



The Bateman Horne Center of Excellence

Financial Statements

And

Independent Auditor's Report

**As of December 31, 2025
and for the year then ended**

**with summarized comparative information
for the year ended December 31, 2024**

The Bateman Horne Center of Excellence

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Independent Auditor's Report

Board of Directors
The Bateman Horne Center of Excellence

Opinion

We have audited the accompanying financial statements of The Bateman Horne Center of Excellence (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, 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 Bateman Horne Center of Excellence as of December 31, 2025 and the changes in its 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 Bateman Horne Center of Excellence and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Bateman Horne Center of Excellence's ability to continue as a going concern for one year after the date that the financial statements are 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 Bateman Horne Center of Excellence'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 Bateman Horne Center of Excellence'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.

Report on Summarized Comparative Information

We have previously audited The Bateman Horne Center of Excellence's 2024 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated April 2, 2026. 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.

A handwritten signature in cursive script that reads "Squire & Company, PC".

Orem, Utah
August 28, 2026

The Bateman Horne Center of Excellence

Statement of Financial Position

December 31, 2025

With Comparative Totals as of December 31, 2024

	<u>12/31/2025</u>	<u>12/31/2024</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 481,260	\$ 264,252
Contributions and accounts receivable	371,346	167,334
Prepaid expenses	37,761	-
Investments	<u>348,392</u>	<u>261,207</u>
Total current assets	<u>1,238,759</u>	<u>692,793</u>
Security deposit	15,000	-
Right-of-use asset, operating lease	596,330	-
Property and equipment, net	<u>366,818</u>	<u>11,562</u>
Total assets	<u>\$ 2,216,907</u>	<u>\$ 704,355</u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 12,685	\$ 13,996
Accrued payroll	186,165	165,269
Deferred revenue	-	45,746
Liability, operating lease, current portion	73,421	-
Note payable, current portion	<u>48,615</u>	<u>-</u>
Total current liabilities	<u>320,886</u>	<u>225,011</u>
Liability, operating lease, net of current portion	573,832	-
Note payable, net of current portion	253,047	-
Notes payable, related party	<u>323,244</u>	<u>316,866</u>
Total liabilities	<u>1,471,009</u>	<u>541,877</u>
Net assets		
Without donor restrictions	429,918	162,478
With donor restrictions	<u>315,980</u>	<u>-</u>
Total net assets	<u>745,898</u>	<u>162,478</u>
Total liabilities and net assets	<u>\$ 2,216,907</u>	<u>\$ 704,355</u>

See accompanying notes to financial statements.

The Bateman Horne Center of Excellence
Statement of Activities
Year Ended December 31, 2025
With Comparative Totals For the Year Ended December 31, 2024

	December 31, 2025			12/31/2024
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
REVENUES AND SUPPORT				
Support				
Contributions	\$ 1,586,753	\$ 200,000	\$ 1,786,753	\$ 1,307,992
Foundation and corporate grants	626,741	115,980	742,721	283,336
Government grants	-	-	-	3,479
Nonfinancial contributions	<u>3,190</u>	<u>-</u>	<u>3,190</u>	<u>-</u>
Total support	<u>2,216,684</u>	<u>315,980</u>	<u>2,532,664</u>	<u>1,594,807</u>
Revenues				
Research fees	270,528	-	270,528	613,796
Clinic fees	326,970	-	326,970	492,431
Education fees	78,326	-	78,326	145,546
Other	2,962	-	2,962	-
Interest	-	-	-	685
Loss on disposal of property and equipment	(582)	-	(582)	-
Net investment income (loss)	<u>(40,677)</u>	<u>-</u>	<u>(40,677)</u>	<u>3,367</u>
Total revenues	<u>637,527</u>	<u>-</u>	<u>637,527</u>	<u>1,255,825</u>
Total revenues and support	<u>2,854,211</u>	<u>315,980</u>	<u>3,170,191</u>	<u>2,850,632</u>
EXPENSES				
Program services				
Education	474,120	-	474,120	560,738
Research	657,621	-	657,621	860,483
Clinic	1,152,957	-	1,152,957	1,116,390
Supporting services				
Management and general	250,823	-	250,823	219,628
Fundraising	<u>51,250</u>	<u>-</u>	<u>51,250</u>	<u>40,425</u>
Total expenses	<u>2,586,771</u>	<u>-</u>	<u>2,586,771</u>	<u>2,797,664</u>
Change in net assets	267,440	315,980	583,420	52,968
Net assets, beginning of year	<u>162,478</u>	<u>-</u>	<u>162,478</u>	<u>109,510</u>
Net assets, end of year	<u>\$ 429,918</u>	<u>\$ 315,980</u>	<u>\$ 745,898</u>	<u>\$ 162,478</u>

See accompanying notes to financial statements.

The Bateman Horne Center of Excellence
Statement of Functional Expenses
Year Ended December 31, 2025
With Comparative Totals For the Year Ended December 31, 2024

	December 31, 2025									
	Program Services				Support Services					
	Education	Research	Clinic	Total	Management and General	Fundraising	Total	Total	12/31/2024	Total
Salaries and wages	\$ 311,814	\$ 448,521	\$ 825,644	\$ 1,585,979	\$ 74,951	\$ 30,962	\$ 105,913	\$ 1,691,892	\$	1,702,479
Payroll taxes	27,267	39,221	72,198	138,686	6,554	2,707	9,261	147,947		134,833
Employee benefits	26,094	37,535	69,095	132,724	6,272	2,591	8,863	141,587		134,558
Occupancy	30,351	48,441	82,615	161,407	7,165	2,960	10,125	171,532		200,782
Professional services	5,857	15,988	19,829	41,674	98,361	284	98,645	140,319		233,341
Information technology	12,629	19,394	26,795	58,818	28,510	5,392	33,902	92,720		44,430
Insurance	7,798	11,216	20,647	39,661	1,974	774	2,748	42,409		54,872
Contract labor	24,287	13,523	-	37,810	475	-	475	38,285		156,680
Communications	3,260	4,688	8,630	16,578	783	324	1,107	17,685		44,684
Marketing	16,442	50	741	17,233	8	3	11	17,244		2,713
Depreciation and amortization	3,106	4,466	8,222	15,794	746	308	1,054	16,848		7,290
Bank and merchant fees	-	10	1,945	1,955	11,361	-	11,361	13,316		9,316
Licenses and dues	-	2,705	3,087	5,792	2,103	4,490	6,593	12,385		12,993
Interest	1,445	2,078	3,825	7,348	4,226	143	4,369	11,717		9,246
Equipment	1,047	1,327	4,715	7,089	2,522	104	2,626	9,715		17,874
Miscellaneous	1,706	2,072	3,550	7,328	1,115	133	1,248	8,576		-
Conferences and training	198	2,449	33	2,680	3,199	-	3,199	5,879		3,448
Supplies	653	2,954	1,319	4,926	209	6	215	5,141		8,945
Office	166	983	67	1,216	289	69	358	1,574		14,795
Travel	-	-	-	-	-	-	-	-		4,385
Total expenses	\$ 474,120	\$ 657,621	\$ 1,152,957	\$ 2,284,698	\$ 250,823	\$ 51,250	\$ 302,073	\$ 2,586,771	\$	2,797,664

See accompanying notes to financial statements.

The Bateman Horne Center of Excellence
Statement of Cash Flows
Year Ended December 31, 2025
With Comparative Totals For the Year Ended December 31, 2024

	<u>12/31/2025</u>	<u>12/31/2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 583,420	\$ 52,968
Items not requiring cash		
Depreciation and amortization	16,848	7,290
Contributions of investments	(812,726)	(456,727)
Loss on disposal of property and equipment	582	-
Net realized and unrealized (gain) loss on investment	41,361	(3,367)
Amortization of right-of-use asset, operating lease	45,398	185,597
Accrued interest	6,420	-
Changes in		
Contributions and accounts receivable	(204,012)	76,945
Prepaid expenses	(37,761)	-
Security deposit	(15,000)	10,580
Accounts payable	(1,311)	2,318
Accrued payroll	20,897	14,478
Deferred revenue	(45,746)	(44,103)
Liability, operating lease	<u>5,524</u>	<u>(221,055)</u>
Net cash used in operating activities	<u>(396,106)</u>	<u>(375,076)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(66,993)	(4,200)
Purchase of investments	-	(40)
Proceeds from sale of investments	<u>684,179</u>	<u>476,479</u>
Net cash provided by investing activities	<u>617,186</u>	<u>472,239</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payments on note payable	(4,030)	-
Proceeds from issuance of notes payable, related party	10,000	310,927
Payments on notes payable, related party	<u>(10,042)</u>	<u>(292,500)</u>
Net cash provided by (used in) financing activities	<u>(4,072)</u>	<u>18,427</u>
Net change in cash and cash equivalents	217,008	115,590
Cash and cash equivalents, beginning of year	<u>264,252</u>	<u>148,662</u>
Cash and cash equivalents, end of year	<u><u>\$ 481,260</u></u>	<u><u>\$ 264,252</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 5,298</u>	<u>\$ 9,246</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING INFORMATION		
Right-of-use asset obtained in exchange for lease liability, operating	<u>\$ 641,728</u>	<u>\$ -</u>
Note payable issued in exchange for property and equipment	<u>\$ 305,693</u>	<u>\$ -</u>

See accompanying notes to financial statements.

The Bateman Horne Center of Excellence

Notes to Financial Statements

December 31, 2025

1. ORGANIZATION HISTORY

The Bateman Horne Center of Excellence (the “Organization”) was incorporated as a nonprofit corporation in the State of Utah on December 17, 2001. The Organization is a nonprofit public charity with a mission to raise awareness of chronic fatigue syndrome and fibromyalgia and provide patients and professionals with information, clinical care, and integrated research projects. The Organization’s major sources of revenue include contributions, research fees, program participation fees, and clinic fees. The Organization accomplishes its mission through the following major programs:

Education – The Organization creates health care provider education that transforms the way patients are cared for with Myalgic Encephalomyelitis (ME), Chronic Fatigue Syndrome (CFS), and other post viral syndromes. The Bateman Horne Center of Excellence’s education bridges the medical education gap and translates the science into clinical practice. The education program also provides abundant, free resources of information and self-management to all patients and their care partners worldwide.

Research – The Organization invites eligible patients to participate in a variety of ongoing research opportunities including biomarker discovery, developing point-of-care measures, and clinical trials. These efforts drive real-time learning by generating knowledge and data that are translated into innovative research projects and partnerships, educational assets, and inform clinical care.

Clinic – The Organization provides expert consultation and experienced clinical care providing patients with a differential diagnosis and health management plan for patients with multi-symptom Chronic Complex Diseases (msCCD).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Concentrations of Credit Risks

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. At December 31, 2025, cash in bank accounts exceeded federally insured limits by \$167,262. These assets have been placed with high credit quality financial institutions and the Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

At December 31, 2025, approximately 75% of the Organization’s total contributions and accounts receivable were due from three donors.

Accounts Receivable and Allowance for Credit Losses

The Organization's financial assets measured at amortized cost and subject to the current expected credit loss ("CECL") model consist primarily of accounts receivable from exchange transactions. Promises to give are accounted for in accordance with not-for-profit contribution guidance and are excluded from the CECL model, but are evaluated separately for collectability. Management estimates any allowance for credit losses on accounts receivable using a methodology that considers historical collection experience, the nature of the receivable and counterparty, current economic and organizational conditions, and, when applicable, reasonable and supportable forecasts about future conditions expected to affect collectability. Based on this evaluation, including the Organization's history of minimal losses on receivables and prompt payment experience, management has concluded that any allowance for credit losses is not significant.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded 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 discount is included in contribution revenue in the statement of activities. The Organization determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. An allowance for uncollectable promises has not been established at December 31, 2025 because management believes that all promises to give will be fully collectable.

Investments

Investments are initially recorded at cost, if purchased, or at fair value if donated. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, and investment management and custodial fees.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions, with highest priority given to quoted prices in active markets and lowest priority to an entity's assumptions. The Organization groups assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1	Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
Level 2	Other observable inputs including quoted prices for similar assets in active or non-active markets, or other observable inputs for the asset.
Level 3	Unobservable inputs that cannot be corroborated by observable market data, such as pricing models, discounted cash flow models, and similar techniques.

If inputs used to measure fair value fall into different levels of the fair value hierarchy, the lowest level input significant to the fair value measurement is used for disclosure purposes.

Property and Equipment

Property and equipment are recorded at cost at the date purchased or, if donated, at fair value at the date donated. Depreciation and amortization expense is calculated using the straight-line method over the estimated useful lives of the respective assets or lease terms, which range from three to seven years. Depreciation and amortization expense for the year ended December 31, 2025 was \$16,848. Management reviews the carrying value of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no impairments during the year ended December 31, 2025.

Operating Leases

Operating leases are presented as right-of-use assets and lease liabilities in the statement of financial position. At commencement, right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term, discounted using the risk-free rate. Right-of-use assets decrease as lease expense (rent) is recognized on a straight-line basis over the lease term. Lease liabilities decrease as cash payments are made to the lessor and increase as the discount on the lease is amortized. The Organization does not recognize right-of-use 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 rent expense on a straight-line-basis over the lease term. The Organization determines if an arrangement is or contains a lease at inception. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option.

Classes of Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets 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 (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) 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.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Revenue Recognition

Contributions – Contributions are recognized as support when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been substantially met. Contributions are considered to be without donor restrictions unless restricted by the donor.

Contributed Nonfinancial Assets – Contributed goods, use of facilities, and services that either create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded at fair value at the date of donation.

Program Service Revenue – Program service revenue consists of research, program participation, clinic, and education fees.

- Research fees are recognized as revenue based on the terms of each contract either (1) at a point in time when performance obligations are satisfied, or (2) over time as performance obligations are performed and data is collected.
- Program participation fees allow patients to pay an annual membership and receive services, not covered by insurance, during the subsequent twelve-month period. Program participation fees are assessed annually or monthly and are recognized as revenue ratably over the twelve-month term. Cash received in advance of performing services is recorded as deferred revenue.
- Clinic fees, charged to patients for providing clinical services, are recognized as revenue at a point in time when the services are provided in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those services. The Organization requires each patient to sign a fee agreement, acknowledging ultimate responsibility for payment of services, in addition to an implied contract with each patient at the time of service. The Organization has contracts with various insurance companies, as well as Medicare and Medicaid, delineating payment terms and amounts. The Organization recognizes clinic fees associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. The variable consideration, which consists of estimated implicit price concessions, is based on management's assessment of historical write-offs, expected net collections, business and economic conditions, trends in health care coverage, and other collection indicators.
- Education fees are recognized based on the terms of each contract either (1) at a point in time when performance obligations are satisfied, or (2) over time as performance obligations are performed and data is collected.

Income Taxes

The Organization has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c)(3), qualifying for the charitable contribution deduction under section 509(a)(2), and has been determined not to be a private foundation under Section 509(a). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) and is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax. Management believes that the Organization has appropriate support for any tax positions taken in its annual filing and does not have any uncertain tax positions that are material to the financial statements. The Organization's Forms 990 are no longer subject to tax examination for years before 2022.

Advertising

Advertising costs are expensed when the advertising first takes place. Advertising expense for the year ended December 31, 2025 was \$17,244, and is included in marketing on the statement of functional expenses.

Functional Allocation of Expenses

The cost of providing programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, employee benefits, communications, and insurance (which are allocated on the basis of estimated time and effort), and occupancy costs (which are allocated based on square footage).

Estimates in the Financial Statements

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. Actual results could differ from those estimates.

Reclassifications

Certain items from December 31, 2024 have been reclassified to conform to the December 31, 2025 presentation.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2025 consisted of the following:

Cash and cash equivalents	\$ 481,260
Contributions and accounts receivable	371,346
Investments	<u>348,392</u>
Current financial assets	1,200,998
Less those unavailable for general expenditure within one year, due to donor-imposed time or purpose restrictions	<u>(16,667)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,184,331</u>

As part of its liquidity management plan, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in savings and investments. To help manage unanticipated liquidity needs, the Organization has credit cards with an aggregate credit limit of \$25,000, which it could draw upon. The Organization's management has been awarded contracts that will provide revenue over future periods, continues fundraising efforts, and could reduce operational expenses, if necessary.

4. CONTRIBUTIONS AND ACCOUNTS RECEIVABLE

Contributions and accounts receivable consisted of the following at December 31, 2025:

Contributions receivable	
Promises to give	<u>\$ 315,980</u>
Accounts receivable	
Clinic fees	13,747
Education fees	40,816
Other	<u>803</u>
	<u>55,366</u>
	<u>\$ 371,346</u>

Contributions and accounts receivable are expected to be collected within one year.

5. FAIR VALUE MEASUREMENTS

The following table summarizes the Organization's financial assets that were accounted for at fair value on a recurring basis at December 31, 2025, and the fair value calculation input hierarchy level that the Organization has determined applies to the asset category:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stock	\$ 336,993	\$ -	\$ -	\$ 336,993
Exchange-traded funds	<u>11,399</u>	<u>-</u>	<u>-</u>	<u>11,399</u>
	<u>\$ 348,392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 348,392</u>

6. PROPERTY AND EQUIPMENT

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

Furniture and equipment	\$ 78,564
Leasehold improvements	366,047
Software	<u>10,900</u>
	<u>455,511</u>
Less accumulated depreciation and amortization	<u>(88,693)</u>
Property and equipment, net	<u>\$ 366,818</u>

7. OPERATING LEASE

The Organization leases clinic and office space under an operating lease which expires in November 2032 and requires monthly payments of \$8,136, which escalate by 3% annually. The following is supplemental information related to this lease as of December 31, 2025:

Right-of-use asset, operating lease	\$ 641,728
Less amortization	<u>(45,398)</u>
	<u>\$ 596,330</u>
Operating lease liability	<u>\$ 647,253</u>
Weighted average remaining lease term	6.92 years
Weighted average discount rate	4.22%

Lease maturity table:

<u>Year ending December 31,</u>	
2026	\$ 99,341
2027	102,321
2028	105,390
2029	108,552
2030	111,809
Thereafter	<u>223,774</u>
Total lease payments	751,187
Less present value discount	<u>(103,934)</u>
Operating lease liability	<u>\$ 647,253</u>

Lease expense during the year ended December 31, 2025 consisted of the following:

Operating lease expense, included in the statement of activities in Occupancy	\$ 161,739
Short-term lease expense, included in the statement of activities in Occupancy	<u>5,749</u>
	<u>\$ 167,488</u>

8. NOTES PAYABLE

At December 31, 2025, the Organization had the following notes payable:

Notes payable to related parties, bearing annual interest of 2%. The notes do not require periodic payments of principal and interest.	\$ 323,243
Note payable to a private company bearing annual interest of 6.2% and requiring monthly payments of principal and interest. The note is secured by improvements costing \$305,693.	<u>301,663</u>
Total notes payable	624,906
Less: current portion	<u>(48,615)</u>
Total notes payable, net of current portion	<u>\$ 576,291</u>

Interest expense for the year ended December 31, 2025 was \$11,717.

Future maturities of notes payable are as follows:

<u>Year ending December 31,</u>	
2026	\$ 48,615
2027	51,614
2028	54,797
2029	58,177
2030	61,684
Thereafter	<u>350,019</u>
	<u>\$ 624,906</u>

9. NET ASSETS WITH DONOR RESTRICTIONS

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

Subject to expenditure for specified purpose	
Promises to give, the proceeds of which are restricted by the donor for education	\$ 16,667
Subject to expenditure at a future time	
Promises to give, the proceeds from which are not restricted by the donor	<u>299,313</u>
	<u>\$ 315,980</u>

10. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Organization's revenue from contracts with customers includes research, program participation, clinic, and education fees, as disaggregated on the statement of activities.

Contract Balances

The following table provides information about receivables from contracts with customers at December 31, 2025.

Accounts receivable	
Clinic fees	\$ 13,747
Education fees	<u>40,816</u>
	<u>\$ 54,563</u>

Significant changes in contract liabilities during the year ended December 31, 2025 were as follows:

Deferred revenue at December 31, 2024	\$ 45,746
Revenue recognized that was included in deferred revenue at December 31, 2024	<u>(45,746)</u>
Deferred revenue at December 31, 2025	<u>\$ -</u>

11. RETIREMENT PLAN

The Organization established a 401(k) retirement plan that covers employees who meet certain eligibility requirements. The Organization contributes matching contributions for eligible employees. The Organization's contribution to the Plan was \$32,105 for the year ended December 31, 2025.

12. RELATED-PARTY TRANSACTIONS

The Organization had unsecured related party notes payable totaling \$130,654 and \$192,589 at December 31, 2025, respectively, to an entity wholly-owned by the Organization's Medical Director and to a former Executive Director. These notes are payable as cash flow allows and bear annual interest at 2%.

13. COMMITMENTS AND CONTINGENCIES

The Organization participates in various government-assisted grant programs that are subject to review and audit by grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a government audit may become a liability of the Organization. The ultimate disallowance pertaining to these regulations, if any, is estimated to be immaterial to the overall financial condition of the Organization. The Organization may be involved in certain claims arising from the ordinary course of operations and has purchased insurance policies to cover these risks.

14. COMPARATIVE FINANCIAL INFORMATION

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. 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.

15. SUBSEQUENT EVENTS

Subsequent events were evaluated through August 28, 2026 which is the date the financial statements were available to be issued. From their review, management has determined that there were no significant recognizable or unrecognizable subsequent events that were not properly disclosed.