



Financial Statements

Operation 300, Inc. (a nonprofit organization)
Consolidated Financial Statements
For the years ended December 31, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Operation 300, Inc.
Stuart, Florida

Opinion

We have audited the consolidated financial statements of Operation 300, Inc., which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of Operation 300, Inc. 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 Operation 300, Inc. 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 Operation 300, Inc.'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 Operation 300, Inc.'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 Operation 300, Inc.'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 Operation 300, Inc.'s December 31, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 19, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sorren CPAs P.C.

Meridian, Idaho
July 31, 2026

OPERATION 300, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2025
With Comparative Totals as of December 31, 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 1,050,047	\$ 654,760
Certificates of deposit	319,693	250,000
Accounts receivables	24,700	0
Prepaid expense	2,082	0
Property and equipment, net	<u>2,720,546</u>	<u>2,395,960</u>
Total Assets	<u>\$ 4,117,068</u>	<u>\$ 3,300,720</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 125,579	\$ 138,329
Accrued and withheld payroll costs	10,137	8,826
Current portion of long term debt	19,087	0
Deferred revenue	<u>23,986</u>	<u>0</u>
Total Current Liabilities	178,789	147,155
Noncurrent Liabilities		
Long-term debt	<u>37,728</u>	<u>0</u>
Total Liabilities	<u>216,517</u>	<u>147,155</u>
Net Assets		
Without donor restrictions	3,900,551	3,153,565
With donor restrictions	<u>0</u>	<u>0</u>
Total Net Assets	<u>3,900,551</u>	<u>3,153,565</u>
Total Liabilities and Net Assets	<u>\$ 4,117,068</u>	<u>\$ 3,300,720</u>

See notes to financial statements.

OPERATION 300, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024

			<u>2025</u>	<u>2024</u>
	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>		
Revenue and Other Support				
Contributions and grants	\$ 2,226,902	\$ 0	\$ 2,226,902	\$ 1,281,316
Special events, net	176,136		176,136	284,207
Contributed nonfinancial assets	88,127		88,127	358,480
Program events	22,700		22,700	19,345
Other income	<u>39,424</u>	<u></u>	<u>39,424</u>	<u>36,272</u>
	2,553,289	0	2,553,289	1,979,620
Net assets released from restriction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total Revenue and Other Support	 2,553,289	 0	 2,553,289	 1,979,620
Expenses				
Program Services	1,580,785		1,580,785	1,393,957
Supporting Services				
Administrative	107,426		107,426	103,264
Fundraising	<u>118,092</u>	<u></u>	<u>118,092</u>	<u>150,828</u>
Total Supporting Services	225,518		225,518	254,092
 Total Expenses	 <u>1,806,303</u>	 <u>0</u>	 <u>1,806,303</u>	 <u>1,648,049</u>
 Change in Net Assets	 746,986	 0	 746,986	 331,571
Net Assets				
Beginning of Year	<u>3,153,565</u>	<u>0</u>	<u>3,153,565</u>	<u>2,821,994</u>
End of Year	<u>\$ 3,900,551</u>	<u>\$ 0</u>	<u>\$ 3,900,551</u>	<u>\$ 3,153,565</u>

See notes to financial statements.

OPERATION 300, INC.
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>2025 Total</u>	<u>2024 Total</u>
Travel	527,632	6,376	13,410	547,418	\$ 517,411
Salaries, benefits and payroll taxes	379,946	38,668	42,496	461,110	471,480
Facility and equipment	285,114	234	1,676	287,024	196,475
Activities and entertainment	109,754	4,329	31,895	145,978	152,213
Depreciation	99,884			99,884	89,392
Office	40,793	21,021	7,835	69,649	42,858
Professional services	45,095	21,890	1,656	68,641	42,117
Supplies	40,191	884	3,519	44,594	31,531
Insurance	22,839	9,837		32,676	30,439
Bank fees	11,316	113	15,605	27,034	19,054
Interest	13,126			13,126	3,778
Donated goods	155			155	14,089
Grants, contracts, and direct assistance				0	29,757
Other	4,940	4,074		9,014	7,455
Total Expenses	<u>\$ 1,580,785</u>	<u>\$ 107,426</u>	<u>\$ 118,092</u>	<u>\$ 1,806,303</u>	<u>\$ 1,648,049</u>

See notes to financial statements.

OPERATION 300, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024

	<u>2025</u>	<u>2024</u>
Cash Flow From Operating Activities		
Change in net assets	\$ 746,986	\$ 331,571
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	99,884	89,392
Donation of property and equipment	0	(185,730)
Changes in operating assets and liabilities:		
Prepaid expenses	(2,082)	0
Accounts receivables	(24,700)	0
Accounts payable	(12,750)	(32,968)
Accrued payroll liabilities	1,311	2,615
Deferred revenue	<u>23,986</u>	<u>0</u>
Net Cash Provided (Used) in Operating Activities	832,635	204,880
Cash Flow From Investing Activities		
Purchases of property and equipment	(424,470)	(58,061)
Purchases of certificates of deposit	<u>(69,693)</u>	<u>(250,000)</u>
Net Cash Provided (Used) in Investing Activities	(494,163)	(308,061)
Cash Flow From Financing Activities		
Payment of long-term debt	<u>56,815</u>	<u>0</u>
Net Change in Cash and Cash Equivalents	395,287	(103,181)
Cash and Cash Equivalents - Beginning of Year	<u>654,760</u>	<u>757,941</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 1,050,047</u></u>	<u><u>\$ 654,760</u></u>
Supplementary Disclosure of Cash Flow Information:		
Cash paid for interest	\$ 13,126	\$ 3,778

See notes to financial statements.

OPERATION 300, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies

Nature of Organization

Operation 300, Inc. (the Organization), is a nonprofit corporation formed in 2012. The mission of the Organization is to provide mentorship to children of the fallen, honoring the sacrifice of those who've given their all for our freedom, and promote patriotism and service in our communities. In carrying out this mission the Organization seeks to honor the life and legacy of SOC Aaron C. Vaughn.

Basis of Accounting

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

Basis of Consolidation

The accompanying financial statements present the consolidation of the financial statements of Operation 300, Inc. and its subsidiary, Camp Valor, LLC. Material inter-organization transactions and balances have been eliminated in the consolidated statements.

Basis of Presentation

The Organization reports net assets, revenues, expenses, gains and losses according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

Cash and Cash Equivalents

The Organization considers its short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist principally of cash investments. Accounts at financial institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000. At December 31, 2025 and 2024, the Organization had uninsured cash balances of \$821,427 and \$399,635, respectively.

OPERATION 300, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Receivables

Accounts receivable are stated net of an allowance for doubtful accounts which is based on historical collection experience and management's evaluation of the collectability of outstanding accounts receivable. As of December 31, 2025 and 2024, management determined no allowance was necessary.

Property and Equipment

Property and equipment are stated at cost. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method as follows:

Autos and trucks	3-5 Years
Buildings	20 Years
Furniture and equipment	3-5 Years

Deferred Revenue

The Organization receives sponsorship contributions for their summer camps. Tuition revenue received prior to the start of the summer camp is deferred until the program begins.

Fair Value

The Organization uses fair value for financial assets and liabilities. A hierarchy is used for reporting the reliability of input measurements used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the statements of financial position, which approximates fair value due to their short term, highly liquid nature.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

OPERATION 300, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Contributions and Donor Imposed Restrictions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increase that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, 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 restriction.

Special Events and Fundraising

Special events are shown net of costs that are direct benefits. Direct benefits expense totaled \$431,352 and \$439,929 for the year ended December 31, 2025 and 2024, respectively.

Revenue Recognition

Program event fees are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing the event. Performance obligations are generally satisfied at a point in time when the event takes place. Revenue is recognized at the time that the event is held. Sale of merchandise includes one-time sales of various items online or at events. Merchandise revenue is recognized at the point in time of the sale as no subsequent performance obligations exist.

Contributed Non-financial Assets

The Organization records contributed non-financial assets based on the fair value as described in generally accepted accounting principles. The Organization recognizes donated services if they create or enhance non-financial assets or require specialized skills and would typically be purchased if not provided by donation. Contributed non-financial assets are recognized as revenue when received and as expenditures when the resources are consumed.

Contributed Services

A substantial number of volunteers have contributed significant amounts of their time to the Organization's programs and activities. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition.

OPERATION 300, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort. General and administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes has been made in the financial statements.

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal years 2025 or 2024. The Organization files Form 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2022.

Prior Year Comparative Totals

The consolidating financial statements include certain 2024 summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a complete presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the 2024 consolidated financial statements from which the summarized information was derived.

OPERATION 300, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Subsequent Events

The Organization has evaluated subsequent events through July 31, 2026, which is the date the financial statements were available to be issued.

Note B – Liquidity and Availability of Resources

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

Cash	\$ 1,050,047
Certificates of deposit	319,693
Accounts receivable	24,700
CD pledged as collateral	<u>(60,000)</u>
Total assets available within one year	<u>\$ 1,334,440</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note C – Certificates of Deposit

As of December 31, 2025, the Organization held certificates of deposit in the amounts of \$60,000 and \$259,693, with maturity dates of six months and interest rates ranging from 3.50% to 4.00% per annum. The certificates of deposit are recorded at cost, which approximates fair value.

OPERATION 300, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note D – Property And Equipment

At December 31, property and equipment consists of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 1,200,000	\$ 1,200,000
Land improvements	406,429	362,235
Buildings	1,148,150	940,288
Autos and trucks	324,104	184,733
Furniture and equipment	<u>59,665</u>	<u>26,622</u>
	3,138,348	2,713,878
Less accumulated depreciation	<u>(417,802)</u>	<u>(317,918)</u>
Total property and equipment	<u><u>\$ 2,720,546</u></u>	<u><u>\$ 2,395,960</u></u>

Depreciation expense for the years ended December 31, 2025 and 2024 was \$99,884 and \$89,392, respectively. During the year ended 2024, \$185,730, of buildings were donated to the Organization to use in its camp program.

Note E –Debt

In 2025, the Organization entered into a vehicle loan agreement with First Southern National Bank to provide financing for a new vehicle. The loan is collateralized through a certificate of deposit through First Southern National Bank. The loan has a borrowing limit of \$60,000, bears interest at 5.5% per annum. The loan will mature on October 20, 2028. At maturity, all outstanding principal and accrued interest are due, unless converted to a term loan in accordance with provisions of the loan agreement. At December 31, 2025, the outstanding balance of the loan was \$56,815.

Note F – Net Assets

The detail of the Organization’s net asset categories at December 31, 2025 and 2024, is as follows:

	<u>2025</u>	<u>2024</u>
Without donor restrictions:		
Invested in property and equipment	\$ 2,644,644	\$ 2,395,960
Undesignated surplus	<u>1,255,907</u>	<u>757,605</u>
Total net assets	<u><u>\$ 3,900,551</u></u>	<u><u>\$ 3,153,565</u></u>

OPERATION 300, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note G – Contributed Nonfinancial Assets

For the years ended December 31, 2025 and 2024, contributed nonfinancial assets recognized within the statement of activities included:

	<u>2025</u>	<u>2024</u>
Buildings	\$ 0	\$ 185,730
Goods	<u>88,127</u>	<u>172,750</u>
Total contributed nonfinancial assets	<u>\$ 88,127</u>	<u>\$ 358,480</u>

The Organization recognized contributed nonfinancial assets within revenue, including contributed buildings, and goods. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. The contributed buildings will be used for program activities. In valuing the contributed buildings, the Organization estimated the fair value on the basis of purchasing similar cottages and buildings from a third party vendor. The Organization estimated the fair value of goods on the basis of estimates of wholesale values that would be received for selling similar products in the United States.