

**EARTH FORCE, INC.**  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
**September 30, 2025**





## Table of Contents

	Page
<b>Independent Auditors' Report .....</b>	<b>1</b>
<b>Financial Statements</b>	
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Cash Flows .....	5
Statement of Functional Expenses .....	6
Notes to Financial Statements .....	7



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## INDEPENDENT AUDITORS' REPORT

Board of Directors and Management  
Earth Force, Inc.

### Opinion

We have audited the accompanying financial statements of Earth Force, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 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 Earth Force, Inc. as of September 30, 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. 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 Earth Force, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Earth Force Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

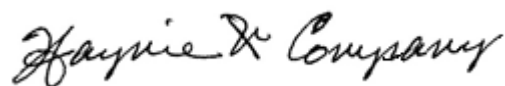
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Earth Force 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 Earth Force 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 Earth Force Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 12, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sincerely,

A handwritten signature in cursive script that reads "Haynie & Company".

Littleton, Colorado  
December 18, 2025

**EARTH FORCE, INC.**  
**Statement of Financial Position**  
**September 30, 2025**  
**(With Comparative Totals as of September 30, 2024)**

	<u><b>2025</b></u>	<u><b>2024</b></u>
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 238,749	\$ 369,357
Investments	854,722	623,981
Accounts receivable	51,017	102,337
Promises to give	10,000	10,000
Other current assets	<u>10,743</u>	<u>10,244</u>
Total Current Assets	<u>1,165,231</u>	<u>1,115,919</u>
Noncurrent Assets:		
Right-of-use operating lease asset	12,590	12,590
Less: Accumulated amortization - operating lease	<u>(6,739)</u>	<u>(4,403)</u>
Right-of-use operating lease asset, net	<u>5,851</u>	<u>8,187</u>
<b>Total Assets</b>	<u><b>\$ 1,171,082</b></u>	<u><b>\$ 1,124,106</b></u>
 <b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable	4,811	8,819
Accrued expenses	17,025	21,232
Deferred revenue	15,000	14,678
Current maturities of operating lease obligation	<u>2,507</u>	<u>2,332</u>
Total Current Liabilities	<u>39,343</u>	<u>47,061</u>
Noncurrent Liabilities:		
Operating lease obligation, net of current maturities	<u>3,382</u>	<u>5,889</u>
 <b>Net assets:</b>		
Net assets without donor restrictions	1,072,971	1,032,730
Net assets with donor restrictions	<u>55,386</u>	<u>38,426</u>
Total net assets	<u>1,128,357</u>	<u>1,071,156</u>
<b>Total Liabilities and Net Assets</b>	<u><b>\$ 1,171,082</b></u>	<u><b>\$ 1,124,106</b></u>

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

**EARTH FORCE, INC.**  
**Statement of Activities**  
**For the Year Ended September 30, 2025**  
**(With Comparative Totals For the Year Ended September 30, 2024)**

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenue:</b>						
Grants and contributions	\$ 271,106	\$ 200,540	\$ 471,646	\$ 279,054	\$ 169,650	\$ 448,704
Government grants	140,417	-	140,417	95,149	-	95,149
Program revenue	353,818	-	353,818	318,804	-	318,804
Product sales	2,450	-	2,450	66,500	-	66,500
Less: cost of goods sold	<u>(2,450)</u>	<u>-</u>	<u>(2,450)</u>	<u>(66,500)</u>	<u>-</u>	<u>(66,500)</u>
Net product sales	-	-	-	-	-	-
Other income	28,187	-	28,187	25,611	-	25,611
Net assets released from restrictions due to satisfaction of purpose or time restrictions	<u>183,580</u>	<u>(183,580)</u>	<u>-</u>	<u>170,775</u>	<u>(170,775)</u>	<u>-</u>
Total support and revenue	<u>977,108</u>	<u>16,960</u>	<u>994,068</u>	<u>889,393</u>	<u>(1,125)</u>	<u>888,268</u>
<b>Expenses:</b>						
Program Services	898,851	-	898,851	802,846	-	802,846
Supporting services:						
Management and general	84,245	-	84,245	81,656	-	81,656
Fundraising and development	<u>38,965</u>	<u>-</u>	<u>38,965</u>	<u>87,333</u>	<u>-</u>	<u>87,333</u>
Total Expenses	<u>1,022,061</u>	<u>-</u>	<u>1,022,061</u>	<u>971,835</u>	<u>-</u>	<u>971,835</u>
<b>Change in Net Assets from Operations</b>	<u>(44,953)</u>	<u>16,960</u>	<u>(27,993)</u>	<u>(82,442)</u>	<u>(1,125)</u>	<u>(83,567)</u>
<b>Nonoperating Revenue:</b>						
Net investment income	<u>85,194</u>	<u>-</u>	<u>85,194</u>	<u>30,232</u>	<u>-</u>	<u>30,232</u>
<b>Change in Net Assets</b>	<u>40,241</u>	<u>16,960</u>	<u>57,201</u>	<u>(52,210)</u>	<u>(1,125)</u>	<u>(53,335)</u>
Net Assets Beginning of Year	<u>1,032,730</u>	<u>38,426</u>	<u>1,071,156</u>	<u>1,084,940</u>	<u>39,551</u>	<u>1,124,491</u>
Net Assets End of Year	<u>\$ 1,072,971</u>	<u>\$ 55,386</u>	<u>\$ 1,128,357</u>	<u>\$ 1,032,730</u>	<u>\$ 38,426</u>	<u>\$ 1,071,156</u>

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

# EARTH FORCE, INC.

## Statement of Cash Flows

For the Year Ended September 30, 2025

(With Comparative Totals For the Year Ended September 30, 2024)

	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 57,201	\$ (53,335)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net investment (gain) loss	(85,194)	(30,232)
Non-cash contribution of security	(150,560)	(149,180)
Non-cash lease expenses	4	80
Changes in assets and liabilities		
Accounts receivable and promises to give	51,320	11,584
Other current assets	(499)	36
Accounts payable and accrued expenses	(8,215)	1,418
Deferred revenue	<u>322</u>	<u>105</u>
Net cash from operating activities	<u>(135,621)</u>	<u>(219,524)</u>
<b>Cash flows from investing activities</b>		
Purchase of investments	(194,987)	(153,115)
Proceeds from sale of investments	<u>200,000</u>	<u>115,000</u>
Net cash from investing activities	<u>5,013</u>	<u>(38,115)</u>
Net cash from financing activities	<u>-</u>	<u>-</u>
Net change in cash and cash equivalents	(130,608)	(257,639)
<b>Cash balance—beginning of year</b>	<u>369,357</u>	<u>626,996</u>
<b>Cash balance—end of year</b>	<u><u>\$ 238,749</u></u>	<u><u>\$ 369,357</u></u>
<b>Supplemental disclosure information for Statement of Cash Flows:</b>		
Operating cash flows paid for operating leases	\$ 2,603	\$ 2,528

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

# EARTH FORCE, INC.

## Statement of Functional Expenses

For the Year Ended September 30, 2025

(With Summarized Comparative Totals For the Year Ended September 30, 2024)

	<u>Program Services</u>	<u>Supporting Services</u>			
	Social and community, public education and information, and public affairs	Fundraising and Development	Management and General	Total 2025	Total 2024
Salaries	\$ 512,318	\$ 27,133	\$ 62,308	\$ 601,759	\$ 607,394
Payroll taxes and employee benefits	<u>102,001</u>	<u>5,610</u>	<u>12,135</u>	<u>119,746</u>	<u>114,636</u>
Total salaries, payroll taxes, and employee benefits	<u>614,319</u>	<u>32,743</u>	<u>74,443</u>	<u>721,505</u>	<u>722,030</u>
Accounting and audit	8,245	485	970	9,700	9,200
Professional fees	62,473	384	767	63,624	14,311
General material and supplies	12,575	50	23	12,648	8,381
Postage	767	26	332	1,125	1,178
Copying/printing	5,133	-	105	5,238	73,052
Equipment and software	574	-	573	1,147	-
Phone/internet	8,160	480	960	9,600	10,000
Other communications	5,240	719	3,564	9,523	10,051
Commercial travel	4,699	4	43	4,746	4,816
Lodging / event space rentals	4,722	-	80	4,802	5,223
Other travel and meeting costs	7,718	105	636	8,459	11,193
Stipends	9,415	-	-	9,415	26,281
Sub-awards and mini-grants	144,965	-	-	144,965	120,616
Business insurance	9,862	580	1,160	11,602	11,673
Occupancy costs	2,387	131	261	2,779	4,618
Miscellaneous	<u>47</u>	<u>3,258</u>	<u>328</u>	<u>3,633</u>	<u>5,712</u>
Total Expenses	<u>\$ 901,301</u>	<u>\$ 38,965</u>	<u>\$ 84,245</u>	<u>\$ 1,024,511</u>	<u>\$ 1,038,335</u>

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



# Earth Force, Inc.

## Notes to Financial Statements

### September 30, 2025

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#### 1. Organization

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Earth Force Inc. (the Organization) was incorporated under the laws of the state of Delaware in 1993. Its primary mission is to help youth learn about the environment and their communities and to take civic action to address issues they see there. Earth Force's mission is to engage young people as active citizens who improve the environment and their communities now and in the future. All programs include the fundamental elements of youth decision making, civic engagement, environmental action, and service learning.

Earth Force has an office in Denver, Colorado, and staff working across most of the country. Earth Force supports partners and programs across the entire country and receives most of its funding through grants and contributions.

#### 2. Summary of Significant Accounting Policies

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##### **Method of Accounting**

The Organization's records are maintained on the accrual basis of accounting in conformity with generally accepted accounting principles as applicable to nonprofit organizations.

##### **Basis of Presentation**

The financial statements follow the Accounting Standards Codification (ASC) guidance for not-for-profit organizations, the Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Earth Force, Inc.**  
**Notes to Financial Statements**  
**September 30, 2025**

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**2. Summary of Significant Accounting Policies (continued)**

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**Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash and cash equivalents consist solely of cash on hand and demand deposits. The Organization's cash deposits are held at financial institutions at which deposits are insured up to \$250,000 per institution by the FDIC. As of September 30, 2025 all cash deposits are FDIC insured.

**Investments**

Investments include money market funds and exchange-traded products (ETPs). Investments are reported in the statement of financial position based on the Organization's fair value policies. Net investment return in the accompanying statement of activities includes realized and unrealized gains and losses and dividends and interest earned.

**Accounts Receivable**

Accounts receivable consist primarily of amounts due from federal and state governments and represent amounts due from third parties for services provided. Accounts receivable are stated at unpaid balances, less an allowance for credit losses. The allowance is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future uncollectible amounts. The allowance is management's best estimate determined based on historical performance and future forecasts on an ongoing basis. All receivables were deemed collectible as of September 30, 2025 and 2024.

**Promises to Give**

Unconditional promises to give are recorded as receivables and revenue when received. The Organization distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. As of September 30, 2025 and 2024, unconditional promises to give amounted to \$10,000 and \$10,000, respectively. These contributions are expected to be realized in one year or less and are classified as net assets without donor restrictions in the statement of activities.

**Property and Equipment**

Property and equipment is stated at cost or, if donated, at fair market value at the date of donation. Depreciation is provided utilizing the straight-line method over the estimated useful lives for owned assets, ranging from 3 to 15 years, and related lease terms for leasehold improvements. Expenditures for major repairs and improvements are capitalized, and expenditures for minor repairs and maintenance are expensed when incurred.

It is the policy of Earth Force to capitalize all purchases of \$5,000 and greater. As of September 30, 2025 and 2024, the Organization had no capitalized property or equipment.

**Earth Force, Inc.**  
**Notes to Financial Statements**  
**September 30, 2025**

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**2. Summary of Significant Accounting Policies (continued)**

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**Deferred Revenue**

Deferred revenue consists of amounts received from a fee-for-service contract with Nutrien, of which a portion of the contract amount is received up front. Revenues received in advance are recorded as deferred revenue on the statement of net position and the revenue is recognized as the programming services are performed.

**Program Revenue**

Revenue from programming is primarily derived from agreements with different programs where monies received are based on purchase orders. Revenues from these sources are recognized when the service is provided, in an amount that reflects the consideration that Earth Force expects to be entitled to in exchange for those services. All revenues from contracts with customers is recognized at a point in time. Earth Force does not have any contract liabilities and does not have any significant contract related assets.

**Grant Revenue**

Grant revenues are either recorded as contributions or exchange transactions based on the criteria contained in the grant. A portion of Earth Force's grant revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Earth Force has incurred expenditures in compliance with specific contract grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

**Contributions**

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or a promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised if the condition is not met.

Conditional contributions are recognized when the barriers to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions depending on the existence or nature of any donor restrictions.

**Earth Force, Inc.**  
**Notes to Financial Statements**  
**September 30, 2025**

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**2. Summary of Significant Accounting Policies (continued)**

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When a donor restriction expires, that is, when stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. Contributions of securities are recognized at fair value on the date received from the donor and recorded in grants and contributions in the accompanying statements of activities.

**In-Kind Donations**

In-kind donations of property, materials, and personal services are recorded at estimated fair value at date of receipt. These donations (other than contributions of property and equipment) are included as program costs to properly reflect the total cost of the particular program.

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

**Income Taxes**

Earth Force is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. During 2025, the Organization had no unrelated business activities and believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Earth Force's federal tax return (Form 990) for 2025 is subject to examination by the IRS, generally for three years after the return is filed.

**Functional Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salary and benefits	Time and effort
Administrative expenses	Time and effort
Travel and meeting expenses	Direct costs
Professional fees	Direct costs

**Earth Force, Inc.**  
**Notes to Financial Statements**  
**September 30, 2025**

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**2. Summary of Significant Accounting Policies (continued)**

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**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

**Prior-Year Summarized Financial Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2024, from which the summarized information was derived.

**Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year presentation. Such reclassifications had no effect on the previously reported change in net assets.

**Subsequent Events**

The Organization evaluated all events or transactions that occurred after September 30, 2025 through December 18, 2025, the date the financial statements were available to be issued. During this period, the Organization was not aware of any material recognizable subsequent events.

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**3. Fair Value Measurements**

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FASB guidance requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

# Earth Force, Inc.

## Notes to Financial Statements

### September 30, 2025

### 3. Fair Value Measurements (continued)

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodology used as of September 30, 2025 and 2024.

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

### 4. Investments

The Organization's investments are carried at fair value on quoted prices in active markets (see Note 3). As of September 30, 2025 and 2024, the Organization's investments consisted of exchange traded products and money market funds.

The following tables set forth by level, within the fair value hierarchy, the Organization's investment assets at fair value as of September 30, 2025:

	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Exchange-traded products	\$ 800,036	\$ 800,036	\$ -	\$ -
Money market funds	54,686	54,686	-	-
Total investments at fair value	\$ 854,722	\$ 854,722	\$ -	\$ -

# Earth Force, Inc.

## Notes to Financial Statements

### September 30, 2025

#### 4. Investments (continued)

The following tables set forth by level, within the fair value hierarchy, the Organization's investment assets at fair value as of September 30, 2024:

	Assets Measured at Fair Value	Fair Value Hierachy Level		
		Level 1	Level 2	Level 3
Money market funds	\$ 623,981	\$ 623,981	\$ -	\$ -
Total investments at fair value	\$ 623,981	\$ 623,981	\$ -	\$ -

The Organization received a stock donation valued at \$150,560 and \$149,180 for the years ended September 30, 2025 and 2024, respectively. These contributions were restricted by the donor for use in community programs. Because this contribution did not involve the receipt of cash, it is disclosed as a non-cash investing activity and is excluded from cash inflows on the statement of cash flows. The amount is included only as a reconciliation adjustment in the operating section to remove the effect of non-cash contribution revenue.

Net investment return for the years ending September 30, 2025 and 2024 consisted of the following:

	2025	2024
Interest and dividends	\$ 24,708	\$ 29,241
Unrealized gain (loss)	60,884	-
Realized gain (loss)	(398)	991
Net investment return	\$ 85,194	\$ 30,232

#### 5. Retirement Plan

Earth Force sponsors a 401(k) retirement plan (the "Plan") that covers all employees. The Plan is available to employees who work 20 hours or more per week. Employees may contribute amounts based on limits established by the IRS. The plan provides for discretionary employer matching contributions.

As of September 30, 2025 and 2024, employer matching contributions were determined to be up to \$1,500 per qualifying employee on an annual basis, which have been paid for by forfeitures available in the Plan or cash reserves. Plan participants become 100% vested in employer contributions to the Plan after three years of employment. During the years ended September 30, 2025 and 2024, matching contributions totaled \$10,413 and \$9,863, respectively.

**Earth Force, Inc.**  
**Notes to Financial Statements**  
**September 30, 2025**

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**6. Commitments and Contingencies**

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**Government Contracts**

Earth Force receives certain revenues from contracts with various governmental agencies. The disbursement of funds received under these contracts generally requires compliance with terms and conditions specified in the contracts and are subject to audit by the contracting agencies.

The amount of charges to these contracts that may be disallowed, if any, by such audits cannot presently be determined, and no provision for any liability that may result has been made in the financial statements. However, management believes Earth Force is in compliance with its contract requirements, and no liability has arisen in the past or is currently expected.

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**7. Leases**

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**Lease Obligations**

The Organization leases an office space in Denver, Colorado under a non-cancelable five-year operating lease. The Organization assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. The lease expires in December 2027 and provides for initial monthly payments of \$200, which escalate by 3% annually.

Assets recorded under the operating lease as of both September 30, 2025 and 2024 were \$12,590. As of September 30, 2025 and 2024, accumulated amortization associated with operating leases was \$6,739 and \$4,403, respectively. Net of this accumulated amortization amount, the operating lease right-of-use asset at September 30, 2025 and 2024 was \$5,851 and \$8,187, respectively. During the years ended September 30, 2025 and 2024, rent expense under this operating lease was \$2,603 and \$2,528, respectively.

As the lease did not provide an implicit rate, the Organization used the risk-free rate at the commencement of the lease in determining the present value of lease payments. The weighted average remaining lease term on this lease is 2.25 years. The weighted average discount rate applied to this lease is 4.06%.



# Earth Force, Inc.

## Notes to Financial Statements

### September 30, 2025

#### 7. Leases (continued)

Future minimum lease payments under this non-cancelable operating lease as of September 30, 2025 were as follows:

	<u>Operating Leases</u>
2026 \$	2,682
2027	2,762
2028	696
Less: imputed interest	<u>(250)</u>
Total future minimum lease payments \$	5,889
Lease commitments - current portion \$	2,507
Lease commitments- long-term portion	<u>3,382</u>
Total \$	5,889

#### 8. Related Party

Board members contribute financially to the Organization. Unrestricted cash contributions for the year ended September 30, 2025 and 2024 were \$6,071 and \$7,777, respectively.

#### 9. Liquidity

The following represents Earth Force's financial assets available within one year of the balance sheet for general expenditures:

	<u>2025</u>	<u>2024</u>
Financial assets at period end:		
Cash & cash equivalents	\$ 238,749	\$ 369,357
Investments	854,722	623,981
Accounts receivable	51,017	102,337
Promises to give	<u>10,000</u>	<u>10,000</u>
Total financial assets	1,154,488	1,105,675
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>55,386</u>	<u>38,426</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,099,102</u>	<u>\$ 1,067,249</u>

# Earth Force, Inc.

## Notes to Financial Statements

### September 30, 2025

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#### 9. Liquidity (continued)

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The Organization maintains cash and cash equivalents to meet its operational needs and may invest excess balances in short-term, highly liquid investments such as money market funds and exchange-traded products. A portion of the Organization's financial assets is subject to donor restrictions and is not available for general expenditures within the next year. The Organization manages its liquidity by regularly monitoring cash flows and investment balances to ensure adequate resources are available to meet ongoing operational requirements.

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#### 10. Net Assets

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Net assets with donor restrictions and without donor restrictions for the years ended September 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Net assets with donor restrictions:		
Community programs	\$ 55,386	\$ 35,926
General programs	-	2,500
Total net assets with donor restrictions	<u>\$ 55,386</u>	<u>\$ 38,426</u>
Net assets without donor restrictions	<u>1,072,959</u>	<u>1,032,730</u>
Total net assets	<u><u>\$ 1,128,345</u></u>	<u><u>\$ 1,071,156</u></u>