ELDERHEART, INC.
(d/b/a Mission 22)

FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023

ELDERHEART, INC.
(d/b/a Mission 22)

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CBIZ CPAs

Independent Auditors' Report

To the Board of Directors
ElderHeart, Inc.
(d/b/a Mission 22)
Sisters, Oregon

Opinion

We have audited the financial statements of Elderheart, Inc. (d/b/a Mission 22) (the "Organization"), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization, as of December 31, 2024 and 2023, and the changes in its net assets and its 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 ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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 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 the Organization's ability to continue as a going concern within one year after the date of the financial statements are issued or available to be issued.

Auditors' Responsibilities for the Audits 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 judgement and maintain professional skepticism throughout the audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, 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 audits, significant audit findings and certain internal control-related matters that we identified during the audits.

CBIZ CPAs P.C.

Indianapolis, Indiana
July 30, 2025

ELDERHEART, INC.
(d/b/a Mission 22)
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,571,446	$ 3,145,440
Contributions receivable	53,142	165,239
Inventory	297,886	307,865
Other current assets	11,947	9,372
Total Current Assets	1,934,421	3,627,916
Property and Equipment		
Land	231,567	231,567
Buildings	1,543,737	1,543,737
Furniture and equipment	118,776	118,776
Accumulated depreciation	(212,198)	(150,333)
Total Property and Equipment, net	1,681,882	1,743,747
Total Assets	$ 3,616,303	$ 5,371,663
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current portion of long-term debt (Note 3)	$ -	$ 1,004,756
Accounts payable and other accrued liabilities	22,206	62,687
Total Current Liabilities	22,206	1,067,443
Net Assets		
Without donor restrictions	3,594,097	4,304,220
Total Liabilities and Net Assets	$ 3,616,303	$ 5,371,663

See accompanying notes to financial statements.

ELDERHEART, INC.
(d/b/a Mission 22)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions	$ 2,910,399	$ -	$ 2,910,399
In-kind contributions	120	-	120
Merchandise sales	238,081	-	238,081
Total Support and Revenues	3,148,600	-	3,148,600
Expenses			
Programs			
Veterans	1,237,028	-	1,237,028
Social impact	2,085,451	-	2,085,451
Fundraising	160,225	-	160,225
General and administrative	376,019	-	376,019
Total Expenses	3,858,723	-	3,858,723
Change in Net Assets	(710,123)	-	(710,123)
Net Assets, Beginning of Year	4,304,220	-	4,304,220
Net Assets, End of Year	$ 3,594,097	$ -	$ 3,594,097

See accompanying notes to financial statements.

ELDERHEART, INC.
(d/b/a Mission 22)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions	$ 3,710,559	$ -	$ 3,710,559
In-kind contributions	8,400	-	8,400
Merchandise sales	302,388	-	302,388
Program	26,849	-	26,849
Gain on sale of property and equipment	431,172	-	431,172
Total Support and Revenues	4,479,368	-	4,479,368
Expenses			
Programs			
Veterans	1,660,958	-	1,660,958
Memorials	9,648	-	9,648
Social impact	2,132,320	-	2,132,320
Fundraising	359,203	-	359,203
General and administrative	582,184	-	582,184
Total Expenses	4,744,313	-	4,744,313
Change in Net Assets	(264,945)	-	(264,945)
Net Assets, Beginning of Year	4,569,165	-	4,569,165
Net Assets, End of Year	$ 4,304,220	$ -	$ 4,304,220

See accompanying notes to financial statements.

ELDERHEART, INC.
(d/b/a Mission 22)
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024

	Veterans	Social Impact	Total Program	General and Administrative	Fundraising	Total Expense
Salaries and wages	$ 536,752	$ 626,751	$ 1,163,503	$ 123,662	$ -	$ 1,287,165
Treatment	519,720	-	519,720	-	-	519,720
Travel	-	83,016	83,016	-	-	83,016
Professional fees	-	145,616	145,616	62,020	-	207,636
Advertising	-	348,653	348,653	33,876	160,225	542,754
Rent	-	58,339	58,339	-	-	58,339
Contracted services	-	276,332	276,332	-	-	276,332
Cost of goods sold	-	124,125	124,125	-	-	124,125
Miscellaneous	-	24,209	24,209	29,224	-	53,433
Employee benefits	86,322	146,886	233,208	33,178	-	266,386
Payroll taxes	42,577	50,063	92,640	10,902	-	103,542
Supplies	-	12,531	12,531	6,457	-	18,988
Equipment and software	-	103,012	103,012	2,510	-	105,522
Depreciation	51,657	-	51,657	10,208	-	61,865
Business expense	-	-	-	700	-	700
Service charges	-	-	-	5,916	-	5,916
Postage	-	33,743	33,743	-	-	33,743
Repairs and maintenance	-	5,224	5,224	30,001	-	35,225
Printing	-	16,960	16,960	-	-	16,960
Telephone	-	29,991	29,991	2,376	-	32,367
Insurance	-	-	-	12,231	-	12,231
Utilities	-	-	-	7,767	-	7,767
Interest	-	-	-	4,991	-	4,991
Total	$ 1,237,028	$ 2,085,451	$ 3,322,479	$ 376,019	$ 160,225	$ 3,858,723

See accompanying notes to financial statements.

ELDERHEART, INC.
(d/b/a Mission 22)
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023

	Veterans	Memorials	Social Impact	Total Program	General and Administrative	Fundraising	Total Expense
Salaries and wages	$ 689,252	$ 5,451	$ 571,129	$ 1,265,832	$ 147,640	$ -	$ 1,413,472
Treatment	702,882	-	-	702,882	-	-	702,882
Travel	-	50	67,429	67,479	725	-	68,204
Professional fees	-	-	279,451	279,451	85,335	-	364,786
Advertising	-	-	592,447	592,447	35,927	359,203	987,577
Rent	-	-	36,126	36,126	-	-	36,126
Contracted services	-	3,050	45,471	48,521	-	-	48,521
Cost of goods sold	-	-	210,615	210,615	-	-	210,615
Miscellaneous	-	-	18,378	18,378	47,534	-	65,912
Employee benefits	103,146	707	136,652	240,505	31,269	-	271,774
Payroll taxes	53,755	390	43,806	97,951	9,038	-	106,989
Supplies	-	-	4,287	4,287	8,041	-	12,328
Equipment and software	-	-	75,937	75,937	-	-	75,937
Depreciation	111,923	-	-	111,923	9,996	-	121,919
Business expense	-	-	-	-	28,390	-	28,390
Service charges	-	-	-	-	2,615	-	2,615
Postage	-	-	35,592	35,592	-	-	35,592
Repairs and maintenance	-	-	2,708	2,708	59,550	-	62,258
Printing	-	-	12,292	12,292	-	-	12,292
Telephone	-	-	-	-	58,299	-	58,299
Insurance	-	-	-	-	9,246	-	9,246
Utilities	-	-	-	-	16,242	-	16,242
Interest	-	-	-	-	32,337	-	32,337
Total	$ 1,660,958	$ 9,648	$ 2,132,320	$ 3,802,926	$ 582,184	$ 359,203	$ 4,744,313

See accompanying notes to financial statements.

ELDERHEART, INC.
(d/b/a Mission 22)
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	$ (710,123)	$ (264,945)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	61,865	121,919
Gain on sale of property and equipment	-	(431,172)
Increase (decrease) in certain assets:		
Contributions receivable	112,097	78,588
Inventory	9,979	12,472
Other current assets	(2,575)	5,229
Decrease in certain liabilities:		
Accounts payable and other accrued liabilities	(40,481)	(17,075)
Net cash used in operating activities	(569,238)	(494,984)
Cash Flows from Investing Activities		
Purchases of property and equipment	-	(8,929)
Proceeds from sale of property and equipment	-	1,455,279
Net cash provided by investing activities	-	1,446,350
Cash Flows from Financing Activities		
Payments on long-term debt	(1,004,756)	(36,872)
Net (Decrease) Increase in Cash and Cash Equivalents	(1,573,994)	914,494
Cash and Cash Equivalents, Beginning of Year	3,145,440	2,230,946
Cash and Cash Equivalents, End of Year	$ 1,571,446	$ 3,145,440

See accompanying notes to financial statements.

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

ElderHeart, Inc. (d/b/a Mission 22) (the "Organization"), is an Indiana not-for-profit organization located in Nashville, Indiana. The Organization was founded and organized on November 3, 2003. The Organization's mission is to provide funding for veterans to receive treatment for Post-Traumatic Stress, Traumatic Brain Injury and other issues they may be facing.

Basis of Presentation

The accompanying financial statements were prepared on the accrual basis of accounting.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operation of the Organization.

Net assets with donor restrictions - Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature; for example, restrictions that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature; for example, stipulating that resources be maintained in perpetuity.

No restricted assets existed at December 31, 2024 or 2023. Therefore, all net assets are presented as net assets not subject to donor-imposed restrictions (*without donor restrictions*).

Use of Estimates

The preparation of the 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid instruments purchased within three months or less of an instrument's original maturity date to be cash and cash equivalents.

Revenue Recognition

Contributions - The Organization's support and revenues are received primarily on contributions from the public. The Organization records contributions using the guidance of FASB ASC 958-905, *Not-for-Profit Entities: Revenue Recognition*. Contributions are recognized as revenue when they are unconditionally promised from the donor. Contributions received are recorded as contributions without donor restrictions or contributions with donor restrictions depending on the existence and or nature of any restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Merchandise Sales - The Organization's merchandise sales revenue is recognized when merchandise has been shipped to the customer. In accordance with the basis of presentation described above, purchases of merchandise for resale are capitalized into inventory until released into cost of goods sold.

Rental - The Organization recognizes rental income on the accrual basis when due from the related lessor. In accordance with lease terms, rental payments are due on a monthly basis.

Donated Assets and Services - Gifts in-kind are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. Gifts in kind are valued based upon estimates of fair market wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Donated goods are not sold and are only distributed for program use.

The Organization relies on an extensive network of volunteers who contribute their services on an on-going basis. Services which require specialized skills are recognized as in-kind contributions at fair value as the services are rendered. In valuing the contributed services, the Organization estimates the fair value based on the contributed hours received based on the Sisters, Oregon, market.

Contributions Receivable and Credit Policies

Receivables are recognized when the Organization's right to consideration is unconditional and is presented net of an allowance for credit losses. The Organization provides an allowance for credit losses. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for credit losses based on the history of past write-offs, collections and current credit conditions.

The Organization adopted Accounting Standards Update 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, during the year ended December 31, 2023, which introduced a forward-looking approach, based on expected losses, to estimate credit losses on certain types of financial instruments, including trade and other receivables. The adoption of this accounting standards update did not have a material impact on the Organization's financial position or the results of its operations and cash flows.

Inventory

Inventories are valued at the lower of cost or net realizable value, using the weighted average method of accounting.

Property, Equipment, and Depreciation

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or estimated useful life of the asset. The estimated useful lives are as follows:

Buildings	20 - 39 years
Furniture and Equipment	5 - 7 years

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Equipment, and Depreciation (Continued)

The Organization's policy is to capitalize and depreciate asset acquisitions with a cost of $2,500 or greater. Maintenance and repairs are expensed as incurred while major additions and improvements are capitalized.

The cost of property or equipment retired or otherwise disposed of, and the related accumulated depreciation are removed from the accounts in the year of disposal with the resulting gain or loss reflected in the Statements of Activities and Changes in Net Assets. The provision for depreciation amounted to $61,865 and $121,919 for the years ended December 31, 2024 and 2023, respectfully.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and application state law. 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. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBTI). 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% likelihood of being realized upon ultimate settlement. Management has determined there are no material uncertain positions that require the recognition in the financial statements. Additionally, no provision for income taxes is reflected in the statements of activities or statements of financial position. The tax years ended 2022, 2023, and 2024 are still open to audit for both federal and state purposes.

Advertising Costs

The Organization expenses advertising costs as paid. Advertising costs for the Organization consisted primarily of internet and print media, promotional and educational brochures. For the years ended December 31, 2024 and 2023, advertising costs amounted to $542,754 and $987,577, respectfully.

Functional Allocation of Expenses

The costs of program, fundraising, and management and general expenses have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs based on the percentage of hours devoted to a program to total staff hours. The Organization incurred no joint costs for the years ended December 31, 2024 and 2023.

Management Evaluation of Subsequent Events

The Organization has evaluated subsequent events through July 30, 2025, the date on which the financial statements were available to be issued.

NOTE 2 - RELATED PARTY TRANSACTIONS

The Organization renewed a lease to rent a residence to employees within the Organization. The agreement ended on May 30, 2023, and subsequently is renewed on a month-to-month basis. In leu of rent payment, the employees have agreed to perform certain caretaking services. For the years ended December 31, 2024 and 2023, management estimates the total in-kind contribution from these services amounts to $0 and $7,200, respectively.

NOTE 3 - LONG-TERM DEBT

Long-term debt consists of the following at December 31, 2024 and 2023:

	2024	2023
Note payable bearing interest at 3.07% maturing on November 2024, with monthly installments of $5,767 beginning in December 2021 with a balloon payment at the end of the note. The note payable requires maintenance of certain financial covenants and is secured by the property. Note payable was paid in full in January 2024.	$ -	$ 1,004,756
	-	1,004,756
Less current maturities	-	1,004,756
	$ -	$ -

NOTE 4 - LINE OF CREDIT

The Organization has a line of credit in the amount of $100,000 that matures June 12, 2026. The line of credit is secured by the assets of the Organization. Borrowings under the line of credit bear interest at a prime rate plus 2.36% (9.86% at December 31, 2024 and 10.86% at December 31, 2023). As of December 31, 2024 and 2023, outstanding borrowings on the line of credit were $0.

NOTE 5 - CONCENTRATIONS, RISKS AND UNCERTAINTIES

The Organization has deposits in multiple accounts at one financial institution. At times, these deposits may exceed the federally insured limit. Management regularly monitors the financial condition of the banking institutions and believes that the credit risk related to such deposits is minimal.

One vendor accounted for approximately 100% of merchandise purchases for the years ended December 31, 2024 and 2023, respectively.

NOTE 6 - FINANCIAL ASSETS AVAILABLE AND LIQUIDITY

The following reflects the Organization's assets as of December 31, 2024, reduced by amounts not available for general expenditures due to contractual or donor-imposed restrictions within one year.

Cash and cash equivalents	$ 1,571,446
Contributions receivable	53,142
Financial assets available to meet cash needs for general expenditures within one year	$ 1,624,588

The Organization is supported by contributions. Because contributions with donor restrictions requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities. Thus, financial assets may not be available for general expenditure within one year. The Organization structures their financial assets to be available as general expenditures, liabilities, and other obligations come due.

NOTE 7 - RECLASSIFICATIONS

Certain amounts included in the prior year's financial statements have been reclassed to conform to the current year's presentation. The reclassifications have no material effect on total assets, total liabilities, net assets, or changes in net assets as previously reported.