

**NATURAL ENERGY UTILITY CORPORATION**

**INDEPENDENT AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2025 AND 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Natural Energy Utility Corporation  
Ashland, Kentucky

### Opinion

We have audited the accompanying financial statements of Natural Energy Utility Corporation (a Kentucky corporation), which comprise the balance sheet as of December 31, 2025 and 2024, and the related statements of income, changes in stockholders' equity, 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 Natural Energy Utility Corporation as of December 31, 2025 and 2024, and the results of its operations 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. 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 Natural Energy Utility Corporation 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 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 Natural Energy Utility Corporation'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 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 Natural Energy Utility Corporation'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 Natural Energy Utility Corporation'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.

*Kelley Galloway Smith Goolsby, PSC*

Ashland, Kentucky  
February 25, 2026

**NATURAL ENERGY UTILITY CORPORATION**  
**BALANCE SHEETS**  
**DECEMBER 31, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash in bank	\$ 62,393	\$ 124,409
Accounts receivable, net of allowance for credit losses of \$1,705 and \$1,705 respectively	422,558	282,347
Prepaid expenses	38,807	40,240
Gas imbalance receivable	12,225	-
Supplies inventory	5,000	5,000
<b>TOTAL CURRENT ASSETS</b>	<b>540,983</b>	<b>451,996</b>
<b>PROPERTY AND EQUIPMENT, NET</b>	339,884	231,027
<b>OTHER ASSETS</b>		
Advances to shareholders	273,707	336,135
Loans to shareholders	1,338,436	1,351,946
<b>TOTAL OTHER ASSETS</b>	<b>1,612,143</b>	<b>1,688,081</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,493,010</b>	<b>\$ 2,371,104</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 338,756	\$ 241,596
Accrued liabilities	87,688	90,019
Customer deposits	119,180	112,535
Current portion of long-term debt	244,476	239,665
Gas imbalance payable	-	21,052
Payroll taxes payable	49,495	45,754
Line of credit	305,000	75,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,144,595</b>	<b>825,621</b>
<b>LONG-TERM LIABILITIES</b>		
Long-term debt, net of current portion	1,011,574	1,161,122
<b>TOTAL LIABILITIES</b>	<b>2,156,169</b>	<b>1,986,743</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, \$1 par; 1,000 shares authorized, issued and outstanding	1,000	1,000
Additional paid-in capital	320,000	320,000
Retained earnings	15,841	63,361
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>336,841</b>	<b>384,361</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 2,493,010</b>	<b>\$ 2,371,104</b>

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

**NATURAL ENERGY UTILITY CORPORATION**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>REVENUES</b>		
Gas sales and transportation income	\$ 3,218,031	\$ 2,808,031
Other income	58,999	45,783
<b>TOTAL REVENUES</b>	<b>3,277,030</b>	<b>2,853,814</b>
 <b>COST OF SALES</b>		
Gas purchases	779,195	454,015
Transportation costs	82,709	71,337
<b>TOTAL COST OF SALES</b>	<b>861,904</b>	<b>525,352</b>
<b>GROSS PROFIT</b>	<b>2,415,126</b>	<b>2,328,462</b>
 <b>OPERATING EXPENSES</b>		
Salaries and wages	1,443,036	1,497,812
Employee retirement plan contributions	27,961	27,652
Depreciation	55,011	44,330
Operations expense	239,494	104,477
Professional fees	51,932	34,494
Taxes and licenses	69,204	60,182
Employee insurance	84,181	81,811
Travel expenses	32,733	40,453
Payroll tax expense	69,040	69,407
Other insurance	65,158	92,312
Rent and lease expense	875	1,875
Telephone and communications	25,086	26,950
Repairs and maintenance	27,871	47,202
Credit loss expense	-	309
Office supplies and expense	7,061	8,024
Postage and shipping	10,914	11,738
Utilities	7,944	7,347
Advertising	9,674	10,844
Miscellaneous expenses	16,088	10,550
<b>TOTAL OPERATING EXPENSES</b>	<b>2,243,263</b>	<b>2,177,769</b>
<b>NET OPERATING INCOME</b>	<b>171,863</b>	<b>150,693</b>
 <b>OTHER INCOME (EXPENSE)</b>		
Interest expense, net of interest income of \$13,499 and \$20,392 respectively	(89,137)	(80,005)
Gain on sale of fixed assets	-	6,000
<b>TOTAL OTHER INCOME (EXPENSE)</b>	<b>(89,137)</b>	<b>(74,005)</b>
<b>NET INCOME</b>	<b>\$ 82,726</b>	<b>\$ 76,688</b>

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

**NATURAL ENERGY UTILITY CORPORATION**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>COMMON STOCK</u>	<u>ADDITIONAL PAID IN CAPITAL</u>	<u>RETAINED EARNINGS</u>	<u>TOTAL</u>
<b>BALANCE, JANUARY 1, 2024</b>	\$ 1,000	\$ 320,000	\$ -	\$ 321,000
Net income	-	-	76,688	76,688
Distributions to stockholders	-	-	(13,327)	(13,327)
<b>BALANCE, DECEMBER 31, 2024</b>	1,000	320,000	63,361	384,361
Net income	-	-	82,726	82,726
Distributions to stockholders	-	-	(130,246)	(130,246)
<b>BALANCE, DECEMBER 31, 2025</b>	<u>\$ 1,000</u>	<u>\$ 320,000</u>	<u>\$ 15,841</u>	<u>\$ 336,841</u>

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

**NATURAL ENERGY UTILITY CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 82,726	\$ 76,688
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	55,011	44,330
Gain on sale of assets	-	(6,000)
Provision for credit losses	-	309
Net changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(140,211)	(8,625)
Prepaid expenses	1,433	14,408
Gas imbalance receivable	(12,225)	-
(Decrease) increase in:		
Accounts payable	97,160	(153,429)
Accrued liabilities	(2,331)	(49,035)
Gas imbalance payable	(21,052)	20,252
Payroll taxes payable	3,741	(57,822)
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<b>64,252</b>	<b>(118,924)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase) decrease in advances to shareholders	62,428	(319,263)
Purchases of property and equipment	(163,868)	-
Decrease in loans to shareholders	13,510	362,967
<b>NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES</b>	<b>(87,930)</b>	<b>43,704</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on long-term debt	(237,207)	(225,082)
Proceeds from long-term debt	92,470	-
Distributions to shareholders	(130,246)	(13,327)
Increase in customer deposits	6,645	14,205
Proceeds from sale of equipment	-	6,000
Change in line of credit	230,000	75,000
<b>NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES</b>	<b>(38,338)</b>	<b>(143,204)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(62,016)</b>	<b>(218,424)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>124,409</b>	<b>342,833</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 62,393</b>	<b>\$ 124,409</b>
<b>SUPPLEMENTAL INFORMATION:</b>		
Cash paid during the year for interest	\$ 102,399	\$ 103,789

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

# NATURAL ENERGY UTILITY CORPORATION

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Operations

Natural Energy Utility Corporation (the Corporation) owns and operates a natural gas pipeline in Boyd, Carter and Greenup County, Kentucky. The Corporation provides transportation services and sells natural gas to governmental, industrial and residential customers in its market area consisting primarily of Boyd, Carter and Greenup County, Kentucky. The Corporation is subject to regulation by the Kentucky Public Service Commission.

#### Revenue Recognition

The Corporation recognizes revenues when the performance obligation is satisfied, which is the point at which control of the promised goods or services are transferred to its customers, in an amount that reflects the consideration the Corporation expects to be entitled to receive in exchange for those goods or services. The Corporation's arrangements with commercial and consumer customers transfers control to the customer upon consumption of natural gas. The timing of the performance obligation is not subject to significant judgment. While certain additional services may be identified within the customer arrangements, they are immaterial in the context of the overall contract with the customer, and therefore, not assessed as performance obligations.

*Sales Revenue:* The Corporation generates revenue primarily from the distribution and sale of natural gas. Substantially all revenue is recognized at the point in time which the consumption of natural gas is billed to the customer. This occurs on a monthly basis and is measured through meters, requiring minimal judgment. The consumer customer's billings are based solely on current tariff rates approved by a regulatory agency. The revenue for natural gas sales to commercial customers are based on tariff rates and step pricing by volume. The Corporation also has transportation revenue which is based on the amount of natural gas consumed by one commercial customer and is based on step-pricing by volume. Commercial consumption is measured using regulated meters and requires minimal judgment.

*Installation Revenue:* The Corporation generates revenue through the installation of gas lines and meters. The revenues *generated* from these installation services are recognized when a project is complete, and customers are able to begin receiving natural gas.

*Contract Balances:* After completion of the Corporation's performance obligations, the Corporation has an unconditional right to consideration as outlined in its contracts with customers. The Corporation's customer receivables will generally be collected in less than 30 days in accordance with the underlying payment terms. As of December 31, 2025, 2024 and 2023, the Corporation had outstanding net receivables of \$422,558, \$282,347 and \$274,031, respectively. Contract liabilities primarily represent advance billings to clients in accordance with the terms of the contract ("customer deposits"). As of December 31, 2025, 2024 and 2023, the Corporation had customer deposits of \$119,180, \$112,535 and \$98,330, respectively.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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

For the purposes of the statements of cash flows, the Corporation considers cash on deposit with banks and all highly liquid debt instruments, purchased with an original maturity of three months or less to be cash equivalents.

## Income Taxes

The Corporation, with the consent of its shareholders, has elected under the Internal Revenue Code to be an S-Corporation. In lieu of corporation income taxes, the shareholders of an S Corporation are taxed on their proportionate share of the Corporation's taxable income. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

Management believes its tax returns prior to 2022 are no longer subject to examination by the Internal Revenue Service.

## Trade Accounts Receivable and Allowance for Credit Losses

Trade accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Amounts are recorded at the contractual amount billed to the customer and do not bear interest. Customer account balances with invoices dated over 30 days old are considered past due. The Corporation allocates customer payments of accounts receivable to the specific invoices identified on the customer's remittance advice or, if unspecified, the Corporation applies the payment to the oldest unpaid invoices.

The Corporation reduces the carrying amount of trade accounts receivable by an allowance for credit losses that reflects its best estimate of expected losses. The allowance is determined based on historical loss experience, current conditions, and reasonable and supportable forecasts. For current accounts receivable arising from revenue transactions, the Corporation has elected to apply the practical expedient provided in ASU 2025-05, which assumes that current conditions as of the balance sheet date will remain unchanged over the remaining life of the receivables. Additionally, as permitted for nonpublic entities under ASU 2025-05, the Corporation also considers cash collections received through February 10, 2026 in estimating expected credit losses for balances outstanding at December 31, 2025. The allowance is reviewed periodically and adjusted as necessary. Trade accounts receivable are written off against the allowance when management determines that the receivable will not be collected.

## Property and Equipment

Land is carried at cost. Property, furniture and equipment are carried at cost, less accumulated depreciation computed principally by the straight-line method over the estimated useful lives as follows:

Buildings & Improvements	10 – 20 years
Furniture, Fixtures & Equipment	5 – 10 years
Autos and trucks	5 – 10 years
Pipelines and Projects	7 – 20 years

## Advertising

Advertising costs are expensed when incurred. Advertising costs were \$9,674 and \$10,844 for the years ended December 31, 2025 and 2024, respectively.

## Reclassification

Certain reclassifications have been made to the 2024 financial statements to conform with the 2025 presentation.

## Date of Management Review

Subsequent events have been evaluated through February 25, 2026, which is the date the financial statements were available to be issued.

## New Accounting Pronouncements

In July 2025, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2025-05, *Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which amends ASC 326, *Financial Instruments—Credit Losses*. The ASU provides a practical expedient allowing entities to assume that current conditions as of the balance sheet date will remain unchanged over the remaining life of current accounts receivable and current contract assets when estimating expected credit losses. The ASU also permits entities other than public business entities to make an accounting policy election to consider cash collections received after the balance sheet date but before the financial statements are issued when estimating expected credit losses.

The Corporation adopted ASU 2025-05 for the year ended December 31, 2025, on a prospective basis. Upon adoption, the Corporation elected to apply the practical expedient for estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under ASC 606. In addition, the Corporation elected the accounting policy to consider cash collections received through February 10, 2026 in its estimate of expected credit losses for balances outstanding at December 31, 2025.

The adoption of ASU 2025-05 did not have a material impact on the Corporation's financial position, results of operations, or cash flows. The primary effect of adoption was to simplify the Corporation's expected credit loss estimation process and allow the use of observable post-period cash collections in developing its allowance estimate.

In March 2024, the FASB issued ASU No. 2024-02, *Codification Improvements – Amendments to Remove References to the Concept Statements*. The ASU removes references to the various FASB Concepts Statements. In most cases, the references were extraneous and not required to understand or apply the guidance. In other instances, the references were used in previous Statements to provide guidance in certain topical areas. The ASU is effective for fiscal years beginning after December 15, 2025. The adoption of this standard is not expected to have a material effect on the financial statements.

## **NOTE 2: REVENUE**

All of the Corporation's revenue from contracts with customers are within the scope of ASC 606. The following table presents our sales disaggregated by sales mix for the Corporation's principal sales categories for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Sales categories:		
Commercial sales	\$ 1,337,716	\$ 1,083,412
Consumer sales	874,087	742,053
Transportation	954,478	958,801
Installation	36,609	29,644
Service fees	74,140	39,904
	<u>\$ 3,277,030</u>	<u>\$ 2,853,814</u>

**NOTE 3: ALLOWANCE FOR CREDIT LOSSES**

Changes in the allowance for credit losses for the years ended December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Accounts receivable, trade:		
Balance, beginning of the year	\$ 1,705	\$ 1,600
Credit loss expense	-	309
Write-offs, net of recoveries	-	(204)
Balance, end of the year	<u>\$ 1,705</u>	<u>\$ 1,705</u>

**NOTE 4: PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2025 and 2024, by major classifications are as follows:

	<u>2025</u>	<u>2024</u>
Land	\$ 5,000	\$ 5,000
Buildings & Improvements	74,553	74,553
Furniture, Fixtures & Equip.	440,283	368,875
Autos and Trucks	671,996	579,536
Pipelines and Projects	<u>2,885,209</u>	<u>2,885,209</u>
	4,077,041	3,913,173
Accumulated depreciation	<u>(3,737,157)</u>	<u>(3,682,146)</u>
	<u>\$ 339,884</u>	<u>\$ 231,027</u>

Depreciation expense totaled \$55,011 and \$44,330 for the years ended December 31, 2025, and 2024, respectively.

**NOTE 5: LONG-TERM DEBT**

	<u>2025</u>	<u>2024</u>
*Note payable (7.75%) due in monthly installments of \$21,587.96, to February 2026, secured by all corporate assets and the personal guarantee of its principal shareholder	\$ 1,095,652	\$ 1,260,423
Ford Credit (1.90%) due in monthly installments of \$2,395.58, to December 2025, secured by a vehicle and the personal guarantee of its principal shareholder	-	26,120
Ford Credit (1.90%) due in monthly installments of \$1,325.15, to June 2027, secured by a vehicle and the personal guarantee of its principal shareholder	23,461	38,759
Ford Credit (1.90%) due in monthly installments of \$1,344.59, to June 2027, secured by a vehicle and the personal guarantee of its principal shareholder	23,805	39,327
Wells Fargo (4.69%) due in monthly installments of \$1,735.12, to December 2030, secured by a vehicle and the personal guarantee of its principal shareholder	92,470	-

Caterpillar Payable (0%) due in monthly installments of \$1,291.87, to May 2027, secured by equipment and the personal guarantee of its principal shareholder	<u>20,662</u>	<u>36,158</u>
Total long-term debt	1,256,050	1,400,787
Less current portion	<u>(244,476)</u>	<u>(239,665)</u>
Long-term debt, net of current portion	<u>\$ 1,011,574</u>	<u>\$ 1,161,122</u>

\*This note payable is included in the refinancing of short-term obligations described below. The Corporation has applied the provisions of FASB ASC 470-10-45-13, *Classification of Short-Term Obligations Expected to be Refinanced* and FASB ASC 470-45-14, *Intent and Ability to Refinance on a Long-Term Basis*, and reclassified the amount of the original note payment originally due in 2026 to non-current liabilities.

### Short-Term Note Refinanced

Effective February 25, 2026, the Corporation entered into a loan agreement to refinance the term note outstanding as described above. Under the provisions of this agreement, the Corporation borrowed \$1,750,000 at 6.75%, maturing on February 25, 2028. The agreement requires monthly principal payments of \$20,833 and calculated monthly interest payments, with a final payment of principal and outstanding interest due at maturity.

The future scheduled maturities of long-term debt are as follows for the years ending December 31:

2026	\$ 244,476
2027	232,908
2028	739,188
2029	19,383
2030	<u>20,095</u>
	<u>\$ 1,256,050</u>

### NOTE 6: LINE OF CREDIT

The Corporation has an \$800,000 line of credit that expires August 3, 2026. Interest is to be paid monthly at the Wall Street prime interest rate (6.75% at December 31, 2025), secured by all the Corporation's assets and personal guarantee of the principal shareholder. As of December 31, 2025 and 2024, the outstanding balance on the line of credit totaled \$305,000 and \$75,000 respectively.

### NOTE 7: CONCENTRATIONS

#### Major Customers

Five major customers accounted for 69.63% of total sales for 2025. Accounts receivable from these five customers comprised 70.89% of total accounts receivable at December 31, 2025. Five major customers accounted for 70.82% of total revenues for 2024. Accounts receivable from these five customers comprised 70.20% of total accounts receivable at December 31, 2024.

### NOTE 8: RETIREMENT PLAN

Effective October 1, 2007, the Corporation adopted a 401(k) retirement plan covering all eligible employees. The Corporation has elected to make safe harbor contributions of 3.0% of all qualifying employee compensation. Contributions to the plan totaled \$27,961 and \$27,652 for the years ended December 31, 2025 and 2024, respectively.

## **NOTE 9: RELATED PARTY TRANSACTIONS**

### Advances to Shareholders

As of December 31, 2025 and 2024, advances to shareholders totaled \$273,707 and \$336,135, respectively. The advances are unsecured, non-interest bearing, and due on demand.

### Loans to Shareholders

On August 25, 2015, the Corporation made loans to its shareholders totaling \$2,700,000 at 0.48% interest, maturing August 5, 2028. On February 10, 2020, the Corporation made a loan to a shareholder in the amount of \$720,000 at 2.96% interest maturing February 5, 2024. During 2025 and 2024, the Corporation accrued \$6,489 and \$12,033, respectively in interest income related to these loans which is included in the loan balance on the balance sheets. The balance of these loans totaled \$1,338,436 and \$1,351,946 for the years ended December 31, 2025 and 2024, respectively.

## **NOTE 10: CONCENTRATIONS OF CREDIT RISK**

The Corporation maintains its cash balances in two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2025, the Corporation's uninsured cash balances totaled \$0.

## **NOTE 11: CONTINGENCIES**

The Corporation is subject to various claims, legal proceedings and investigations covering a wide range of matters that arose in the ordinary course of business. In the opinion of management, all such matters are adequately covered by insurance or accruals. If not so covered, the matters are considered without merit or are of such kind, or involve such amounts, as would not have a significant effect on the financial position or results of operations of the Corporation, if disposed of unfavorably.