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Central Florida Educational Foundation, Inc. and Affiliates

Combined and Consolidated Financial Statements

For The Years Ended December 31, 2025 and 2024



Batts Morrison
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CPAs for Nonprofits

REPORT OF INDEPENDENT AUDITOR

The Boards of Directors
Central Florida Educational Foundation, Inc. and Affiliates
Altamonte Springs, Florida

Opinion

We have audited the accompanying combined and consolidated financial statements of Central Florida Educational Foundation, Inc. and Affiliates (collectively referred to herein as “the Organization”), which consist of the combined and consolidated statements of financial position as of December 31, 2025 and 2024, and the related combined and consolidated statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the combined and consolidated financial statements.

In our opinion, the combined and consolidated financial statements referred to above present fairly, in all material respects, the combined and consolidated financial position of Central Florida Educational Foundation, Inc. and Affiliates as of December 31, 2025 and 2024, the combined and consolidated changes in its net assets and its combined and consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Combined and Consolidated 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 Combined and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the combined and consolidated 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 combined and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined and consolidated 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 combined and consolidated financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Combined and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined and consolidated financial statements 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 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 combined and consolidated financial statements.

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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 risk of material misstatement of the combined and consolidated 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 combined and consolidated 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 combined and consolidated 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.

A handwritten signature in blue ink that reads "Batts Morrison Wales & Lee, P.A.".

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida
July 29, 2026

CENTRAL FLORIDA EDUCATIONAL FOUNDATION, INC. AND AFFILIATES
COMBINED AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31,	
	2025	2024
ASSETS		
Cash and cash equivalents	\$ 4,372,431	\$ 5,247,039
Property and equipment, net	3,446,295	3,337,357
Right-of-use assets	3,899,052	4,191,727
Broadcast licenses, net	4,997,923	4,872,923
Other assets	<u>426,432</u>	<u>458,679</u>
Total assets	<u>\$ 17,142,133</u>	<u>\$ 18,107,725</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$ 46,043	\$ 135,201
Lease liabilities	<u>4,171,834</u>	<u>4,410,287</u>
Total liabilities	<u>4,217,877</u>	<u>4,545,488</u>
NET ASSETS		
Without donor restrictions	12,924,256	13,553,344
With donor restrictions	<u>—</u>	<u>8,893</u>
Total net assets	<u>12,924,256</u>	<u>13,562,237</u>
Total liabilities and net assets	<u>\$ 17,142,133</u>	<u>\$ 18,107,725</u>

CENTRAL FLORIDA EDUCATIONAL FOUNDATION, INC. AND AFFILIATES
COMBINED AND CONSOLIDATED STATEMENTS OF ACTIVITIES

	For The Years Ended December 31,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS						
Public support and revenue						
Contributions	\$ 6,379,788	\$ —	\$ 6,379,788	\$ 6,258,062	\$ —	\$ 6,258,062
Sponsorship revenue	420,884	—	420,884	399,798	—	399,798
Rental income	266,809	—	266,809	254,892	—	254,892
Concert, event, and other income	111,267	—	111,267	158,777	—	158,777
Net assets released from restrictions	<u>8,893</u>	<u>(8,893)</u>	<u>—</u>	<u>32,783</u>	<u>(32,783)</u>	<u>—</u>
Total public support and revenue and net assets released from restrictions	<u>7,187,641</u>	<u>(8,893)</u>	<u>7,178,748</u>	<u>7,104,312</u>	<u>(32,783)</u>	<u>7,071,529</u>
Expenses						
Program activities	<u>6,622,750</u>	<u>—</u>	<u>6,622,750</u>	<u>6,239,854</u>	<u>—</u>	<u>6,239,854</u>
Supporting activities						
General and administrative	1,064,719	—	1,064,719	1,151,907	—	1,151,907
Fundraising	<u>129,260</u>	<u>—</u>	<u>129,260</u>	<u>151,127</u>	<u>—</u>	<u>151,127</u>
Total supporting activities	<u>1,193,979</u>	<u>—</u>	<u>1,193,979</u>	<u>1,303,034</u>	<u>—</u>	<u>1,303,034</u>
Total expenses	<u>7,816,729</u>	<u>—</u>	<u>7,816,729</u>	<u>7,542,888</u>	<u>—</u>	<u>7,542,888</u>
CHANGE IN NET ASSETS	(629,088)	(8,893)	(637,981)	(438,576)	(32,783)	(471,359)
NET ASSETS - Beginning of year	<u>13,553,344</u>	<u>8,893</u>	<u>13,562,237</u>	<u>13,991,920</u>	<u>41,676</u>	<u>14,033,596</u>
NET ASSETS - End of year	<u>\$ 12,924,256</u>	<u>\$ —</u>	<u>\$ 12,924,256</u>	<u>\$ 13,553,344</u>	<u>\$ 8,893</u>	<u>\$ 13,562,237</u>

The Accompanying Notes are an Integral
Part of These Combined and Consolidated Financial Statements

CENTRAL FLORIDA EDUCATIONAL FOUNDATION, INC. AND AFFILIATES
COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS

	For The Years Ended December 31,	
	2025	2024
OPERATING CASH FLOWS		
Cash received from contributors	\$ 6,379,788	\$ 6,258,062
Cash received from sponsorships, rent, concerts, events, and other activities	819,617	720,094
Cash paid for operating activities and costs	<u>(7,392,741)</u>	<u>(7,234,996)</u>
Net operating cash flows	<u>(193,336)</u>	<u>(256,840)</u>
INVESTING CASH FLOWS		
Purchases of and improvements to property and equipment	(556,272)	(232,885)
Improvement to broadcast license	<u>(125,000)</u>	<u>—</u>
Net investing cash flows	<u>(681,272)</u>	<u>(232,885)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(874,608)	(489,725)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>5,247,039</u>	<u>5,736,764</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 4,372,431</u>	<u>\$ 5,247,039</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS		
Change in net assets	\$ (637,981)	\$ (471,359)
Adjustments to reconcile change in net assets to net operating cash flows		
Depreciation	447,334	329,432
Amortization of right-of-use assets	292,675	270,838
Change in other assets	32,247	(176,426)
Change in accounts payable and accrued expenses	(89,158)	1,186
Change in lease liabilities	<u>(238,453)</u>	<u>(210,511)</u>
Net operating cash flows	<u>\$ (193,336)</u>	<u>\$ (256,840)</u>

SUPPLEMENTAL DISCLOSURE

During 2024, the Organization recognized approximately \$712,000 of right-of-use assets in exchange for the same amount of lease liabilities. See Note H.

CENTRAL FLORIDA EDUCATIONAL FOUNDATION, INC. AND AFFILIATES
COMBINED AND CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2025

For The Year Ended December 31, 2023					
		Supporting activities			
	Program activities	General and administrative	Fundraising	Total supporting activities	Total expenses
Salaries and benefits	\$ 2,723,094	\$ 495,969	\$ 113,993	\$ 609,962	\$ 3,333,056
Postage, printing, and communications	1,888,228	29	10,847	10,876	1,899,104
Rent	638,567	409	—	409	638,976
Insurance and general office	161,427	311,269	630	311,899	473,326
Depreciation	409,792	37,542	—	37,542	447,334
Professional services	213,306	78,656	—	78,656	291,962
On-air programming	288,058	—	—	—	288,058
Other	125,992	135,964	1,777	137,741	263,733
Leased and non-capitalized equipment	79,478	4,738	460	5,198	84,676
Staff development	42,527	—	—	—	42,527
Grants	39,485	—	—	—	39,485
Office and event supplies	12,796	143	1,553	1,696	14,492
Total expenses	\$ 6,622,750	\$ 1,064,719	\$ 129,260	\$ 1,193,979	\$ 7,816,729

For The Year Ended December 31, 2024

For The Year Ended December 31, 2024						
		Supporting activities			Total expenses	
		Program activities	General and administrative	Fundraising		Total supporting activities
Salaries and benefits	\$	2,609,425	\$ 518,357	\$ 118,887	\$ 637,244	\$ 3,246,669
Postage, printing, and communications		1,746,669	1,055	11,982	13,037	1,759,706
Rent		650,429	15	—	15	650,444
Insurance and general office		161,845	329,043	300	329,343	491,188
Depreciation		295,680	33,752	—	33,752	329,432
On-air programming		256,202	—	3,500	3,500	259,702
Professional services		150,110	100,912	5,400	106,312	256,422
Other		107,353	127,191	9,773	136,964	244,317
Leased and non-capitalized equipment		121,205	41,472	160	41,632	162,837
Grants		100,079	—	—	—	100,079
Staff development		31,797	—	—	—	31,797
Office and event supplies		9,060	110	1,125	1,235	10,295
Total expenses	\$	6,239,854	\$ 1,151,907	\$ 151,127	\$ 1,303,034	\$ 7,542,888

The Accompanying Notes are an Integral
Part of These Combined and Consolidated Financial Statements

CENTRAL FLORIDA EDUCATIONAL FOUNDATION, INC. AND AFFILIATES

NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES

Central Florida Educational Foundation, Inc. (“CFEF”) is a not-for-profit Florida corporation. During a previous year, CFEF transferred its operating assets and operating activities to Z Ministries, Inc. d/b/a Z88.3 (“Z Ministries”) in accordance with a corporate restructure. CFEF retained the broadcast license rights. Z Ministries, Inc. is a not-for-profit Florida corporation. CFEF and Z Ministries are dedicated to promoting the Christian life by playing positive Christian music, expounding Christian beliefs, and promoting edifying activities twenty-four hours per day. CFEF and Z Ministries serve to uplift the body of Christ and be a light for the lost by sharing the saving knowledge of Jesus Christ. Z Ministries broadcasts to substantially all of Central Florida and is based in Altamonte Springs, Florida. The accompanying combined and consolidated financial statements include the accounts of CFEF and Z Ministries, which have common boards of directors and operate under common management.

In conformity with accounting principles generally accepted in the United States (“GAAP”), the combined and consolidated financial statements of Central Florida Educational Foundation, Inc. and Affiliates (collectively referred to herein as “the Organization”) also include the accounts of the following organizations, which are separate legal entities:

- Event Ministries, Inc. (“EM”) is a not-for-profit Florida corporation, whose purposes and activities include the operation of Christian musical concerts and special events related to the broadcasting of Z Ministries. EM carries out its purposes primarily by pursuing and organizing Christian music events. CFEF has the authority to appoint members of EM’s governing body.
- Easter Sunrise Service, Inc. (“ESS”) is a not-for-profit Florida corporation, whose purposes and activities include advancing the Christian faith through an annual Easter worship service. ESS shares a common board of directors and operates under common management with CFEF, Z Ministries, and CMS.
- Charitable Ministry Support, Inc. (“CMS”) is a not-for-profit Florida corporation, whose purpose is to operate for the benefit of and to perform the functions of Z Ministries. CMS shares a common board of directors and operates under common management with CFEF, Z Ministries, and ESS.

All significant interorganization balances and transactions have been eliminated in combination and consolidation. References to the Organization in these footnotes refer to the combined and consolidated entity, unless otherwise noted.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Organization recognizes cash contributions as revenue when the contributions are received by the Organization. Contributions received are recorded as without or with donor restrictions, depending on the existence and/or nature of any 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 accompanying combined and consolidated statements of activities as “net assets released from restrictions.”

Sponsorship revenue

Sponsorship revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled for providing airtime and promotional services. Generally, the Organization bills customers throughout the contractual period as airtime or promotional services are provided. Revenue is recognized ratably throughout the contractual period.

CENTRAL FLORIDA EDUCATIONAL FOUNDATION, INC. AND AFFILIATES

NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Sponsorship revenue (Continued)

Performance obligations for sponsorship revenue are determined based on the nature of services provided by the Organization. The Organization measures the performance obligation for sponsorship revenue from when a contract has been signed or the commencement of a period in which airtime or promotional services are provided, to the point when the Organization is no longer required to provide such services, which is generally at the completion of a contract.

The Organization determines the transaction price of sponsorship revenue based on contracts with each of its customers.

All other revenue is recognized when earned.

Cash and cash equivalents

The Organization considers investment instruments purchased or donated with original maturities of three months or less to be cash equivalents.

Property and equipment

Property and equipment are stated at cost, if purchased, or estimated fair value on the date of donation, if donated. Depreciation is provided using either a straight line or an accelerated method over the estimated useful lives of the related assets.

Broadcast licenses

The Organization considers its broadcast licenses to be intangible assets with indefinite useful lives. Accordingly, the broadcast licenses are not subject to amortization. Management periodically assesses the carrying values of the broadcast licenses for impairment and adjusts the carrying value accordingly. The Organization determined that there was no impairment to broadcast licenses in 2025 or 2024.

Net assets

Net assets without donor restrictions are available for use at the discretion of the Boards of Directors and/or management for general operating purposes. Net assets with donor restrictions were restricted for the purchase of a vehicle.

Functional allocation of expenses

The combined and consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Indirect costs that benefit multiple functional areas are allocated among the various functional areas based primarily on employee time.

Leases

The Organization leases certain real estate including tower space as further described in Note H. The Organization assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of twelve months or less are not recorded on the combined and consolidated statements of financial position. Lease expense is recognized for those leases on a straight-line basis over the lease term.

Income taxes

Each organization is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from applicable state income taxes. The organizations are further classified as public charities and not private foundations for federal tax purposes. Z Ministries and CMS engage in certain unrelated business activities. Income taxes (if any) are immaterial and are recognized as expenses when the related income is generated.

CENTRAL FLORIDA EDUCATIONAL FOUNDATION, INC. AND AFFILIATES

NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of estimates

Management uses estimates and assumptions in preparing these combined and consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these combined and consolidated financial statements include those used in determining the present value of lease payments, the useful lives of property and equipment, and the carrying value of the broadcast licenses. Actual results could differ from the estimates.

Subsequent events

The Organization has evaluated for possible financial reporting and disclosure subsequent events through July 29, 2026, the date as of which the combined and consolidated financial statements were available to be issued.

NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure within one year of the date of the combined and consolidated statements of financial position are as follows:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Financial assets available:		
Cash and cash equivalents	\$ 4,372,431	\$ 5,247,039
Less:		
Amounts unavailable for general expenditure within one year due to donor-imposed purpose restrictions	<u>—</u>	<u>(8,893)</u>
Net financial assets available within one year	<u>\$ 4,372,431</u>	<u>\$ 5,238,146</u>

The Organization is primarily supported by contributions. As part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management believes the Organization has sufficient resources available for general operations that may be drawn upon in the event of unanticipated financial distress or an immediate liquidity need.

NOTE D – CONCENTRATION OF CREDIT RISK

Each organization maintains its cash and cash equivalents in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The organizations have not experienced any losses in such accounts, and believe they are not exposed to any significant credit risk related to cash and cash equivalents.

CENTRAL FLORIDA EDUCATIONAL FOUNDATION, INC. AND AFFILIATES
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

<u>Category</u>	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Land	\$ 1,430,825	\$ 1,430,825
Buildings and improvements	2,608,925	2,338,004
Broadcasting equipment	3,476,803	3,375,185
Office equipment	817,044	696,038
Vehicles	<u>152,504</u>	<u>89,777</u>
 Total property and equipment	 8,486,101	 7,929,829
 Less: Accumulated depreciation	 <u>(5,039,806)</u>	 <u>(4,592,472)</u>
 Net property and equipment	 <u>\$ 3,446,295</u>	 <u>\$ 3,337,357</u>

Depreciation expense amounted to \$447,334 and \$329,432 during 2025 and 2024, respectively.

NOTE F – BROADCAST LICENSES

CFEF has purchased the broadcast license rights for various non-commercial radio broadcast licenses and construction permits, granted by the Federal Communications Commission. As of December 31, 2025 and 2024, the carrying amount of all broadcast licenses was \$4,997,923 and \$4,872,923, respectively. During a prior year, CFEF changed its assessment as to whether its broadcast licenses have finite or indefinite lives in accordance with GAAP, concluding that the licenses have indefinite lives.

This change in accounting estimate was accounted for on a prospective basis. Accordingly, the net book value at the time of the change became the carrying amount of the licenses, which are no longer subject to amortization. The Organization's future cash flows could be materially impacted by CFEF's ability to extend or renew agreements related to its broadcast licenses.

NOTE G – ADVERTISING COSTS

Z Ministries uses advertising (included in "postage, printing, and communications" on the combined and consolidated statements of functional expenses) to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. During 2025 and 2024, Z Ministries incurred advertising costs of approximately \$1,848,000 and \$1,710,000, respectively. Such amounts are included in "program activities" expense in the accompanying combined and consolidated statements of activities.

CENTRAL FLORIDA EDUCATIONAL FOUNDATION, INC. AND AFFILIATES

NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

NOTE H – LEASES

Z Ministries leases tower space to a certain tenant under a non-cancelable operating lease. Following is a schedule by year of future minimum rentals to be received under the lease at December 31, 2025:

<u>Year Ending</u> <u>December 31,</u>	
2026	\$ 183,000
2027	192,000
2028	202,000
2029	212,000
2030	223,000
Thereafter	<u>974,000</u>
Total	<u>\$ 1,986,000</u>

The Organization is also party to certain lease agreements granting it the right to use certain real estate, including tower space, and airtime. All lease agreements are collectively referred to herein as “the lease agreements.”

The lease agreements have terms from approximately 2 to 24 years. The Organization does not anticipate early termination of the lease agreements.

The Organization’s lease agreements are classified as operating leases. In a prior year, the assets and liabilities related to the lease agreements were recorded at the present value of the remaining lease payments and were calculated utilizing applicable risk free rates as the discount rates. During 2024, the Organization recognized approximately \$712,000 of right-of-use assets in exchange for the same amount of lease liabilities for certain new leases.

Certain lease agreements contain lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on the terms of the lease contracts. The non-lease components are not included in the recognition of the “right-of-use assets” and “lease liabilities,” and are expensed as incurred.

Leases are recognized in the accompanying combined and consolidated statements of financial position as follows:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Right-of-use assets	<u>\$ 3,899,052</u>	<u>\$ 4,191,727</u>
Lease liabilities	<u>\$ 4,171,834</u>	<u>\$ 4,410,287</u>

The weighted average lease term of the lease agreements is 13.51 and 14.34 years as of December 31, 2025 and 2024, respectively.

The weighted average discount rate of the lease agreements is 2.63% and 2.30% as of December 31, 2025 and 2024, respectively.

CENTRAL FLORIDA EDUCATIONAL FOUNDATION, INC. AND AFFILIATES
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

NOTE H – LEASES (Continued)

Following is a schedule by years of future undiscounted payments required under the lease agreements reconciled to total lease liabilities as of December 31, 2025:

<u>Year Ending December 31,</u>	
2026	\$ 363,525
2027	372,680
2028	372,376
2029	359,165
2030	388,554
Thereafter	<u>3,234,414</u>
Total undiscounted payments	5,090,714
Less: Effect of discount rate applied	<u>(918,880)</u>
Total lease liabilities	<u>\$ 4,171,834</u>

Total operating lease cost related to the lease agreements amounted to approximately \$409,000 and \$393,000 for 2025 and 2024, respectively.

Total amortization expense amounted to \$292,675 and \$270,838 for 2025 and 2024, respectively.

NOTE I – RETIREMENT PLAN

The Organization offers a SIMPLE IRA retirement plan (“the Plan”) covering all employees. Employees may make tax-deferred contributions to the Plan. The Organization provides a matching contribution in an amount up to 3% of participant compensation. Total employer contributions made by the Organization to the Plan during 2025 and 2024 were approximately \$111,000 and \$64,000, respectively.