,118,673)	837,027	(281,646)	4,389,673
Net Assets, Beginning Of Year	8,059,313	4,694,274	12,753,587	8,363,914
NET ASSETS, END OF YEAR	$ 6,940,640	$ 5,531,301	$12,471,941	$ 12,753,587

FIRST DESCENTS

Statement Of Functional Expenses
For The Year Ended December 31, 2025
(With Summarized Financial Information For The Year Ended December 31, 2024)

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	2025 Total	2024 Total
Salaries and wages	$ 1,231,564	$ 173,416	$ 506,325	$ 1,911,305	$ 2,146,517
Payroll taxes and benefits	240,238	42,716	125,598	408,552	421,913
Adventure trips and related expenses	1,382,073			1,382,073	1,456,526
Contract services	43,207	9,123	53,949	106,279	112,829
Occupancy	28,336	5,430	11,864	45,630	40,476
Office expenses	11,370	2,540	11,928	25,838	45,976
Information technology	38,847	6,241	18,288	63,376	57,993
Travel and meals	29,527	11,735	104,354	145,616	153,561
Insurance	18,463	7,943	20,585	46,991	30,885
Legal, accounting, and consulting	27,219	23,073	116,251	166,543	166,416
Bank and merchant fees	7,104	31,314	10,155	48,573	61,758
Advertising and promotion	40,111		24,195	64,306	78,745
Printing, postage, and shipping	5,095	224	6,029	11,348	16,941
Other	1,440	251	729	2,420	3,510
Depreciation and amortization	10,496	2,011	4,394	16,901	7,806
Total Expenses	$ 3,115,090	$ 316,017	$1,014,644	$ 4,445,751	$ 4,801,852

The accompanying notes are an integral part of the financial statements.

FIRST DESCENTS

Statement of Cash Flows
For The Year Ended December 31, 2025
(With Summarized Financial Information For The Year Ended December 31, 2024)

	2025	2024
Cash flows from operating activities:		
Changes in net assets from operations	$ (281,646)	$ 4,389,673
Adjustments to reconcile changes in net assets from operations to net cash provided by operating activities:		
Depreciation and amortization	16,901	17,571
Contributions restricted for capital campaign	(619,904)	(2,814,316)
Contributions restricted for endowment		(250,000)
Discount on contributions and grants receivable	(95,759)	196,121
Donated stock	(33,896)	(53,968)
Net unrealized/realized gain on investments	(97)	(588)
Changes in assets and liabilities -		
(Increase) in contributions and grants receivable	(139,520)	(1,775,777)
(Increase) decrease in inventory	(8,172)	1,387
(Increase) decrease in prepaid expenses	20,073	(16,991)
(Decrease) in accounts payable	(22,297)	(142,012)
(Decrease) increase in accrued liabilities	(28,647)	14,395
(Decrease) increase in refundable advances	(152,226)	24,290
Net cash (used in) operating activities	(1,345,190)	(410,215)
Cash flows from investing activities:		
Purchases of property and equipment		(315,407)
Purchases of investments	(251,733)	
Sales of investments	59,051	31,654
Collections of contributions restricted for long-term purposes:		
Contributions restricted to capital campaign	1,321,000	887,475
Contributions restricted to endowment		250,000
Net cash provided by investing activities	1,128,318	853,722
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(216,872)	443,507
Cash, Cash Equivalents, and Restricted Cash, Beginning Of Year	6,892,524	6,449,017
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR	$ 6,675,652	$ 6,892,524

The accompanying notes are an integral part of the financial statements

(1) Nature Of The Organization

First Descents (the "Organization"), is a nonprofit organization established in 2003; formed under the laws of the State of Colorado and is located in Denver, Colorado. First Descents provides life-changing outdoor adventures to young adults impacted by cancer and other serious health conditions. As a leader in adventure-based healing, the Organization uses outdoor adventure, community building, and skills development to improve health outcomes and quality of life for young adults impacted by cancer and other serious health conditions. All services are fully adaptive and free of charge. The Organization achieves diversified revenues through events, major gifts, foundation and corporate grants, and grassroots peer-to-peer fundraising.

(2) Summary Of Significant Accounting Policies

Method Of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Basis Of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and with donor restrictions as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) 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.

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash And Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and demand deposit accounts. The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Reconciliation of cash and restricted cash reported within the statements of financial position that sum to the total of the same such amounts in the statement of cash flows:

	2025	2024
Cash and cash equivalents	$ 4,944,412	$ 6,232,284
Cash restricted to capital campaign	1,731,240	410,240
Cash restricted to endowment		250,000
	$ 6,675,652	$ 6,892,524

Investments

Investments are reflected at fair market value and as of December 31, 2025, consisted of certificates of deposit which is considered a level 1 investment.

Fair Value Measurements

The Organization follows *Fair Value Measurements*, which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes 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 under the standard are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

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's 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.

Following is a description of the valuation methodologies used for assets measured at fair value.

Common Stock: Valued at cost plus accrued interest.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are 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 carrying amount reported in the statement of financial position for cash and cash equivalents, accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statement of financial position.

<u>Cash and Investments Restricted To Capital Campaign And Endowment</u>

Cash and investments restricted to capital campaign and endowment have been restricted by donors and is not available for operating purposes.

<u>Property and Equipment</u>

Property and equipment are recorded at acquisition cost, or fair market value at the date of donation. Expenditures for maintenance, repairs and minor replacements are charged to operations, and expenditures for major replacements and betterments in excess of $500 are capitalized. Depreciation is provided using the straight-line method using estimated useful service lives ranging from 3 to 7 years.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in property and equipment and lease liability on the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Compensated Absences

The Organization accrues for the costs of compensated absences to the extent that the employee's right to receive payment relates to service already rendered, the obligation vests or accumulates, payment is probable, and the amount can be reasonably estimated.

Measure Of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consists of those items attributable to the Organization's ongoing program services and investment earnings. Nonoperating activities are limited to activities considered to be of a more unusual or nonrecurring nature.

Revenue And Revenue Recognition

The Organization recognizes revenue from contributions when cash, securities, other assets, or unconditional promises to give are received. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year and at net present value if expected to be collected in more than one year. During the year ended December 31, 2025, the discount was $100,363.

Conditional promises to give with a measurable performance or other barrier and a right of return/right or release are not recognized until the conditions on which they depend have been met. As of December 31, 2025, the Organization had refundable advances of $28,781. The Organization received a conditional promise to give of $25,000 that has not been recognized as of December 31, 2025, because certain criteria has not been met for recognition.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a 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.

Certain donated services, goods, and facilities that meet the criteria for recognition, are reflected in the financial statements at their estimated fair market value at the time of the donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Program services revenue consists of net revenue from adventure trips sold to customers which are recognized at a point in time, which is when the trip takes place.

Advertising

Advertising costs are expensed as incurred. Advertising expenses totaled $64,306 for the year ended December 31, 2025.

Methods Used For Allocation Of Expenses From Management And General Activities

Program expenses consist of all expenses paid for operating both of the youth centers. Management and general expenses include oversight, business management, general record keeping, budgeting and other such management and administrative activities that support the youth centers and overall organization. Fundraising expenses include the cost of publicizing and conducting fundraising events, writing grant applications and conducting other activities to solicit contributions from individuals and other organizations.

The cost of providing program and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and wages	Time and effort
Payroll taxes and benefits	Time and effort
Travel and meals	Time and effort
Occupancy	Square footage
Office expenses	Square footage
Information technology	Square footage
Insurance	Square footage
Printing, postage, and shipping	Square footage
Depreciation and amortization	Square footage

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Reclassifications

Certain amounts have been reclassified in prior year for comparative purposes.

Evaluation of Subsequent Events

The Organization has performed an evaluation of subsequent events through August 24, 2026, which is the date the consolidated financial statements were available to be issued, and has considered any relevant matters in the preparation of the consolidated financial statements and footnotes.

(3) **Income Taxes**

The Organization is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code. As such, donors are entitled to a charitable deduction for their contribution to the Organization. Income from activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. During the year ended December 31, 2025, the Organization did not incur any income tax expense.

Management believes that the Organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

The Organization is no longer subject to U.S. federal audits on its Form 990 by taxing authorities for years ending prior to December 31, 2022. The years subsequent to this year contain matters that could be subject to differing interpretations of applicable tax laws and regulations. Although the outcome of tax audits is uncertain, the Organization believes no issues would arise.

(4) Concentration Of Credit Risk

The Organization's cash demand deposits are held at financial institutions at which deposits are insured up to $250,000 by the FDIC. As of December 31, 2025, the Organization exceeded the FDIC limit by $6,139,382.

(5) Contributions And Grants Receivable

The following table provides information about contributions receivable as of December 31, 2025:

Amounts due in:	
Less than one year	$1,567,420
One to five years	2,048,000
Less discount	(100,363)
Total contributions and grants receivable	$3,515,057

During the year ended December 31, 2025, the discount rate utilized was 3.73%

(6) Property And Equipment

Property and equipment consisted of the following as of December 31, 2025:

Equipment and furniture	$ 154,982
Software	5,000
Construction in progress	477,236
Leasehold improvements	1,855
Land	1,450,000
Operating lease right-of-use asset	73,721
	2,162,794
Less: accumulated depreciation and amortization	(174,546)
	$ 1,988,248

(7) Lease Liability

The Organization evaluated current contracts to determine which met the criteria of a lease. The ROU asset represents the Organization's right to use the underlying asset for the lease term, and the lease liability represents the Organization's obligation to make lease payments arising from the lease. The ROU asset and lease liability, all of which arise from an operating lease, were calculated based on the present value of the future minimum lease payments over the lease term. The Organization made an accounting policy election to use a risk-free rate in lieu of its current incremental borrowing rate to discount future lease payments. The weighted average discount rate applied to calculate lease liabilities as of December 31, 2025, was 3.96%.

The Organization's operating lease is a noncancellable lease for office space commencing March 2025 through February 2027. Total operating lease cost was $38,400 during the year ended December 31, 2025. There were no noncash investing and financing transactions related to leasing other than the transition entry described in Note 2. As of December 31, 2025, the weighted-average remaining lease term for the Organization's operating lease was 1.14 years.

Total minimum lease payments as of December 31, 2025, are as follows:

December 31,	
2026	$ 38,400
2027	6,400
Total lease payments	44,800
Less present value discount	(1,089)
	$ 43,711

The Organization leased self storage space under a month to month lease agreement. During the year ended December 31, 2025, short term lease expense amounted to $8,030.

(8) Net Asset With Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2025:

Subject to The Passage of Time:	
Time restricted	$ 1,714,137
Subject to Expenditure for Specified Purpose:	
Capital campaign	3,532,160
Travel Assistance	35,004
Total subject to purpose restrictions	3,567,164
Subject to Spending Policy and Appropriation:	
Investment in perpetuity	250,000
	$ 5,531,301

(9) Endowment

The Organization maintains one donor-restricted endowment fund ("Endowment Fund"). The Endowment Fund was established in accordance with general instructions from the initial donor, and is to be maintained in perpetuity. As required by U.S. generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, therefore, classifies amounts in its donor-restricted Endowment Fund as net assets with donor restrictions until the Board appropriates amounts for expenditure and any purpose restrictions have been met. The Board of Directors has interpreted UPMIFA as requiring the maintenance of only the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, the Organization would consider the fund to be underwater if the fair value of the fund is less than the sum of (1) the original value of initial and subsequent gifts donated to the fund and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with applicable donor gift instrument. The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the Organization and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) investment policies of the Organization.

Changes in Endowment Net Assets

Changes in endowment net assets for the year ended December 31, 2025, are as follows:

	With Donor Restrictions
Endowment net assets, beginning of the year	$ 250,000
Investment return	1,814
Distributions	(1,814)
Endowment net assets, end of year	$ 250,000

Underwater Funds

As of December 31, 2025, no funds were underwater.

Return Objectives and Risk Parameters

The primary investment objective of the endowment is to preserve the purchasing power of the fund over time while providing a reasonable level of annual support for the Organization's mission. The Organization seeks a long-term total return, net of investment management fees, that exceeds inflation as measured by the Consumer Price Index (CPI).

Strategies Employed for Achieving Objectives

To achieve its investment objectives, the Organization will utilize a diversified investment strategy designed to balance risk and return over the long term. Investments may include equity securities, fixed-income securities, mutual funds, exchange traded funds, and other prudent investments approved by the Board or its designated investment advisor.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization shall appropriate endowment funds for expenditure in a manner consistent with donor restrictions and the prudence standards established by UPMIFA.

Unless otherwise restricted by a donor agreement, the Board may appropriate up to 4% of the average fair market value of the endowment, calculated over the preceding 12 quarters. Actual annual distributions shall be approved by the Board of Directors and shall be based on the financial needs of the Organization, market conditions, donor restrictions, and the prudence standards established by UPMIFA.

(10) Contributed Nonfinancial Assets

Gifts-In-Kind

The Organization received gifts-in-kind for the year ended December 31, 2025:

Supplies	$ 220
Professional fees	151,747
Event facility and catering	86,378
	$ 238,345

During the year ended December 31, 2025, all gifts-in-kind were utilized to carry out the mission of the Organization. Donations were received for event supplies and event facility and catering which was valued using U.S. wholesale prices (principal market) of identical items. Professional fees were valued and reported at the estimated fair value in the financial statements based on current rates for similar services. Of the professional fees, $72,000 is reflected in fundraising and $79,747 in program services. The Organization also received $86,378 in donated event facility costs which was a direct benefit to donors.

All gifts-in-kind received by the Organization for the year ended December 31, 2025, were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

(11) Employee Benefit Plans

The Organization has adopted a defined contribution plan under Internal Revenue Code Section 403(b). Under this plan employees are allowed to contribute and defer up to $19,500 of their annual compensation. As the employer, the Organization is required to contribute an amount not to exceed four-percent (4%) of the employee's annual compensation. The employer contribution totaled $58,649 for the year ended December 31, 2025.

(12) Liquidity And Availability Of Financial Assets

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Financial assets at year end	
Cash and cash equivalents	$ 4,944,412
Investments	1,733
Contributions and grants receivable, current	802,478
Financial assets available to meet cash needs for general expenditures within one year	$ 5,748,623

(13) **Expenses**

Total expenses incurred for the year ended December 31, 2025, were the following:

	Total Expenses	Less Direct Costs	Total Expenses Reported By Function
Program services	$ 3,115,090	$	$ 3,115,090
Fundraising	1,014,644		1,014,644
Direct benefit to donor	591,862	(591,862)	
General administration	316,017		316,017
	$ 5,037,613	$ (591,862)	$ 4,445,751

(14) **Discontinued Operations and Sale**

Stoke Broker, Inc. ("SB") entered into a asset purchase agreement as of December 21, 2023. As part of this agreement, SB sold, transferred, conveyed and delivered to the Purchaser all of the properties, rights, interest and other tangible and intangible assets of SB that are used in, held for use or necessary for the conduct of the Business.

As part of the sale, the Purchaser agreed to the following:

- Maintain a preferred non-profit partner relationship with SB ("Sole Stockholder" or "Seller").

- Commit $25,000 in donations to Sole Stockholder's annual ball for each of the three years following the Closing Date. This is not reflected in the financial statements as the donation is conditional upon the annual ball being held.

- Commit additional donations to Sole Stockholder for a minimum of three years following Closing Date, in an amount equal to the greater of (I) one percent of Purchasers marketplace net revenue for the calendar year, as determined in good faith by the Purchaser, or (ii) $25,000. The $25,000 has been reflected in the financial statements as a promise to give.

- Issue warrants to purchase 5,370 shares of common stock of the Purchaser for every $250,000 in gross profit during the period commencing after the Closing Date through December 31, 2025 (as determined in good faith by the Purchaser) resulting from bookings with Purchaser that occur directly from either (I) Seller's customer list provided at the closing, or (II) specific introductions made by Sole Stockholder following the closing date (the "Warrants"). The aggregate amount of the Warrants shall not exceed 21,480 shares. The Warrants shall have (a) an exercise price equal to $0.01 per share, (b) a net issue exercise provision, (c) a 10-year term (which earlier termination upon a change of control of Purchaser) and (d) other customary terms and conditions. Gross profits received from Sellers assignment of any Transferred Contracts shall be counted toward the issue of the Warrants;

- Continue to offer Sole Stockholder preferred pricing for Silverton Mountain adventure travel experiences through at least December 31, 2025, and make commercially reasonable efforts to add Sole Stockholder as an additional insured on the relevant Silverton Mountain insurance policy.