Financial Statements

Operation First Response, Inc.

December 31, 2025

GENERAL ORGANIZATIONAL DATA

ORGANIZATION AND PURPOSE

Operation First Response, Inc. was incorporated under the laws of Commonwealth of Virginia in February, 2005 to operate a non-stock, non-profit organization for the purpose of providing support to our nation's wounded warriors and their families with personal and financial needs.

Operation First Response, Inc. was granted exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code on February 11, 2005. The Organization is also recognized as public charity under IRC Section170(b)(1)(A)(vi).

OFFICERS AND BOARD OF DIRECTORS

OFFICERS

SGT Phillip Irizarry, USMC (Honorably Discharged), Chair
Peggy L. Baker, Founder/President/CEO
Lauri Hauser, Secretary
Danielle Ferguson, Treasurer

DIRECTORS

Peggy L. Baker
Lauri Hauser
SGT Phillip Irizarry, USMC (Honorably Discharged)
Robert O'Donoghue
CPL Ronny Porta, USMC (Retired)
Danielle Ferguson
Brain Zehring

TABLE OF CONTENTS

MITCHELL, BURNS, DOYLE & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

JEFFREY D. MITCHELL, CPA
SANDRA M. TONDREAU, CPA
W. MATTHEW BURNS, CPA
KARA J. DOYLE, CPA

TONJI M. LEISS, CPA
JOHN S. WALKER, CPA
TAYLOR L. PETTY, CPA

110 EAST MARKET STREET | SUITE 200
LEESBURG, VIRGINIA 20176
P 703.777.4900 | F 703.771.3082
WWW.MCOCPA.COM

MEMBERS OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS

VIRGINIA SOCIETY OF
CERTIFIED PUBLIC
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Operation First Response, Inc.
Culpeper, Virginia

Opinion

We have audited the accompanying financial statements of Operation First Response, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 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 Operation First Response, Inc. as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Operation First Response, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Operation First Response Inc.'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 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, including omissions, 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 Operation First Response, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Operation First Response, 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 the Operation First Response, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 25, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Leesburg, Virginia
April 24, 2026

Mitchell, Burns, Doyle & Co., P.C.

OPERATION FIRST RESPONSE, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025
(with December 31, 2024 comparative totals)

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 462,718**	$ 776,651
Investments	**9,515**	-
Total current assets	**472,233**	776,651
Property and equipment		
Office furniture and equipment	**16,868**	19,276
Less: accumulated depreciation	**(10,409)**	(17,682)
	6,459	1,594
Total assets	**$ 478,692**	$ 778,245
LIABILITIES AND NET ASSETS		
Net Assets		
Without donor restriction:		
Designated by governing board:		
Operating reserve	**$ 175,000**	$ 350,000
New initiatives	**250,000**	250,000
Total designated	**425,000**	600,000
Undesignated	**53,692**	178,245
Total without donor restriction	**478,692**	778,245
With donor restriction	**-**	-
Total net assets	**478,692**	778,245
Total liabilities and net assets	**$ 478,692**	$ 778,245

See Notes to Financial Statements.

OPERATION FIRST RESPONSE, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(with December 31, 2024 comparative totals)

	Without Donor Restriction	With Donor Restriction	Total 2025	Total 2024
SUPPORT AND REVENUE				
Contributions	$ 323,985	$ -	**$ 323,985**	$ 495,199
Grants	20,000	-	**20,000**	25,000
In-kind donations	488,865	-	**488,865**	455,368
Realized/unrealized investment income (loss)	(186)	-	**(186)**	2,809
Interest income	47	-	**47**	25
Total support and revenue	832,711	-	**832,711**	978,401
Net assets released from donor restriction	-	-	**-**	-
	832,711	-	**832,711**	978,401
EXPENSES				
Program services	1,086,839	-	**1,086,839**	949,299
Supporting services:				
Management and general	33,246	-	**33,246**	42,986
Fundraising	12,179	-	**12,179**	14,459
Total expenses	1,132,264	-	**1,132,264**	1,006,744
Change in net assets before unusual activities	(299,553)	-	**(299,553)**	(28,343)
UNUSUAL ACTIVITIES				
Bank fraud loss	-	-	**-**	(54,428)
Change in net assets	(299,553)	-	**(299,553)**	(82,771)
Net assets, beginning of year	778,245	-	**778,245**	861,016
Net assets, end of year	$ 478,692	$ -	**$ 478,692**	$ 778,245

See Notes to Financial Statements.

OPERATION FIRST RESPONSE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(with December 31, 2024 comparative totals)

	Program	Management & General	Fundraising	Totals 2025	Totals 2024
Salary Expenses					
Salaries	$ 72,900	$ 4,050	$ 4,050	**$ 81,000**	$ 88,607
Payroll taxes	5,592	311	310	**6,213**	6,809
Employee benefits	2,345	130	130	**2,605**	1,296
Total salary expenses	80,837	4,491	4,490	**89,818**	96,712
Direct Assistance and Outreach Programs					
Automobile	29,993	-	-	**29,993**	24,777
Food and supplies	153,454	-	-	**153,454**	123,065
General financial support	35,651	-	-	**35,651**	27,365
In-kind:					
Backpacks	37,515	-	-	**37,515**	12,945
Google AdWords	14,100	-	-	**14,100**	35,921
Responder supplies	-	-	-	**-**	130,502
Specialized training	413,000	-	-	**413,000**	234,500
Project expense	63,250	-	-	**63,250**	57,705
Rental	72,066	-	-	**72,066**	31,986
Scholarship	-	-	-	**-**	12,214
Telephone	13,385	-	-	**13,385**	10,879
Transportation and lodging	11,757	-	-	**11,757**	4,850
Utilities	118,137	-	-	**118,137**	103,578
Total direct assistance and outreach	962,308	-	-	**962,308**	810,287
Other Expenses					
Bank charges	345	-	-	**345**	729
Depreciation	-	1,934	-	**1,934**	2,125
Dues and subscriptions	-	7,102	-	**7,102**	1,780
Fundraising expense	-	-	2,153	**2,153**	2,500
In-kind:					
Rent	21,600	1,200	1,200	**24,000**	24,000
Office	125	125	-	**250**	-
Cyber security training	-	-	-	**-**	17,500
Insurance	1,601	188	94	**1,883**	1,900
License and registration	-	-	2,388	**2,388**	4,131
Office	1,697	200	100	**1,997**	3,347
Payroll fees	2,473	291	145	**2,909**	2,833
Postage and delivery	1,935	20	-	**1,955**	2,133
Printing and reproduction	3,338	393	196	**3,927**	3,408
Professional fees	1,846	15,691	923	**18,460**	15,250
Communications	4,018	223	223	**4,464**	7,280
Travel	3,340	186	186	**3,712**	8,129
Utilities	1,376	162	81	**1,619**	1,835
Volunteer appreciation	-	1,040	-	**1,040**	865
Total other expenses	43,694	28,755	7,689	**80,138**	99,745
Total expenses	$ 1,086,839	$ 33,246	$ 12,179	**$ 1,132,264**	$ 1,006,744

See Notes to Financial Statements.

OPERATION FIRST RESPONSE, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(with December 31, 2024 comparative totals)

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	**$ (299,553)**	$ (82,771)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	**1,934**	2,125
Unrealized (gain) loss on investments	**186**	-
Donated securities	**(9,701)**	10,012
Net cash flow (used in) operations	**(307,134)**	(70,634)
Cash Flows From Investing Activities		
Purchase of equipment	**(6,799)**	-
Net cash flow (used in) investing activities	**(6,799)**	-
Net (decrease) in cash	**(313,933)**	(70,634)
Cash and Cash Equivalents		
Beginning of year	**776,651**	847,285
End of year	**$ 462,718**	$ 776,651

See Notes to Financial Statements.

Note 1. Nature of Operations and Significant Accounting Policies

Nature of Operations

Operation First Response, Inc. (OFR) was incorporated in the Commonwealth of Virginia, in 2005 as a non-profit 501(c)(3) tax-exempt charity organized to support our nation's wounded heroes, first responders and their families with personal and financial needs. OFR provides assistance, compassion and understanding to wounded soldiers and their families. The financial assistance is in the form of rental payments, help with overdue utilities, payments for vehicle repairs, payments for air and ground transportation to fly family to local hospitals, and care packs to troops overseas.

Significant Accounting Policies

The financial statements of OFR have been prepared in accordance with policies followed by nonprofit organizations. The significant accounting policies that follow are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting: The financial statements of OFR have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) as defined in the FASB Accounting Standards Codification (ASC) Topic 958, Not-ForProfit Entities, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations". Under ASC Topic 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restriction: Net assets not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets With Donor Restriction: 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 Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents: For purposes of the statements of cash flows, the OFR considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments: Investments are stated at fair market value. Investments consist of publicly traded stocks.

Property and Equipment: Expenditures for acquisition of furniture and equipment are capitalized at cost. The fair value of donated furniture and equipment is similarly capitalized. Depreciation is provided over the estimated useful lives of furniture and equipment using the straight-line method, ranging from 3-7 years.

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Contributions: Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted use by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realized value. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

In-kind Donations: Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Donated facilities are recorded at fair value.

Contributed Services: OFR receives a substantial number of services donated by its members in carrying out the Organization's duties. No amounts have been reflected in the financial statements for those services since they do not meet the criteria under ASC Subtopic 958-605-30.

Advertising Costs: Advertising costs are expensed as incurred. Advertising costs in 2025 and 2024 were provided in-kind by Google AdWords in the amount of $14,100 and $35,921, respectively. This advertising is for the purpose of assisting veterans and first responders in finding OFR to be able to utilize their services.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on based on their natural cost driver. The expenses that are allocated include the following:

Natural Category	Allocation Method
Personnel costs	Time and effort
Direct assistance and outreach	Direct
Other expenses	Estimated usage

Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent asset and liabilities at the date of the financial statements and the reported amounts of support, revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes: OFR is exempt from the federal income tax under the provisions of Internal Revenue Code, Section 501(c)(3). The Organization is classified as a public charity and not a private foundation; therefore, contributions made to the Organization are tax deductible by the donors. The Organization has adopted the guidance under ASC Topic 740, *Accounting for Uncertainty in Income Taxes*. Management has evaluated the Organization's tax positions and concluded that the Organization has taken no uncertain tax provisions that would require adjustment to, or disclosure in, the financial statements to comply with the provisions of the guidance.

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Measure of Operations: The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to OFR's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature. Unrealized investment gains (losses) were the only non-operating activities in 2025 and 2024.

Note 2. Cash and Cash Equivalents

Composition of cash and cash equivalents is as follows:

	Bank Balance	Accounting Balance	
Type	**2025**	**2025**	2024
Wells Fargo			
Checking	**$ 32,402**	**$ 32,367**	$ 42,761
Partner 1st	**95,498**	**91,408**	188,946
Atlantic Union			
Checking	**338,168**	**338,943**	541,278
PayPal	**-**	**-**	3,666
	$ 466,068	**$ 462,718**	$ 776,651

Individual bank combined cash account deposits up to $250,000 are insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2025 and 2024, bank balances at Atlantic Union Bank exceeded FDIC insurance coverage limit by $88,168 and 291,278, respectively.

Note 3. Investments

A summary of investments at December 31, 2025 and 2024 is as follows:

Description	Cost	Fair Value	Unrealized Gain(Loss)
2025			
Equity securities	**$ 9,701**	**$ 9,515**	**$ (186)**
2024			
Equity securities	$ -	$ -	$ -

Note 4. Fair Value Measurements

FASB has issued guidance for measurement and disclosure of fair value and establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

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

Level 2: Quoted prices for similar instruments in active and inactive markets; and model driven valuations with significant inputs and drivers derived from observable active markets.

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

Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for investments carried or disclosed at fair value:

Equity securities: Valued at quoted market price.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets measured at fair value as of December 31, 2025 and 2024:

December 31, 2025	Level 1	Level 2	Level 3	Total
Equity securities	**$ 9,515**	**$ -**	**$ -**	**$ 9,515**

December 31, 2024	Level 1	Level 2	Level 3	Total
Equity securities	$ -	$ -	$ -	$ -

Note 5. Designated Net Assets

The Board of Directors has designated net assets and related cash balances for specific future obligations and projects summarized as follows:

	Balance	2025 Activity		**Balance**
Designation	12/31/2024	Additions	Uses	**12/31/2025**
Operating reserve	$ 350,000	$ -	$ (175,000)	**$ 175,000**
New initiatives	250,000	-	-	**250,000**
	$ 600,000	$ -	$ (175,000)	**$ 425,000**

Operating reserve: The portion of net assets that the Board has designated for use in order to sustain financial operations in the event of significant unbudgeted increases in operating expenses and/or losses of operating support. Operating reserves help to ensure that OFR is positioned to respond to varying economic conditions and changes and allow OFR the ability to continuously carry out its mission.

New initiatives: The portion of net assets that the Board has designated for future program expansions.

Note 6. In-kind Donations

The Organization receives contributions of nonfinancial assets, including backpacks and related supplies, office space, specialized training, advertising, and other goods and services. These contributed nonfinancial assets are recorded at their estimated fair value as of the date of donation in accordance with ASC 958-605 and ASC 820. A summary of in-kind donations is as follows:

In-kind description	**2025**	2024
Direct Assistance and Outreach Programs		
OFR backpacks	**$ 37,515**	$ 12,945
Google AdWords	**14,100**	35,921
Specialized training	**413,000**	234,500
Responder supplies	**-**	130,502
	464,615	413,868
Other In-kind Provided Support		
Office supplies	**250**	-
Office space	**24,000**	24,000
Cyber security training	**-**	17,500
	24,250	41,500
Total in-kind donations	**$ 488,865**	$ 455,368

The organizations policy related to in-kind donations is to utilize the assets given to carry out the mission of OFR. If an asset is given that does not allow OFR to utilize it in its normal course of business, the asset will be sold at fair market value, donated to another organization, or given as a gift to veterans and first responders.

Direct Assistance and Outreach Programs: OFR receives in-kind donations to support their Backpack Program as well as general programs. Through the Backpack Program, OFR sends care packages to combat support hospitals in Iraq and Afghanistan which are provided to wounded soldiers. OFR also receives donated advertising from Google AdWords. This advertising is for the purpose of veterans searching for assistance being able to locate and utilize OFR's services. Specialized training provided to veterans who choose to enroll free of cost to both the veteran, and OFR. An in-kind donation is recorded for the cost OFR would incur to pay for the various technology and other certifications that they provide to veterans. The costs of these are recorded direct to program expense.

Other In-kind Provided Support: Office supplies and office rent are donated to OFR. The cost of these is allocated among program and supporting services and is broken out on the statement of functional expenses based on estimated usage.

Note 7. Liquidity

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Description	Amount
Cash and cash equivalents without donor restriction	$ 462,718

The Organization manages its liquidity and reserves to ensure that it has sufficient cash to meet its operating needs and to fulfill its mission. The governing board has designated a portion of net assets without donor restrictions as an operating reserve and funds for new initiatives (see Note 5). While the designated amounts are intended to support specific purposes, such designations are subject to change by the Board and may be undesignated and made available for general expenditures, if necessary.

Note 8. Related Party Transactions

OFR receives use of its office space free of charge from a related party. In 2025 and 2024, the total in-kind donation and related rent expense reported was $24,000.

Note 9. Unusual Activity

During 2024, OFR was victim to bank fraud which resulted in a loss of $54,428. No funds were recovered in 2025. There is no expectation of the funds being recovered. OFR has taken measures to prevent further losses and ensure all financial assets are appropriately secured.

Note 10. Beneficial Interest in Estate

The Organization has been named as the beneficiary of an Estate, pursuant to the decedent's will. This bequest represents a promise to give to the Organization; however, the timing of the distribution and ultimate amount to be received are presently not determinable. Accordingly, no contribution receivable or related contribution revenue has been recorded in the accompanying financial statements.

Note 11. Prior Year Summarized Comparative 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 OFR financial statements for the year ended December 31, 2024 from which the summarized information was derived.

Note 12. Subsequent Events

The Organization has evaluated subsequent events through April 24, 2025, the date these financial statements were available to be issued, and determined that there were no material subsequent events requiring adjustment to, or disclosure in, the financial statements for the year ended December 31, 2025.