

OPERATION FINALLY HOME, INC.
Financial Statements
(With Independent Auditors' Report)
December 31, 2025 and 2024

OPERATION FINALLY HOME, INC.

	Page
Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statement of Activities	
For the Year Ended December 31, 2025	4
For the Year Ended December 31, 2024	5
Statement of Functional Expenses	
For the Year Ended December 31, 2025	6
For the Year Ended December 31, 2024	7
Statements of Cash Flows	8
Notes to Financial Statements	9



Independent Auditors' Report

The Board of Directors
Operation FINALLY HOME, Inc.
San Antonio, TX

Opinion

We have audited the accompanying financial statements of Operation FINALLY HOME, Inc. (the "Organization") (a non-profit corporation), 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 results of its operations 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 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 issued.

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 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 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.

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.

Other Matter

The financial statements of the Organization for the year ended December 31, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on March 21, 2025.

Atchley & Associates, LLP

Austin, Texas

April 7, 2026

OPERATION FINALLY HOME, INC.
(A Nonprofit Corporation)
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

ASSETS

	2025	2024
Cash and cash equivalents	\$ 1,002,822	\$ 1,735,716
Investments, at fair value	9,944,633	8,776,115
Accounts receivable	13,583	126,279
Contributed property held for sale	69,000	-
Prepaid expenses	6,897	-
Construction and acquisition costs for veterans' homes	527,130	449,717
Property and equipment, net	140,614	89,047
 Total assets	 \$ 11,704,679	 \$ 11,176,874

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 16,016	\$ 34,117
Accrued expenses	-	49,291
Construction commitment to transfer homes to veterans	527,130	449,717
Line of credit	281,982	-
Notes payable	172,171	83,123
 Total liabilities	 997,299	 616,248
 Net assets		
Without donor restrictions:		
Undesignated	2,729,967	2,757,353
Board designated for:		
Future home build projects	820,052	785,671
Future home remodel projects	620,000	260,245
Future home transitional projects	316,700	242,753
Future operations	6,220,661	6,514,604
Total board designated	7,977,413	7,803,273
Total without donor restriction	10,707,380	10,560,626
With donor restrictions	-	-
 Total net assets	 10,707,380	 10,560,626
 Total liabilities and net assets	 \$ 11,704,679	 \$ 11,176,874

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

OPERATION FINALLY HOME, INC.
(A Nonprofit Corporation)
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues			
Support			
Contributions	\$ 4,636,045	\$ -	\$ 4,636,045
Contributed nonfinancial assets	495,484	-	495,484
Fundraising and special events, net of expenses	11,816	-	11,816
Grants	968,973	-	968,973
Total support	6,112,318	-	6,112,318
Other revenues			
Investment earnings, net	1,168,518	-	1,168,518
Loss on sale of assets	-	-	-
Other income	39,303	-	39,303
Total support and revenues	7,320,139	-	7,320,139
Expenses			
Program services	5,597,276	-	5,597,276
General and administrative	278,667	-	278,667
Fundraising	1,297,442	-	1,297,442
Total expenses	7,173,385	-	7,173,385
Change in net assets	146,754	-	146,754
Net assets at beginning of year	10,560,626	-	10,560,626
Net assets at end of year	<u>\$ 10,707,380</u>	<u>\$ -</u>	<u>\$ 10,707,380</u>

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

OPERATION FINALLY HOME, INC.
(A Nonprofit Corporation)
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues			
Support			
Contributions	\$ 9,211,771	\$ -	\$ 9,211,771
Contributed nonfinancial assets	204,096	-	204,096
Fundraising and special events, net of expenses	161,434	-	161,434
Grants	2,059,602	-	2,059,602
Total support	11,636,903	-	11,636,903
Other revenues			
Investment earnings, net	606,242	-	606,242
Loss on sale of assets	(61,160)	-	(61,160)
Other income	13,724	-	13,724
Total support and revenues	12,195,709	-	12,195,709
Expenses			
Program services	4,082,982	-	4,082,982
General and administrative	594,765	-	594,765
Fundraising	2,376,568	-	2,376,568
Total expenses	7,054,315	-	7,054,315
Change in net assets	5,141,394	-	5,141,394
Net assets at beginning of year	5,419,232	-	5,419,232
Net assets at end of year	<u>\$ 10,560,626</u>	<u>\$ -</u>	<u>\$ 10,560,626</u>

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

OPERATION FINALLY HOME, INC.
(A Nonprofit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2025

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 935,206	\$ 138,375	\$ 96,810	\$ 1,170,391
Payroll taxes	79,150	11,394	8,283	98,827
Total payroll expenses	<u>1,014,356</u>	<u>149,769</u>	<u>105,093</u>	<u>1,269,218</u>
Advertising and promotion	106,122	43,538	159,402	309,062
Auto	22,728	1,768	9,741	34,237
Bank fees	3,351	178	1,201	4,730
Builder/veteran expenses	3,181	-	-	3,181
Building costs	2,382,364	371	1,103	2,383,838
Contract labor	126,933	7,923	23,798	158,654
Depreciation	12,552	423	62,178	75,153
Direct mailing	1,534,044	-	847,259	2,381,303
Dues and subscriptions	49,082	7,301	9,268	65,651
Insurance	77,648	5,113	7,644	90,405
Interest expense	-	8,605	-	8,605
Meals	23,420	2,441	1,795	27,656
Miscellaneous	-	-	-	-
Other expenses	5,733	842	5,705	12,280
Postage	2,503	962	5,645	9,110
Professional	127,717	40,423	43,223	211,363
Rent	2,127	528	211	2,866
Storage	6,786	454	2,302	9,542
Supplies	19,036	1,870	225	21,131
Telephone	12,105	1,483	1,755	15,343
Travel	65,488	4,675	9,894	80,057
Total	<u>\$ 5,597,276</u>	<u>\$ 278,667</u>	<u>\$ 1,297,442</u>	<u>\$ 7,173,385</u>
Fundraising costs, not included above:			<u>\$ 213,307</u>	

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

OPERATION FINALLY HOME, INC.
(A Nonprofit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 899,828	\$ 158,211	\$ 29,665	\$ 1,087,704
Payroll taxes	69,175	12,162	2,280	83,617
Total payroll expenses	<u>969,003</u>	<u>170,373</u>	<u>31,945</u>	<u>1,171,321</u>
Advertising and promotion	137,973	213,084	62,603	413,660
Auto	15,697	6,362	1,414	23,473
Bank fees	2,410	2,323	85	4,818
Builder/veteran expenses	-	-	-	-
Building costs	2,493,349	-	-	2,493,349
Contract labor	-	-	-	-
Depreciation	28,996	11,104	7,747	47,847
Direct mailing	152,015	-	2,235,352	2,387,367
Dues and subscriptions	38,958	12,940	3,583	55,481
Insurance	-	17,002	-	17,002
Interest expense	-	20,574	-	20,574
Meals	17,833	1,457	2,399	21,689
Miscellaneous	-	50,000	-	50,000
Other expenses	-	5,823	-	5,823
Postage	2,486	2,741	493	5,720
Professional	152,753	63,096	21,147	236,996
Rent	4,123	1,022	410	5,555
Storage	135	2,247	68	2,450
Supplies	8,330	8,392	1,725	18,447
Telephone	13,979	225	880	15,084
Travel	44,942	6,000	6,717	57,659
Total	<u>\$ 4,082,982</u>	<u>\$ 594,765</u>	<u>\$ 2,376,568</u>	<u>\$ 7,054,315</u>
Fundraising costs, not included above:			<u>\$ 52,187</u>	

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

OPERATION FINALLY HOME, INC.
(A Nonprofit Corporation)
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 146,754	\$ 5,141,394
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Contributed nonfinancial assets	(69,000)	-
Depreciation expense	75,153	47,847
Unrealized (gain) on investments	(1,049,766)	(527,671)
Loss (gain) on disposal of vehicles and equipment	-	61,160
Change in operating assets and liabilities:		
Accounts receivable	112,696	(118,024)
Prepaid expenses	(6,897)	-
Accounts payable	(18,101)	13,509
Accrued expenses	(49,291)	(30,110)
Net cash provided (used) by operating activities	<u>(858,452)</u>	<u>4,588,105</u>
Cash flows from investing activities:		
Purchase of investments and earnings reinvestment	(118,752)	(3,915,023)
Purchase of vehicles and equipment	(126,720)	-
Net cash provided (used) by investing activities	<u>(245,472)</u>	<u>(3,915,023)</u>
Cash flows from financing activities:		
Proceeds on notes payable	126,719	-
Payments on notes payable	(37,671)	(55,545)
Line of credit advances, net of payments	281,982	(303,540)
Net cash provided (used) by financing activities	<u>371,030</u>	<u>(359,085)</u>
Net (decrease) increase in cash and cash equivalents	(732,894)	313,997
Cash and cash equivalents at beginning of year	<u>1,735,716</u>	<u>1,421,719</u>
Cash and cash equivalents at end of year	<u>\$ 1,002,822</u>	<u>\$ 1,735,716</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 8,605</u>	<u>\$ 20,574</u>

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

OPERATION FINALLY HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Operation FINALLY HOME, Inc. (the Organization) was founded in 2005 as a non-profit organization with the mission to provide Americans the ability to honor and thank America's wounded and disabled veterans, first responders, and the widows of the fallen. The Organization brings together corporate sponsors, builder associations, builders, developers, individual contributors, and volunteers to help these Veteran Heroes and their families by providing custom-built mortgage-free homes and home modifications.

The past few years have allowed for Operation FINALLY HOME, Inc. to increase its ability to provide more homes and home modifications to more Heroes. During this period, the Organization has held four pillar events for each build that includes an announcement event, ground-breaking ceremony, town hall meeting, and dedication of the home and home modification. The Board of Directors recognizes that to successfully promote the Organization through these events, high travel costs are incurred each year. In addition, in-kind donors are showcased at these events as a form of appreciation to those donors who have a major impact on Operation FINALLY HOME, Inc.'s ability to fulfill its mission.

Summary of Significant Accounting Policies

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U. S. generally accepted accounting principles. Net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions. Grants and contributions gifted for recurring programs, including those for directly specified Veteran Heroes or geographic regions, are generally not considered “restricted” under GAAP, though for internal reporting the Organization tracks such grants and contributions to verify the disbursement matches the intent. Assets restricted solely through the actions of the Board are reported as net assets without donor restrictions, board designated.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that are more restrictive than the Organization's mission and purpose, that will be met by actions of the Organization and/or the passage of time. Donor imposed restrictions are released when the restriction expires and are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Grants received with restrictions, and whose restrictions are met in the same fiscal year, are reported as unrestricted in the statements of activities. There were no donor restricted net assets at December 31, 2025 and 2024.

OPERATION FINALLY HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Recognition - The Organization recognizes contributions and grants either when a valid promise to give (generally in writing) is received or as collected in the case of most smaller denomination gifts. Contributions and grants are reported as without or with donor restriction, depending on the existence and/or nature of any restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restriction 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 restriction depending on the nature of the restriction. When a restriction expires, the net assets are reclassified to net assets without donor restriction. Non-cash contributions are recorded at their fair market value at the date of contribution.

Donated goods and services are reported as “contributed nonfinancial assets” by the Organization. Donated goods are recorded at fair value at the time of donation. The value of donated services is based on an amount determined to be appropriate if individuals were employed by the Organization to perform such services and is recorded as contributed services revenue and expense in the period during which the services are rendered.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash on hand and deposits held by financial institutions with maturities of three months or less.

Investments - Investments are reported at fair market value determined by quoted market prices. Gains and losses (realized and unrealized) are reported as investment earnings, net of expenses in the accompanying statement of activities. Donated investment instruments are recorded at fair value at the date of donation.

Accounts Receivable - Accounts receivable are reported at outstanding principal, net of an allowance of \$0 at December 31, 2025 and 2024. The allowance is generally determined based on an account-by-account review and historical trends. Accounts are charged off when collection efforts have failed, and the account is deemed uncollectible. The Organization normally does not charge interest on accounts receivable. Management believes all outstanding accounts receivable to be collectible as of December 31, 2025 and 2024.

Property and Equipment - Property and equipment is valued at historical cost or estimated fair value at the date of donation. Expenditures for betterments that materially extend the useful life of an asset are capitalized. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets, which is generally three to five years for furniture and equipment.

Contributed Nonfinancial Assets - Noncash contributions consist of donated materials and services from corporate sponsors, builder associations, builders, developers, and individual contributions to assist in carrying out the Organization’s mission. Donated materials and services are received and used to assist the Organization in their mission to provide veterans and their families custom-built mortgage-free homes and home modifications. Donated goods are valued based on current prices for similar items and donated services are based on standard billing rates for comparable services. Donated goods are used in program services or sold to support operations.

OPERATION FINALLY HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value Measurements - In accordance with U.S. generally accepted accounting principles, the Organization utilizes a fair value hierarchy that prioritizes the inputs for the 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

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, or;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used nor transfers between levels. Following is a description of the valuation methodologies used for investments measured at fair value:

Cash and Money Market Funds (MMFs): Valued at its carry amount due to short-term maturity of the instrument.

Stocks: Valued at the closing price reported on the active market.

Mutual Funds and Exchange Traded Funds : Valued at the daily closing price (net asset value).

U.S Treasuries: Valued using quoted prices in active markets for identical assets or through observable market data, including quoted market prices for similar instruments.

Corporate Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation 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.

OPERATION FINALLY HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income Taxes - Operation FINALLY HOME, Inc. is a tax-exempt organization under Internal Revenue Service Code Section 501(c)(3). In addition, the Organization is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. Donors of money and/or property are entitled to the maximum charitable contribution deduction allowed by law. The Organization is not subject to Texas margin tax. Management is not aware of any tax positions that would have a significant impact on its financial position. Its federal tax returns for the last four years remain subject to examination.

Functional Allocation of Expenses - The costs of providing the services and other activities of the Organization have been summarized on a functional basis in the statements of functional expense. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits which are allocated on the basis of estimates of time and effort, as well as depreciation, office, and occupancy, which are allocated on square-footage or other reasonable basis. Also see Note H.

Advertising - Advertising and promotion costs are expensed as incurred.

Fundraising and Special Events - Costs associated with special events are netted against the related revenues.

Use of Estimates - The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Concentrations of Credit Risk - Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and investments. The Organization places its cash and investments (including restricted assets) with major financial institutions, which from time-to-time may exceed federal insured limits. The Organization had cash balances of approximately \$437,876 in excess of the Federal Deposit Insurance Corporation (FDIC) insured limit at December 31, 2025. Management periodically assesses the financial condition of the institutions and believes the risk of loss is minimal.

Subsequent Events - Subsequent events have been evaluated by management through the date of the independent auditors' report. Material subsequent events, if any, are disclosed in a separate footnote to these financial statements.

OPERATION FINALLY HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE B - INVESTMENTS

Investments are stated at fair value. Investment earnings (including interest earned on accounts classified as cash and cash equivalents) is summarized as follows for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 160,966	\$ 108,747
Net realized and unrealized gains (losses) on change in market value	1,049,766	527,671
Investment fees	<u>(42,214)</u>	<u>(30,176)</u>
Investment earnings (loss), net	<u>\$ 1,168,518</u>	<u>\$ 606,242</u>

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2025 and 2024, consisted of the following:

	<u>2025</u>	<u>2024</u>
Furniture and equipment	\$ 48,402	\$ 48,402
Vehicles	305,251	178,531
Software	<u>15,999</u>	<u>15,999</u>
Total property and equipment	369,652	242,932
Less accumulated depreciation	<u>(229,038)</u>	<u>(153,885)</u>
Property and equipment, net	<u>\$ 140,614</u>	<u>\$ 89,047</u>

**NOTE D - CONSTRUCTION AND ACQUISITION COSTS FOR VETERANS' HOMES
AND COMMITMENT TO TRANSFER HOMES TO VETERANS**

Construction and acquisition costs for veterans' homes represent construction costs of homes that will be transferred to veterans upon completion. When constructing a new home, title and ownership of the property is retained by the Organization until such time the Organization transfers ownership to the veteran. Prior to transfer of ownership, costs incurred, and donations of materials and services received for these activities are recorded as an asset of the Organization in the statements of financial position.

To the extent that all significant conditions are met, a liability representing the commitment to transfer the home to a veteran is established in the same amount as the related asset. Upon transfer of ownership, the full cost of the property and the corresponding liability are both reduced to zero. Construction and Acquisition Costs for Veterans' Homes and the related liability Commitment to Transfer Homes to Veterans totaled \$527,130 at December 31, 2025, and \$449,717 at December 31, 2024.

OPERATION FINALLY HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE E - LINE OF CREDIT

The Organization has a revolving line of credit with Frost Bank for \$650,000 with interest at 3.0% over the adjusted SOFR rate (9.65% at December 31, 2025). Interest is due monthly, and all unpaid principal is due at maturity. The line of credit matures October 27, 2026. The Organization had an outstanding balance of \$281,982 at December 31, 2025 and \$0 at December 31, 2024.

NOTE F - NOTES PAYABLE

Notes payable consist of the following at December 31:

	2025	2024
Note payable to Ford Credit, due March 2028 with interest at 1.90%, due in monthly installments of \$1,050, including interest; secured by vehicle.	\$ 27,737	\$ 39,689
Note payable to Ford Credit, due March 2027 with interest at 2.90%, due in monthly installments of \$1,296, including interest; secured by vehicle.	28,953	43,434
Note payable to Ford Credit, due April 2030 with interest at 8.99%, due in monthly installments of \$1,208, including interest; secured by vehicle.	51,072	-
Note payable to Ford Credit, due September 2029 with interest at 0%, due in monthly installments of \$1,431, including interest; secured by vehicle.	64,409	-
	\$ 172,171	\$ 83,123

Maturities of long-term debt will require the following principal payments:

Years ended December 31:	
2026	\$ 54,591
2027	54,937
2028	32,672
2029	26,394
Thereafter	3,577
Total	\$ 172,171

OPERATION FINALLY HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE G - CONTRIBUTED NONFINANCIAL ASSETS

Noncash contributions consist of donated materials and services from corporate sponsors, builder associations, builders, developers, and individual contributions to assist in carrying out the Organization’s mission. Donated materials and services are received and used to assist the Organization in their mission to provide veterans and their families custom-built mortgage-free homes and home modifications.

Contributed material and services received are as follows for the years ended December 31:

	2025	2024
Land, building materials, and construction services	\$ 412,329	\$ 203,243
Legal	8,855	56
Advertising and printing	5,300	-
Insurance	-	797
Vehicle	69,000	-
Total contributed materials and service	\$ 495,484	\$ 204,096

NOTE H - JOINT COSTS

In accordance with accounting standards, the Organization conducts activities that include a fundraising appeal. Those activities include direct mail campaigns. For the year ended December 31, 2025, the costs of conducting these activities included a total of \$2,381,303 of joint costs, with \$1,534,044 allocated to program expenses, \$847,259 allocated to fundraising expenses. For the year ended December 31, 2024, the costs of conducting these activities included a total of \$2,387,367 of joint costs, with \$152,015 allocated to program expenses and \$2,235,352 allocated to fundraising expenses.

NOTE I - RELATED PARTY TRANSACTIONS

The Organization paid \$0 in 2025 and \$50,000 in 2024 to the Patriot Community Development, Inc. (PCD) to assist in start-up costs and operating expenses for Veteran housing programs incurred by PCD. PCD was co-founded by the former Executive Director of the Organization.

OPERATION FINALLY HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE J - FAIR VALUE MEASUREMENTS

The following table sets forth, by level within the fair value hierarchy, investments measured at fair value:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
December 31, 2025				
Cash and money market funds	\$ 1,431,916	\$ -	\$ -	\$ 1,431,916
Stocks	6,098,032	-	-	6,098,032
Mutual funds	36,419	-	-	36,419
Exchange traded funds	356,707	-	-	356,707
U.S. treasuries	1,805,167	-	-	1,805,167
Corporate bonds	-	216,392	-	216,392
Total investments at fair value	<u>\$ 9,728,241</u>	<u>\$ 216,392</u>	<u>\$ -</u>	<u>\$ 9,944,633</u>
December 31, 2024				
Cash and money market funds	\$ 270,458	\$ -	\$ -	\$ 270,458
Stocks	3,404,031	-	-	3,404,031
Exchange traded funds	605,284	-	-	605,284
Corporate bonds	-	4,496,342	-	4,496,342
Total investments at fair value	<u>\$ 4,279,773</u>	<u>\$ 4,496,342</u>	<u>\$ -</u>	<u>\$ 8,776,115</u>

OPERATION FINALLY HOME, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE K - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Organization has approximately \$11,000,000 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. This consists of cash, investments (which are not endowed), and accounts receivable. The Organization has a goal to maintain approximately twelve months of operating reserves throughout the year which, on the average, total approximately \$90,000 per month given full programmatic expenditures.

	2025	2024
Financial assets at year end		
Cash and cash equivalents	\$ 1,002,822	\$ 1,735,716
Investments, at fair value	9,944,633	8,776,115
Accounts receivable	13,583	126,279
Contributed property held for sale	69,000	-
Total financial assets at year end	11,030,038	10,638,110
Financial assets available to meet general expenditures over the next twelve months	\$ 11,030,038	\$ 10,638,110