

ODC NETWORK

FINANCIAL STATEMENTS

For the years ended
December 31, 2025 and 2024



HUNGERFORD
CPAs • ADVISORS • TECHNOLOGY • WEALTH

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	5
Statements of Activities	7
Statements of Functional Expenses	9
Statements of Cash Flows	11
Notes to Financial Statements	12



INDEPENDENT AUDITOR'S REPORT

June 11, 2026

To the Board of Directors
ODC Network
Holland, MI

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of ODC Network, (a non-profit organization) which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 ODC Network as of December 31, 2025 and 2024, 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 and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 ODC Network 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 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 ODC Network's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 auditing standards generally accepted in the United States of America and *Government 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 auditing standards generally accepted in the United States of America and *Government 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 ODC Network'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 ODC Network'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2026, on our consideration of ODC Network's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ODC Network's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Hungerford". The signature is written in a cursive, flowing style.

Certified Public Accountants
Holland, Michigan

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

ODC NETWORK
December 31, 2025 and 2024

ASSETS

	<u>2025</u>	<u>2024</u>
Current Assets		
Cash and cash equivalents	\$ 40,605	\$ 439,017
Restricted cash and cash equivalents	262,221	135,904
Investments	31,803	349,243
Investments- restricted for donor purposes	450,000	73,425
Accounts receivable	44,869	119,320
Grants receivable	171,792	653,096
Pledges receivable, current portion	923,867	1,270,750
Prepaid expenses	346,380	436,827
Total Current Assets	<u>2,271,537</u>	<u>3,477,582</u>
Pledges receivable, net of current portion and discount	613,666	567,000
Property and equipment, net	24,609,500	22,429,677
Beneficial interest in assets held by others	164,421	151,465
Right-of-use asset, operating lease	48,322	67,133
Right-of-use asset, finance lease	13,033	26,066
Total Assets	<u><u>\$ 27,720,479</u></u>	<u><u>\$ 26,718,923</u></u>

STATEMENTS OF FINANCIAL POSITION

ODC NETWORK
December 31, 2025 and 2024

LIABILITIES AND NET ASSETS

	2025	2024
Current liabilities		
Accounts payable	\$ 361,736	\$ 270,039
Accrued expenses	30,982	34,044
Accrued payroll and related taxes payable	368,649	241,523
Deferred revenue - program	1,266,494	1,550,109
Deposits held	298,264	369,300
Lines of credit	667,450	1,800,000
Current portion of operating lease liabilities	19,576	18,811
Current portion of finance lease liabilities	13,564	12,973
Current maturities of notes payable	486,185	387,059
Total Current Liabilities	3,512,900	4,683,858
Operating lease liabilities, net of current portion	28,744	48,322
Finance lease liabilities, net of current portion	-	13,564
Notes payable, net of current portion, net of fees	9,719,520	6,848,179
Total Liabilities	13,261,164	11,593,923
Net Assets		
Without donor restrictions:		
Undesignated	11,666,077	12,418,716
Board designated	164,421	151,465
With donor restrictions	2,628,817	2,554,819
Total Net Assets	14,459,315	15,125,000
Total Liabilities and Net Assets	\$ 27,720,479	\$ 26,718,923

STATEMENTS OF ACTIVITIES

ODC NETWORK

For the year ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Public Support:			
Contributions	\$ 2,944,227	\$ 1,452,608	\$ 4,396,835
Federal grants	1,025,593	-	1,025,593
Other grants	1,034,792	-	1,034,792
Program revenues	9,253,309	-	9,253,309
Contribution of non-financial assets	2,135,422	-	2,135,422
Special events, net of direct expenses of \$144,402	166,833	-	166,833
Interest income	25,556	-	25,556
Loss on disposal of property and equipment	(112,618)	-	(112,618)
Unrealized gain	31,906	-	31,906
Change in beneficial interest in assets held by others	12,956	-	12,956
Rent income	33,239	-	33,239
Mitigation credit revenue, net of expense of \$132,675	96,025	-	96,025
Net assets released from restrictions	1,378,610	(1,378,610)	-
Total Revenues, Gains and Other Support	18,025,850	73,998	18,099,848
Expenses			
Program services	15,554,487	-	15,554,487
Management and general	2,470,128	-	2,470,128
Fundraising	740,918	-	740,918
Total Expenses	18,765,533	-	18,765,533
Change in Net Assets	(739,683)	73,998	(665,685)
Net Assets, Beginning of Year	12,570,181	2,554,819	15,125,000
Net Assets, End of Year	\$ 11,830,498	\$ 2,628,817	\$ 14,459,315

STATEMENTS OF ACTIVITIES (Continued)

ODC NETWORK

For the year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Public Support:			
Contributions	\$ 1,048,388	\$ 3,362,500	\$ 4,410,888
Federal grants	5,385,347	-	5,385,347
Other grants	954,444	-	954,444
Program revenues	4,246,447	-	4,246,447
Contribution of non-financial assets	238,479	-	238,479
Special events, net of direct expenses of \$39,169	153,556	-	153,556
Interest income	9,570	-	9,570
Gain on sale of property and equipment	8,450	-	8,450
Realized gain	7,917	-	7,917
Unrealized gain	14,409	-	14,409
Change in beneficial interest in assets held by others	7,242	-	7,242
Rent income	24,226	-	24,226
Mitigation credit revenue, net expense of \$340,024	430,376	-	430,376
Miscellaneous income	37,599	-	37,599
Net assets released from restrictions	3,257,075	(3,257,075)	-
Total Revenues, Gains and Other Support	15,823,525	105,425	15,928,950
Expenses			
Program services	10,642,852	-	10,642,852
Management and general	1,907,461	-	1,907,461
Fundraising	544,641	-	544,641
Total Expenses	13,094,954	-	13,094,954
Change in Net Assets	2,728,571	105,425	2,833,996
Net Assets, Beginning of Year	9,841,610	2,449,394	12,291,004
Net Assets, End of Year	\$ 12,570,181	\$ 2,554,819	\$ 15,125,000

STATEMENTS OF FUNCTIONAL EXPENSES

ODC NETWORK

For the year ended December 31, 2025

	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 8,772,546	\$ 1,006,330	\$ 563,672	\$ 10,342,548
Payroll taxes	649,793	74,541	41,751	766,085
Employee benefits	941,371	107,987	60,486	1,109,844
Contract services	201,899	338,462	27,925	568,286
Utilities	297,166	6,126	3,065	306,357
Community projects	1,154,522	-	-	1,154,522
Travel	66,573	2,086	6,259	74,918
Repairs and maintenance	146,338	4,489	-	150,827
Site maintenance	88,484	2,737	-	91,221
Depreciation and amortization	644,148	24,850	-	668,998
Dues and memberships	308,764	212,938	10,649	532,351
Insurance	174,780	19,566	2,593	196,939
Telephone	42,189	1,318	439	43,946
Office supplies	35,167	3,971	5,009	44,147
Staff development	70,848	8,128	4,554	83,530
Program supplies	1,136,991	7,168	-	1,144,159
Projects and services	679,600	-	-	679,600
Postage	2,297	2,297	2,297	6,891
Conferences	33,349	1,428	4,284	39,061
Marketing	99,726	11,081	-	110,807
Printing	7,936	7,935	7,935	23,806
Bank fees	-	100,446	-	100,446
Interest expense	-	526,244	-	526,244
Total Expenses	\$ 15,554,487	\$ 2,470,128	\$ 740,918	\$ 18,765,533

STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

ODC NETWORK

For the year ended December 31, 2024

	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 6,469,026	\$ 742,085	\$ 415,661	\$ 7,626,772
Payroll taxes	471,847	54,128	30,317	556,292
Employee benefits	610,710	70,056	39,240	720,006
Contract services	238,771	400,274	33,024	672,069
Utilities	124,085	2,558	1,280	127,923
Community projects	322,627	-	-	322,627
Travel	60,786	1,905	5,715	68,406
Repairs and maintenance	56,466	1,732	-	58,198
Site maintenance	65,851	2,037	-	67,888
Depreciation and amortization	546,813	21,095	-	567,908
Dues and memberships	64,253	44,312	2,216	110,781
Insurance	156,983	17,574	2,329	176,886
Telephone	46,379	1,449	483	48,311
Office supplies	27,713	3,129	3,948	34,790
Staff development	16,056	1,842	1,032	18,930
Program supplies	1,090,152	6,873	-	1,097,025
Projects and services	112,366	-	-	112,366
Postage	1,706	1,705	1,705	5,116
Conferences	31,062	1,330	3,990	36,382
Marketing	125,498	13,945	-	139,443
Printing	3,702	3,701	3,701	11,104
Bank fees	-	78,613	-	78,613
Interest expense	-	437,118	-	437,118
Total Expenses	\$ 10,642,852	\$ 1,907,461	\$ 544,641	\$ 13,094,954

STATEMENTS OF CASH FLOWS

ODC NETWORK

For the years ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ (665,685)	\$ 2,833,996
Adjustments to reconcile the change in net assets to net cash provided by (used for) operating activities:		
Depreciation	664,171	564,257
Amortization of loan fees	4,827	3,651
Unrealized gain on investments	(31,906)	(14,409)
Change in beneficial interest in assets held by others	(12,956)	(7,242)
Donated property and equipment	(2,045,000)	(138,793)
Loss (gain) on disposal of property and equipment	112,618	(8,450)
Reduction in right-of-use asset- operating lease	18,811	17,603
Amortization of right-of-use asset- financing lease	13,033	11,948
Changes in operating assets and liabilities:		
Prepaid expenses	90,447	(200,355)
Accounts, grants and pledges receivable	855,972	(589,202)
Accounts payable	91,697	(247,105)
Accrued expenses and leases	105,251	64,271
Deferred revenue and trip deposits	(354,651)	(699,759)
Net Cash Provided by (Used for) Operating Activities	(1,153,371)	1,590,411
Cash Flows from Investing Activities		
Purchase of property and equipment	(1,146,612)	(4,116,899)
Sale of property and equipment	235,000	73,000
Sale of investments	165,155	346,246
Purchase of investments	(192,384)	(457,030)
Net Cash Used for Investing Activities	(938,841)	(4,154,683)
Cash Flows from Financing Activities		
Net borrowings (repayments) on line of credit	(1,132,550)	1,800,000
Payments on financing leases	(12,973)	(11,477)
Proceeds from long-term borrowings	4,300,000	955,000
Repayment of long-term liabilities	(1,334,360)	(351,146)
Net Cash Provided by Financing Activities	1,820,117	2,392,377
Net Decrease in Cash and Cash Equivalents	(272,095)	(171,895)
Beginning Cash and Cash Equivalents	574,921	746,816
Ending Cash and Cash Equivalents	\$ 302,826	\$ 574,921
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 520,906	\$ 411,474
ROU asset obtained in exchange for lease obligations		
Operating lease	\$ -	\$ 4,484
Finance lease	\$ -	\$ 38,014

Note A – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The accompanying financial statements present the financial position, results of operations and cash flows of ODC Network (the “Organization”).

ODC Network is a nonprofit organization advancing outdoor education and conservation in West Michigan while helping create a nature-rich community where people and nature thrive. Founded in 2000 through a partnership between Wildlife Unlimited of Allegan and Ottawa Counties and the Ottawa Area Intermediate School District, ODC Network began as the Outdoor Discovery Center, providing outdoor education opportunities for local schools and the community. In 2009, the organization merged with Macatawa Greenway Partnership, expanding its conservation impact and establishing the foundation for significant growth.

Today, ODC Network operates an integrated model that combines outdoor education, ecosystem restoration, conservation, and outdoor access to create measurable impact for both people and the environment. Through this approach, ODC Network delivers programs, services, and partnerships that advance environmental stewardship, strengthen communities, improve educational outcomes, restore ecosystems, and expand opportunities for people to connect with the outdoors.

ODC Network’s mission is to advance outdoor education and conservation. Its vision is a nature-rich community where people and nature thrive, creating the best place to live, work, play, and learn.

Programs and initiatives operate across several areas including:

- Nature-based early childhood education and childcare programs
- K–12 outdoor learning and educational consulting partnerships
- Watershed restoration and water quality initiatives
- Land conservation, habitat restoration, and ecosystem management services
- Community nature centers, preserves, and outdoor access sites
- Greenway initiatives and public land stewardship
- Community education and outdoor recreation programs
- Conservation travel experiences that connect participants to ecosystems and cultures around the world

ODC Network operates multiple sites, programs, and initiatives across West Michigan and serves more than 200,000 people annually through education programs, conservation projects, outdoor experiences, and community partnerships. Since its founding, the organization has connected more than 1.5 million people to nature and helped protect and restore thousands of acres of land and habitat. The organization is supported through a combination of earned revenue, philanthropic contributions, grants, contracts, and partnerships. The following business divisions have been established to facilitate the programs and projects of the ODC Network. They are registered as assumed names of the ODC Network and are licensed to do business as ODC Network.

Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Nature of Activities (Continued)

Outdoor Discovery Center (ODC) (2000): The ODC provides educational opportunities to the West Michigan community to enhance the knowledge and understanding of our natural and cultural resources. The ODC is home to a variety of habitats, walking trails, live animal exhibits, and wide array of education facilities. The ODC is open free to the public 365 days a year.

Macatawa River Greenway (MRG) (2009): Founded in 1996, it became part of the ODC. Its mission is to protect and enhance natural lands, streams, and open spaces within the Lake Macatawa watershed for public enjoyment and the preservation of plant and wildlife habitat. Where appropriate, the MRG will create parks and open spaces for recreation, conservation, water quality improvement, and preservation.

ODC Explorer Network (2012): It provides nature-based, small group eco-tour excursions with experienced travelers and naturalist from ODC Network. The ODC Explorer Network connects people with unique ecosystems and experiences aimed at building knowledge and understanding of the unique natural history and culture history of the world. On average, the ODC Explorer Network facilitates two eco-tour adventures each year.

ODC Early Childhood (2013, 2017, 2020, 2022, 2025): The Early Childhood business line includes Little Hawks Discovery Preschool, Hatchings Child Care, Seedlings Discovery Preschool, Dragonflies Discovery Preschool, Woodlands Preschool, and agreement with Gentex Discovery Preschool. These are nature-based early childhood programs that focus on connecting early learners to the outdoors. Nearly 450 children ages 0-5 attend these programs each year where they provided a quality early childhood experience that prepares them to be active, independent learners who have knowledge of and an appreciation for the natural world and ensuring a healthier lifestyle.

Project Clarity (PC) (2013): The PC mission is to restore water quality of Lake Macatawa and Macatawa Watershed through a multi-phased approach focused on land restoration, Best Management Practices (BMP), community education, and long-term sustainability. Over the past 5 years over 100 watershed restoration projects have been implemented in the Macatawa Watershed.

ODC Conservation Services (2016): Its purpose is to provide land management and restoration services, invasive species management, and wildlife habitat and conservation improvement to public and private landowners in the Kalamazoo and Macatawa River Watershed region. Currently, ODC Conservation Services provide habitat management services to over 100 customers in West Michigan.

ODC Education Network (2017): It provides a customized set of professional development and nature-based education opportunities to help students, educators and education administrators create a personal relationship with their environment. ODC Education Network has a team of education professionals that work with schools and Organization to build connections between the classroom and the outdoors using project-based learning, environmental education, and customized experiences that build relevance, context and meaning into an educational experience. Currently there are 35+ schools working with the ODC Education Network to connect their classrooms, schools, and students to the outdoors.

Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Nature of Activities (Continued)

Kalamazoo River Greenway (KRG) (2018): The mission is to protect and enhance natural lands, streams, and open spaces within the Kalamazoo River Watershed in Allegan County for public enjoyment and the preservation of plant and wildlife habitat. Where appropriate, the KRG will create parks and open spaces for recreation, conservation, water quality improvement, and preservation.

DeGraaf Nature Center (2018): Owned by the City of Holland, this 18-acre nature center is located in the heart of the city. The contractual management of the Center was transitioned to the ODC Network with the goal of growing the impact and program opportunities offered at DeGraaf by the ODC Network staff. It serves as an urban nature education site, expanding our ability to serve more people.

Nature Design Studio (2017): Nature Design Studio provides design-build services supporting schools, libraries, municipalities, early childhood centers, and community partners through the creation of nature-rich outdoor environments. The program evolved from ODC Network's outdoor classrooms and learning environments into a comprehensive service integrating ecological restoration, outdoor learning, and community design. Nature Design Studio has completed more than 50 projects across West Michigan.

Annually, ODC Network...

- Owns 1,000 acres of land and manages an additional 3,000+ acres
- Provides outdoor experiences to more than 200,000 children and families each year
- Operates five highly rated nature-based early childhood preschool programs for over 45 children 0-5 years old
- Partners with 35+ area schools on bringing outdoor learning to their k-12 classrooms
- Earns 76% income from services/programs
- Employs over 220 full-time and part-time staff members to facilitate programs and projects throughout West Michigan

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, recording revenue when earned rather than when received, and recording expenses when incurred rather than when paid.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. 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 vary from the estimates that were used.

NOTES TO FINANCIAL STATEMENTS

ODC NETWORK

For the years ended December 31, 2025 and 2024

Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents consist of demand deposits in banks, institutional money market funds, and cash on hand. For purposes of the statements of cash flows, the Organization considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents, except that such assets held in endowment are generally classified as noncurrent. The Organization maintains cash balances in checking and savings accounts. The checking and savings accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. From time to time during the year, the Organization may have cash in a bank checking or savings account in excess of the federally insured limit. Restricted cash is contributions with donor restrictions received that have not been spent.

	2025	2024
Cash and cash equivalents	\$ 40,605	\$ 439,017
Restricted cash and cash equivalents	262,221	135,904
Total Cash and Cash Equivalents	\$ 302,826	\$ 574,921

Investments

Investments held by the Organization consist of beneficial interest in assets held by others, fixed income- bonds and equity- mutual funds and exchange products. Such investments are carried at fair value, based on quoted market prices. Investments received as donations are initially recorded at fair value on the date of receipt. Thereafter, the carrying value of such investments are adjusted to fair value, which is determined by published market quotations. Realized gains and losses on the sale of investments are determined based on the first-in, first-out method. Unrealized gains and losses are included in revenue, gains, and other support on the statements of activities.

Fair Value Measurements

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). For further discussion on Fair Value Measurement, refer to Note F of the financial statements.

Accounts Receivable and Allowance for Credit Losses

The Organization believes the amounts carried in accounts receivable are current and collectable based on historical and expected program revenue collection. The Organization generally does not require collateral or other security on its accounts receivable. There was no allowance for credit losses at December 31, 2025 and 2024.

NOTES TO FINANCIAL STATEMENTS

ODC NETWORK

For the years ended December 31, 2025 and 2024

Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Grants Receivable

The Organization received reimbursable grants from state and local grantors where expenses have been spent but have not yet been reimbursed. Grants receivable was \$171,792 and \$653,096 for the years ended December 31, 2025 and 2024, respectively.

Pledges Receivable

The Organization has received pledges from various donors to contribute monies in the future for various purposes, of which are all due within one to four years. In management's opinion, no allowance was considered necessary at December 31, 2025 or 2024. Management uses a discount rate of 8%. The discount at December 31, 2025 and 2024 was \$73,000 and \$68,000, respectively.

Property and Equipment

Property and equipment are stated at cost, or in the case of donated property, at estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. The Organization follows a capitalization policy of \$5,000 in determining assets to be depreciated.

Depreciation is computed principally on the straight-line method over the following useful lives of the assets:

Land improvements	15 years
Leasehold improvements	15 years
Building	5 - 39 years
Furniture and equipment	5 - 20 years
Vehicles	5-10 years

Animal Mounts

Animal mounts purchased are capitalized at cost and animal mounts donated are capitalized at the fair market value on the date of donation. Animal mounts are depreciated using the straight-line method over their estimated useful lives of 10-15 years.

Deferred Revenue

Deferred revenue includes deferred program revenue, related to the prepayment of federal grants and deferred tuition revenue. Revenue will be recognized when the expenses are incurred or the service is performed by the Organization.

Deposits held are prepayments received by the Organization from those participating in an upcoming Nature Tours provided by the Organization. The liability balance will decrease once the tour takes place, and the expenses have been incurred.

NOTES TO FINANCIAL STATEMENTS

ODC NETWORK

For the years ended December 31, 2025 and 2024

Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Net Assets

The Organization reports 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 management and the 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 the actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. Donor restrictions for the construction of fixed assets are released when the assets are placed into service.

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.

Revenue Recognition

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. 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 statements of activities as net assets released from restrictions. Contributions with donor-imposed stipulations that are met in the same year as received or earned are reported as unrestricted revenue.

Grant revenue is recognized in accordance with specific terms of the agreement. Grants representing a donation are recorded on the grant date as either restricted or unrestricted, as stipulated by the donor. Grants that are awarded in exchange for services or as a reimbursement for eligible expenses are treated as an exchange transaction and recorded as revenue when earned.

Program revenue is recognized based on the type of service. Tuition revenue is recognized over time as the classes are held. Explorer trip revenue is recognized at the time of the trip. Rent is recognized monthly as the use of space is provided. Mitigation revenue is recognized when the credits are sold.

Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Contribution of Nonfinancial Assets

The Organization recognized in-kind contributions that create or enhance nonfinancial assets or require specialized skills and would typically be purchased had they not been provided by donation. These contributions assist the programs and supportive services of the Organization and are recorded at their fair value as contributions and expenses in the statements of activities in the period the service is provided.

Numerous volunteers have donated significant amounts of time to the Organization's program services. No amounts have been reflected in the financial statements for these services because they did not meet the criteria for recognition ASC 958-605-20, nor is a value for these services readily determinable.

Donated goods are recorded as revenue on the date of the receipt at estimated fair market value. This revenue was offset by expenses shown on the statements of activities and functional expenses according to the nature of the donation. See Note P for the value of donated items for the years ended December 31, 2025 and 2024, respectively.

Marketing

The Organization expenses marketing costs as incurred. Marketing costs for the years ended December 31, 2025 and 2024 were \$110,807 and \$139,443, respectively.

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. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Organization evaluates tax positions taken on its federal Exempt Organization Business Income Tax Returns in accordance with accounting principles generally accepted in the United States of America, which require that tax positions taken be more-likely-than-not to be sustained. Management believes that the Organization has no significant unrecognized tax benefits under that criteria. Penalties and interest, if any, assessed by income taxing authorities are included in operating expenses. The Organization's federal Exempt Organization Business Income Tax Returns are generally subject to examination by taxing authorities for three years after they were filed.

Functional Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general 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.

NOTES TO FINANCIAL STATEMENTS

ODC NETWORK

For the years ended December 31, 2025 and 2024

Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Reclassifications

Certain balances in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through June 11, 2026, which is the date the financial statements were available to be issued.

Subsequent to year end, the Organization purchased land to be used as a second mitigation bank. The Organization has a loan of \$1,600,000 with the seller for the purchase of the land. Payments will commence in 2030.

Note B – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2025	2024
Financial assets:		
Cash and cash equivalents and restricted cash	\$ 302,826	\$ 574,921
Accounts receivable, net	44,869	119,320
Grants receivable, net	171,792	653,096
Pledges receivable, net	1,537,533	1,837,750
Investments	481,803	422,668
Beneficial interest in assets held by others	164,421	151,465
	<hr/>	<hr/>
Total financial assets	2,703,244	3,759,220
Less amounts not available to be used within one year:		
Beneficial interest in assets held by others	(164,421)	(151,465)
Contributions receivable in one to five years, net	(613,666)	(567,000)
Purpose restricted net assets	(1,508,783)	(717,069)
	<hr/>	<hr/>
Financial assets available to meet general expenditures within one year	\$ 416,374	\$ 2,323,686
	<hr/>	<hr/>

The table above reflects donor restricted funds as unavailable. Those funds are limited to the use provided by the donor. The Organization's beneficial interest in assets held by others includes investments held at various community foundations that are generally not available for expenditures within one year.

NOTES TO FINANCIAL STATEMENTS

ODC NETWORK

For the years ended December 31, 2025 and 2024

Note B – Liquidity and Availability (Continued)

During the year ended December 31, 2025, the Organization temporarily used \$400,000 of donor restricted contributions to pay down the Organization's line of credit and, therefore, were not used in accordance with the applicable donor-imposed purpose restrictions.

Subsequent to year-end, but before issuance of the financial statements, the Organization restored \$400,000 to the Organization's investment account. As a result, as of the date the financial statements were available to be issued, the donor-restricted balance was fully covered by appropriate assets.

Note C – Accounts Receivable and Deferred Revenue

The following is a schedule of the beginning and ending balances of accounts receivable and deferred revenue:

	2025	
	Accounts Receivable	Deferred Revenue
Balance at January 1	\$ 119,320	\$ 1,919,409
Balance at December 31	44,869	1,564,758

	2024	
	Accounts Receivable	Deferred Revenue
Balance at January 1	\$ 217,133	\$ 2,619,168
Balance at December 31	119,320	1,919,409

Note D – Pledges Receivable

The Organization had the following pledges receivable at December 31, 2025 and 2024:

	2025	2024
Receivable in less than one year	\$ 923,867	\$ 1,270,750
Receivable in one to five years	686,666	635,000
Total pledges receivable	1,610,533	1,905,750
Less discount of 8%	(73,000)	(68,000)
Net pledges receivable	<u>\$ 1,537,533</u>	<u>\$ 1,837,750</u>

NOTES TO FINANCIAL STATEMENTS

ODC NETWORK

For the years ended December 31, 2025 and 2024

Note E – Property and Equipment

Property and equipment at December 31, 2025 and 2024 consists of:

	2025	2024
Land	\$ 7,684,547	\$ 6,046,456
Land improvements	2,166,095	1,309,460
Leasehold improvements	21,435	-
Building	16,138,992	15,563,051
Furniture and equipment	1,585,981	1,552,453
Vehicles	434,679	431,864
Construction in progress	214,631	658,051
	<u>28,246,360</u>	<u>25,561,335</u>
Accumulated depreciation	(3,636,860)	(3,131,658)
Property and equipment, net	<u>\$ 24,609,500</u>	<u>\$ 22,429,677</u>

Note F – Fair Value Measurements

The Organization applies the provisions of Fair Value Measurements and Disclosures (FASB ASC 820) to its recurring financial measurements. In accordance with FASB ASC 820, the fair value of financial instruments is estimated based on market trading information, whenever available. Absent published market data for an instrument or other assets, management uses observable market data to arrive at its estimates of fair value.

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, FASB ASC 820 establishes a three-level fair-value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted price for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Note F – Fair Value Measurements (Continued)

Beneficial interest in assets held by foundation: Fair value measurements of the underlying investments held by the Foundation are based on quoted prices. The underlying assets held by the Foundation cannot be liquidated or redeemed by the Organization. As such, no quoted prices or active market prices are available, however, the carrying value of this asset is equal to the allocated portion of the total fair value of the underlying investments held by the Foundation.

The Organization is the beneficiary under agency endowments administered by the Community Foundations of the Holland/Zeeland Area, Allegan County and Grand Haven. The beneficial interest in assets of the Community Foundations is considered Level 3 because the interest is part of pools that are made up of assets of various fair value inputs, as determined by the Foundations.

Mutual funds and exchange traded funds Determined by the published net asset value (NAV) on the last business day of the fiscal year.

The Organization's management evaluated the significance of transfers between levels based on the nature of the financial instrument and size of the transfer relative to total net assets. For the years ended December 31, 2025 and 2024, there were no significant transfers into or out of levels 1, 2, or 3.

NOTES TO FINANCIAL STATEMENTS

ODC NETWORK

For the years ended December 31, 2025 and 2024

Note F – Fair Value Measurements (Continued)

	Fair Value Measurements Using:			
	Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
December 31, 2025				
Community Foundation of the Holland/Zeeland Area	\$ 140,727	\$ -	\$ -	\$ 140,727
Allegan County Community Foundation	8,661	-	-	8,661
Grand Haven Area Community Foundation	15,033	-	-	15,033
Cash investments	3,536	3,536	-	-
Mutual funds	291,986	291,986	-	-
Exchange traded products	186,281	186,281	-	-
Total	\$ 646,224	\$ 481,803	\$ -	\$ 164,421
December 31, 2024				
Community Foundation of the Holland/Zeeland Area	\$ 130,684	\$ -	\$ -	\$ 130,684
Allegan County Community Foundation	7,812	-	-	7,812
Grand Haven Area Community Foundation	12,969	-	-	12,969
Cash investments	5,877	5,877	-	-
Mutual funds	328,362	328,362	-	-
Exchange traded products	88,429	88,429	-	-
Total	\$ 574,133	\$ 422,668	\$ -	\$ 151,465

NOTES TO FINANCIAL STATEMENTS

ODC NETWORK

For the years ended December 31, 2025 and 2024

Note F – Fair Value Measurements (Continued)

Investments are being managed in a pool funded by area community foundations on behalf of the Organization. The following is a summary of activity of the investments as of December 31:

	2025	2024
Fair value, beginning	\$ 151,465	\$ 144,223
Interest and dividends	2,457	2,138
Investment income:		
Realized	10,379	7,917
Unrealized	5,323	3,827
Withdrawal	(3,500)	(5,000)
Management fees	(1,703)	(1,640)
Fair value, ending	\$ 164,421	\$ 151,465

Note G – Beneficial Interest in Assets Held by Others

A total of \$164,421 and \$151,465 was recorded on the Organization's statements of financial position as of December 31, 2025 and 2024, respectively, and is being held for the use and future benefit of the Organization at the Community Foundation of the Holland/Zeeland Area, Allegan County Community Foundation and Grand Haven Area Community Foundation. The Foundations have legal ownership of these assets and have the right to redirect the return to another beneficiary without the approval of the donor, the Organization, or any other party if distributions to the Organization become unnecessary, impossible, or inconsistent with the needs of the community. All distributions of these assets must be requested by the Organization and approved by the Foundations' board of trustees.

Note H – Community Foundation Endowment Funds

The Organization has three endowment funds with the Community Foundation of the Holland/Zeeland Area. The amounts contributed by donors to the endowment fund are owned and controlled by the Community Foundation and are not reflected in the Organization's statements of financial position. The Organization will be able to request, on an annual basis, a calculated amount from the earnings of the endowment fund to be used to fund the operations. The fair market value of the endowment funds for the years ended December 31, 2025 and 2024 \$340,765 and \$311,738, respectively.

The Organization has an endowment fund with the Allegan County Community Foundation. The amounts contributed by donors to the endowment fund are owned and controlled by the Community Foundation and are not reflected in the Organization's statements of financial position. The Organization will be able to request, on an annual basis, a calculated amount from the earnings of the endowment fund to be used to fund the operations. The fair market value of the endowment fund for the years ended December 31, 2025 and 2024 \$5,833 and \$5,032, respectively.

NOTES TO FINANCIAL STATEMENTS

ODC NETWORK

For the years ended December 31, 2025 and 2024

Note H – Community Foundation Endowment Funds (Continued)

The Organization has an endowment fund with the Grand Haven Community Foundation. The amounts contributed by donors to the endowment fund are owned and controlled by the Community Foundation and are not reflected in the Organization's statements of financial position. The Organization will be able to request, on an annual basis, a calculated amount from the earnings of the endowment fund to be used to fund the operations. The fair market value of the endowment fund for the years ended December 31, 2025 and 2024 \$16,169 and \$13,845, respectively.

Note I – Lines of Credit

As of December 31, 2025 and 2024, the Organization has available \$600,000 under a line of credit secured by real estate, expiring September 2027. Borrowing on the line bears interest at .75% under the bank's prime rate. There were no outstanding balance as of December 31, 2025 and 2024.

As of December 31, 2025 and 2024, the Organization has available \$3,000,000 under a line of credit secured by real estate, which expires September 2027. Borrowing on the line bears interest at .75% under the bank's prime rate. There was an outstanding balance of \$650,000 and \$1,800,000 as of December 31, 2025 and 2024, respectively.

Beginning in 2025, the Organization has available \$872,000 under a line of credit secured by real estate, which expires August 2027. Borrowing on the line bears interest at .25% under the bank's prime rate. There was an outstanding balance of \$17,450 as of December 31, 2025.

Note J – Notes Payable

Note payable, Small Business Administration (EIDL loan), originated at \$150,000 and through loan modifications, the loan balance increased to \$2,000,000. The note requires monthly payments of \$8,667, including interest at 2.75%. The note is secured by all tangible personal property. The note matures in 2050. The balance of the loan at December 31, 2025 and 2024 is \$1,837,785 and \$1,890,321, respectively.

Note payable, bank requires monthly payments of \$21,338, including interest at 3.08%. The note is secured by real estate. The note matures August 2031. The balance of the loan at December 31, 2025 and 2024 is \$1,328,296 and \$1,539,291, respectively.

Note payable, bank requires monthly payments of \$21,403, including interest at 5.86%. The note is secured by real estate. The note matures May 2028. The loan contains covenant requirements of \$6,000,000 unrestricted net worth and maximum additional borrowing of \$250,000. The bank is aware of the EIDL loan and has waived this covenant. The balance of the loan at December 31, 2025 is \$2,782,269, net of unamortized loan fees of \$8,882. The balance of the loan at December 31, 2024 is \$2,870,926, net of unamortized loan fees of \$12,472.

NOTES TO FINANCIAL STATEMENTS

ODC NETWORK

For the years ended December 31, 2025 and 2024

Note J – Notes Payable (Continued)

Note payable, John Deere requires monthly payments of \$375. The loan is interest free and is secured by equipment. The note matures in 2026. The balance of the loan at December 31, 2025 and 2024 is \$2,252 and \$6,757, respectively.

Note payable, bank requires monthly payments of \$7,619, including interest at 6.97%. The note is secured by real estate. The note commenced May 2024 and matures May 2028. The balance of the loan at December 31, 2024 was \$940,415. The note payable balance was paid in full in September 2025.

Note payable, bank requires monthly payments of \$31,188, including interest at 6.07%. The note is secured by real estate. The note commenced September 2025 and matures September 2030. The balance of the loan at December 31, 2025 was \$4,272,272, net of unamortized loan fees of \$8,287.

Maturities of long-term debt as of December 31, 2025 are as follows:

Years ending December 31, 2026	\$	486,185
2027		505,342
2028		3,001,806
2029		436,043
2030		4,076,214

Note K – Leases

Operating Leases

The Organization entered into a lease in 2022 for a copier. This lease requires monthly payments of \$312 and expires August 2027.

The Organization entered into a lease agreement in June 2023 to rent property for childcare programing. The lease requires monthly payments of \$1,368 and expires June 30, 2028.

The Organization entered into a lease agreement in August 2024 for a copier. This lease requires monthly payments of \$82 and expires July 2029.

Finance Leases

The Organization entered into a lease agreement in February 2024 for a vehicle. The lease requires monthly payments of \$668 and expires December 22, 2026.

The Organization entered into a lease agreement in February 2024 for a vehicle. The lease requires monthly payments of \$490 and expires December 31, 2026.

NOTES TO FINANCIAL STATEMENTS

ODC NETWORK

For the years ended December 31, 2025 and 2024

Note K – Leases (Continued)

The following table summarizes the lease amounts included in the statements of financial position as of December 31, 2025 and 2024.

Statement of Financial Position Classification		2025	2024
Assets			
Operating	Operating lease right-of-use assets	\$ 48,322	\$ 67,133
Finance	Financing lease right-of-use assets	13,033	26,066
Total Lease Assets		\$ 61,355	\$ 93,199
Liabilities			
Current:			
Operating	Current portion of operating lease liabilities	\$ 19,576	\$ 18,811
Finance	Current portion of financing lease liabilities	13,564	12,973
Non-Current:			
Operating	Operating lease liabilities, net of current portion	28,744	48,322
Finance	Financing lease liabilities, net of current portion	-	13,564
Total Lease Liabilities		\$ 61,884	\$ 93,670

Lease terms and discount rates shown below:

	2025	2024
Weighted average:		
Discount rate	4.00%	4.00%
Remaining lease term (years)	2.25	3.25

Amortization and interest expense as of December 31, 2025 and 2024 is as follows:

	2025	2024
Operating lease cost	\$ 21,144	\$ 20,570
Finance lease cost		
Interest expense	922	1,261
Amortization of right-of-use asset	13,033	11,947

NOTES TO FINANCIAL STATEMENTS

ODC NETWORK

For the years ended December 31, 2025 and 2024

Note K – Leases (Continued)

Future minimum lease payments under non-cancelable operating leases having remaining terms in excess of one year as of December 31, 2025 are as follows:

	Operating	Finance
Years ended December 31, 2026	\$ 21,144	\$ 13,896
2027	19,896	-
2028	9,192	-
2029	574	-
Total lease payments	50,806	13,896
Less: present value discount	(2,486)	(332)
Present value of lease liabilities	<u>\$ 48,320</u>	<u>\$ 13,564</u>

In October 2025, the Organization entered into a lease agreement for certain equipment. The lease commencement date is January 1, 2026, and the lease term ends on December 3, 2026. As of December 31, 2025, the lease had not yet commenced. Accordingly, no right-of-use asset or lease liability has been recognized in the accompanying statement of financial position as of year end.

The Organization entered into a lease agreement commencing July 1, 2025 for land to be used as a public walking trails, bike park, and farm preserve. The payments are \$1 per year for 10 years. This amount has not been reflected in the statements of activities as contribution of nonfinancial assets based on the immaterial nature of the lease.

NOTES TO FINANCIAL STATEMENTS

ODC NETWORK

For the years ended December 31, 2025 and 2024

Note L – Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at December 31:

	<u>2025</u>	<u>2024</u>
Project Clarity	\$ -	\$ 75,000
River Junction Property	-	36,134
Restoration projects	-	92,000
Redlum Farms	-	440,510
Birds of prey flight chamber	261,046	-
Goodwillie Nelson Preserve	379,062	-
Discovery pavilion	400,000	-
Imagination forest	200,000	-
Unplugged podcast	40,000	-
Environmental education	22,500	-
Equity for education	30,000	-
Nature-based vision	120,000	-
Scholarships	56,175	73,425
Pledges receivable, net	1,120,034	1,837,750
Total restricted net assets	<u>\$ 2,628,817</u>	<u>\$ 2,554,819</u>

Note M – Retirement Plan

Effective April 1, 2019, the Organization established a Simple IRA retirement plan. Employees earning \$5,000 or more annually are eligible to participate. The Organization contributes a matching contribution up to 3% of eligible compensation. The Organization contributed \$318,884 and \$230,541 during the years ended December 31, 2025 and 2024, respectively.

Note N – Wetland Development and Mitigation Bank

In 2015, two large wetland development projects were completed on newly acquired land. A 42-acre wetland mitigation bank was created on property that was donated to the Organization in 2015 with a fair market value of \$472,000. This project is located just south of Haworth Global Headquarters in Holland, Michigan. The mitigation bank is adjacent to a highly disturbed tributary of the Macatawa River and was designed to filter runoff water from neighboring farms, businesses and roads as well as take high-water overflow from the tributary. It serves as flood storage and water filtration for Project Clarity. In addition to its environmental benefit, the Mitigation Bank also has 42 wetland mitigation credits available for sale, as of September 2016.

The credit value varies with market fluctuation, but it is estimated to have over \$3 million in wetland credit value. The credits are projected to sell over a 15-year period. As the dates and amounts of any potential sales are unknown, the value of any future sales is not recorded in these financial statements.

NOTES TO FINANCIAL STATEMENTS

ODC NETWORK

For the years ended December 31, 2025 and 2024

Note N – Wetland Development and Mitigation Bank (Continued)

The other major wetland project was completed on the Middle Macatawa property located south of Adams Street, East of 96th Avenue in Zeeland Township. Nearly 45 acres of new wetland was created in this area that serves as flood storage, water filtration, and wildlife habitat.

In 2025, the Organization sold a total of 1.63 credits within three transactions and received \$228,700. In 2024, the Organization sold a total of 6.170 credits within six transactions and received \$770,400.

Note O – Contingent Donations

A trust has named the Organization as a beneficiary in its will. However, this bequest amount has not been recorded as an asset in the statement of financial position as the amount does not become irrevocable until death.

Note P – Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized within the statements of activities as of December 31, 2025 and 2024 included:

Category	Revenue Recognized 2025	Revenue Recognized 2024	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Consulting Fees	\$42,551	\$39,551	General and administrative	No donor restrictions	Discount per invoice
Program material and services	47,871	60,135	Operating	No donor restrictions	Estimated the fair value on the basis of estimates of services performed from similar provider
Land	2,045,000	128,501	Operating	No donor restrictions	Fair market value based on State Equalized Value
Property and equipment	-	10,292	Operating	No donor restrictions	Fair market value of property and equipment based on donor cost

Note Q – Contracted Services

The Organization provides childcare services at a facility owned by a for-profit entity. The for-profit entity has contracted for and provides the building space used by the Organization in furtherance of the Organization's program activities. Under the terms of the arrangement, the Organization is permitted to use the facility for its childcare operations. The Organization does not hold title to the property and does not control the space beyond the rights granted under the agreement. No lease payments are required to be made by the Organization to the for-profit entity.

The agreement has an initial term of five years, ending on October 16, 2030, unless terminated earlier in accordance with the terms of the agreement. Upon expiration of the initial term, the agreement will automatically renew for successive 12-month periods unless terminated by either party.