Laurel Ridge Community College
Educational Foundation, Inc.

Financial Statements

For the Year Ended
December 31, 2025

LAUREL RIDGE COMMUNITY COLLEGE
EDUCATIONAL FOUNDATION, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
LAUREL RIDGE COMMUNITY COLLEGE EDUCATIONAL FOUNDATION, INC.
MIDDLETOWN, VIRGINIA

Opinion

We have audited the accompanying financial statements of Laurel Ridge Community College Educational Foundation, Inc. (a nonprofit organization) (the "Foundation"), 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 the Foundation 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 the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objects are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 the Foundation's internal control. Accordingly, no such opinion is expressed.

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

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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 Foundation's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 30, 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.

Robinson, Farmer, Cox Associates

Staunton, Virginia
July 9, 2026

FINANCIAL STATEMENTS

LAUREL RIDGE COMMUNITY COLLEGE
EDUCATIONAL FOUNDATION, INC.

Statement of Financial Position
December 31, 2025
(With Comparative Totals for 2024)

ASSETS	**2025**	**2024**
Current assets:		
Cash and cash equivalents	$ 8,995,321	$ 3,283,238
Note receivable	-	215,000
Rent receivable	100,000	-
Contributions receivable, net	99,739	64,396
Total current assets	$ 9,195,060	$ 3,562,634
Noncurrent assets:		
Contributions receivable, net	$ 13,432	$ 33,490
Investments	16,311,756	14,870,413
Property and equipment, net	18,821,987	18,925,581
Total noncurrent assets	$ 35,147,175	$ 33,829,484
TOTAL ASSETS	$ 44,342,235	$ 37,392,118
LIABILITIES AND NET ASSETS		
Liabilities:		
Current liabilities:		
Accounts payable	$ 66,957	$ 202,527
Deferred revenue	4,675,833	217,500
Bonds payable, current portion	159,759	149,748
Notes payable, current portion	127,980	122,633
Total current liabilities	$ 5,030,529	$ 692,408
Long term liabilities:		
Bonds payable, net of current portion	$ 4,554,789	$ 4,710,299
Notes payable, net of current portion	4,080,661	4,206,753
Total liabilities	$ 13,665,979	$ 9,609,460
Net assets:		
Without donor restrictions	$ 15,295,901	$ 14,169,535
With donor restriction	15,380,355	13,613,123
Total net assets	$ 30,676,256	$ 27,782,658
TOTAL LIABILITIES AND NET ASSETS	$ 44,342,235	$ 37,392,118

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

LAUREL RIDGE COMMUNITY COLLEGE
EDUCATIONAL FOUNDATION, INC.

Statement of Activities
For the Year Ended December 31, 2025
(With Comparative Totals for 2024)

	2025			
	Without Donor Restrictions	With Donor Restrictions	Total	2024 Total
REVENUES, GAINS, AND OTHER SUPPORT				
Public support	$ 122,446	$ 3,153,552	$ 3,275,998	$ 1,826,264
Investment return, net	-	1,334,316	1,334,316	960,598
Interest income	96,793	77,317	174,110	290,726
Gain (loss) on sale of property	-	-	-	(125,000)
Other income	5,476	49,226	54,702	50,806
Lease revenue	904,217	-	904,217	880,000
Management fee revenue	37,747	-	37,747	31,323
In-kind contributions	380,846	7,000	387,846	519,550
Net assets released from restriction	2,854,179	(2,854,179)	-	-
Total revenues, gains, and other support	$ 4,401,704	$ 1,767,232	$ 6,168,936	$ 4,434,267
EXPENSES				
Program services				
Projects in support of the college	$ 2,380,930	$ -	$ 2,380,930	$ 1,873,264
Scholarships	499,291	-	499,291	460,076
Total program services	$ 2,880,221	$ -	$ 2,880,221	$ 2,333,340
Supporting services				
Management and general	301,341	-	301,341	406,885
Fundraising	93,776	-	93,776	162,820
Total expenses	$ 3,275,338	$ -	$ 3,275,338	$ 2,903,045
Changes in net assets	$ 1,126,366	$ 1,767,232	$ 2,893,598	$ 1,531,222
Net assets at beginning of year	14,169,535	13,613,123	27,782,658	26,251,436
Net assets at end of year	$ 15,295,901	$ 15,380,355	$ 30,676,256	$ 27,782,658

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

LAUREL RIDGE COMMUNITY COLLEGE
EDUCATIONAL FOUNDATION, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2025
(With Comparative Totals for 2024)

	2025					
	Program Services		Supporting Services			
	Projects in Support of the College	Scholarships	Management and General	Fund Raising	Total	2024 Total
Depreciation expense	$ 452,959	$ -	$ -	$ -	$ 452,959	$ 452,959
Dues and subscriptions	-	-	240	-	240	3,830
Fundraising and public relations	-	-	2,600	19,544	22,144	26,232
Insurance	6,466	-	12,010	-	18,476	19,017
In-kind contribution of services	111,034	-	195,580	74,232	380,846	518,050
Interest expense	506,149	-	-	-	506,149	521,624
Miscellaneous	-	-	4,247	-	4,247	13,259
Office supplies	-	-	1,396	-	1,396	542
Postage and printing	-	-	377	-	377	709
Professional development	-	-	590	-	590	346
Professional services	-	-	28,116	-	28,116	26,820
Projects in support of the college	1,208,060	-	-	-	1,208,060	646,663
Repairs and maintenance	-	-	32,116	-	32,116	30,183
Salaries and wages	96,262	-	24,044	-	120,306	182,560
Scholarships	-	499,291	-	-	499,291	460,076
Taxes and licenses	-	-	25	-	25	175
Total	$ 2,380,930	$ 499,291	$ 301,341	$ 93,776	$ 3,275,338	$ 2,903,045

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

LAUREL RIDGE COMMUNITY COLLEGE
EDUCATIONAL FOUNDATION, INC.

Statement of Cash Flows
For the Year Ended December 31, 2025
(With Comparative Totals for 2024)

	2025	2024
Cash flows from operating activities		
Change in net assets	$ 2,893,598	$ 1,531,222
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation expense	452,959	452,959
Amortization of bond issuance costs	4,237	4,237
Investment return, net	(1,334,316)	(960,598)
(Gain) loss on sale of property	-	125,000
(Increase) decrease in rent receivable	(100,000)	-
(Increase) decrease in contributions receivable	(15,285)	258,794
Increase (decrease) in deferred revenue	4,458,333	(185,000)
Increase (decrease) in accounts payable	(135,570)	26,591
Net cash provided by (used for) operating activities	$ 6,223,956	$ 1,253,205
Cash flows from investing activities		
Purchases of investments	$ (3,231,415)	$ (7,329,434)
Proceeds from sales of investments	3,124,388	3,519,881
Proceeds from sale of property	215,000	10,000
Purchase of property and equipment	(349,365)	-
Net cash provided by (used for) investing activities	$ (241,392)	$ (3,799,553)
Cash flows from financing activities		
Payments of long term obligations	$ (270,481)	$ (254,559)
Net cash provided by (used for) financing activities	$ (270,481)	$ (254,559)
Net increase (decrease) in cash and cash equivalents	$ 5,712,083	$ (2,800,907)
Cash and cash equivalents, beginning of year	3,283,238	6,084,145
Cash and cash equivalents, end of year	$ 8,995,321	$ 3,283,238

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

NOTE 1—DESCRIPTION OF THE ORGANIZATION:

Laurel Ridge Community College Educational Foundation, Inc. (the "Foundation") is a Virginia nonprofit corporation. Its purpose is to promote the growth, progress, and general welfare of Laurel Ridge Community College.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions: net assets without donor restrictions and net assets with donor restrictions.

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

Net Assets Without Donor Restrictions

Net assets that are not subject to any donor-imposed stipulations. At December 31, 2025, the Foundation had net assets without donor restrictions of $15,295,901.

Net Assets With Donor Restrictions

Net assets subject to donor-imposed restrictions on their use that may be met either by actions of the Foundation or the passage of time. At December 31, 2025, the Foundation had net assets with donor restrictions of $15,380,355 and consisted of the following:

	2025
Contributions with time restrictions	$ 3,396,901
Endowment	11,983,454
Total net assets with donor restrictions	$ 15,380,355

Cash and Cash Equivalents

The Foundation considers all highly liquid investments than can be readily converted to cash or with a maturity of three months or less when purchased, to be cash equivalents. Cash and cash equivalents include the bank accounts without withdrawal restrictions, cash, and money market funds.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis. Functional expenses are allocated between program and supporting services based on personnel time and space utilized for the related activities. Some expense allocations are estimates because of the overlap of activities and the difficulty of record keeping for usage. Specifically identifiable expenses are directly allocated.

Income Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 179(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Investment Pools

The Foundation maintains master investment accounts for its donor-restricted endowments. Realized and unrealized gains and losses from securities in the master investment accounts are allocated monthly to the individual endowments based on the relationship of the market value of each endowment to the total market value of the master investment accounts, as adjusted for additions to or deductions from those accounts.

Contributions Receivable

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 4%.

The Foundation uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Donated Materials and Services

Donated fixed assets, including real estate, investments, and equipment, are shown as contributions in the accompanying statements at their estimated values at date of receipt. No amounts have been shown in the statements for other donated services since they do not meet the criteria for recognition as contributed services.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Property and Equipment

Purchased property and equipment are stated at cost. Major renewals and betterments are capitalized. The cost of maintenance, repairs, and minor renewals are charged to operations as incurred. Depreciation is provided for using the straight-line method over estimated useful lives as follows:

	Years
Buildings and improvements	39

Revenue Recognition

ASC 606 has been considered and does not apply to the revenue reported in the financial statements.

Prior Year Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles in the United States of America. Prior year totals on the financial statements are presented for informational purposes only. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

NOTE 3—CONCENTRATION OF CREDIT RISK:

From time to time the Foundation's cash in bank balance exceeds the Federal Deposit Insurance Corporation limit of $250,000. At December 31, 2025, the Foundation's cash balances in insured accounts did not exceed FDIC insurance coverage.

NOTE 4—NOTE RECEIVABLE:

On January 17, 2024, the Foundation sold a piece of property located in Catlett, Virginia. At closing, the Foundation received a $10,000 down payment with the remaining $215,000, plus 3% interest, due in full within 18 months of the date of sale. As of December 31, 2025, the note receivable was paid in full.

NOTE 5—CONTRIBUTIONS RECEIVABLE:

Contributions receivable as of December 31, 2025 and 2024 are as follows:

	2025	2024
Contributions receivable at December 31:		
Contributions expected to be collected in:		
Less than one year	$ 123,987	$ 81,368
One to five years	16,698	42,317
	140,685	123,685
Less allowance for uncollectible contributions receivable	(21,103)	(18,553)
Less discount on contributions receivable	(6,411)	(7,246)
Net contributions receivable	$ 113,171	$ 97,886

NOTE 6—INVESTMENTS:

Investments are stated at fair value and are summarized as follows as of December 31, 2025 and 2024.

	2025		
	Cost	Fair Value	Carrying Value
Money market funds	$ 3,399,181	$ 3,399,181	$ 3,399,181
U.S. Treasury Bills	669,228	690,965	690,965
U.S. Treasury Note	1,000,831	1,006,130	1,006,130
Mutual funds - fixed income	2,845,110	2,922,901	2,922,901
Exchange traded funds - equity	2,811,929	3,178,327	3,178,327
Mutual funds - equity	4,471,664	5,114,252	5,114,252
Total	$ 15,197,943	$ 16,311,756	$ 16,311,756

	2024		
	Cost	Fair Value	Carrying Value
Money market funds	$ 356,210	$ 356,210	$ 356,210
U.S. Treasury Bills	3,251,459	3,271,367	3,271,367
U.S. Treasury Note	1,394,111	1,394,851	1,394,851
Mutual funds - fixed income	3,094,504	3,115,958	3,115,958
Exchange traded funds - equity	1,781,060	1,868,520	1,868,520
Mutual funds - equity	4,165,199	4,863,507	4,863,507
Total	$ 14,042,543	$ 14,870,413	$ 14,870,413

NOTE 7—FAIR VALUE MEASUREMENTS:

The Foundation applies generally accepted accounting principles for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy is used that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- *Level 1*. Quoted prices (unadjusted) 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 prices 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 for the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The following information summarizes the Foundation's fair value measurements:

	December 31, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)
Money market funds	$ 3,399,181	$ 3,399,181
U.S. Treasury Bills	690,965	690,965
U.S. Treasury Note	1,006,130	1,006,130
Mutual funds - fixed income	2,922,901	2,922,901
Exchange traded funds - equity	3,178,327	3,178,327
Mutual funds - equity	5,114,252	5,114,252
Total investments	$ 16,311,756	$ 16,311,756

NOTE 8—MANAGEMENT FEE REVENUE:

The Organization collects a monthly 5% management fee on all contributions to non-endowed funds.

NOTE 9—ENDOWMENT:

The Foundation's endowment consists of approximately 80 individual funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the organization and donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters and Strategies: The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 3.5%, while growing the funds if possible. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy: During 2021, the Foundation adopted an endowment spending policy of appropriating for distribution each year 3.5% of its endowment fund's rolling average fair value of the prior three years. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets, as well as to provide additional real growth through new gifts and investment return. The policy became effective January 1, 2021.

NOTE 9—ENDOWMENT: (CONTINUED)

The net asset composition of the endowment as of December 31, 2025 and 2024 is as follows:

2025	With Donor Restrictions
Type of Endowment Fund	
Donor-restricted funds	
Perpetual endowment	$ 11,983,454
Total	$ 11,983,454

2024	With Donor Restrictions
Type of Endowment Fund	
Donor-restricted funds	
Perpetual endowment	$ 10,296,891
Total	$ 10,296,891

Changes in endowment net assets as of December 31, 2025 are as follows:

	With Donor Restrictions
Endowment net assets, December 31, 2023	$ 9,761,545
Investment return	646,538
Contributions	137,658
Amounts appropriated for expenditure	(248,850)
Endowment net assets, December 31, 2024	10,296,891
Investment return	1,128,609
Contributions	824,136
Amounts appropriated for expenditure	(266,182)
Endowment net assets, December 31, 2025	$ 11,983,454

NOTE 10—PROPERTY AND EQUIPMENT:

Property and equipment consist of the following as of December 31, 2025 and 2024:

	2025	2024
Land	$ 4,009,500	$ 4,009,500
Building	18,118,362	18,118,362
Works of art	1,650	1,650
Construction in progress	349,365	-
Less: Accumulated depreciation	(3,656,890)	(3,203,931)
Property and equipment, net	$ 18,821,987	$ 18,925,581

NOTE 11—BOND ORIGINATION COSTS:

Bond origination costs as of December 31, consisted of the following:

	2025	2024
Bond origination costs	$ 127,118	$ 127,118
Accumulated amortization of bond origination costs	(50,844)	(46,607)
Bond origination costs, net	$ 76,274	$ 80,511

NOTE 12—BONDS PAYABLE:

Bonds payable as of December 31, consisted of the following:

	2025	2024
Bonds payable:		
Series 2012A (Tax-Exempt) Educational Facilities Revenue Bond	$ 4,790,822	$ 4,940,558
Less bond origination costs, net of amortization	(76,274)	(80,511)
Total bonds payable	$ 4,714,548	$ 4,860,047
Less current portion	(159,759)	(149,748)
Bonds payable, net of current portion	$ 4,554,789	$ 4,710,299

Annual retirements to retire the bonds payable are as follows:

Year Ending December 31,	Bonds Payable Principal	Bonds Payable Interest
2026	$ 159,759	$ 306,156
2027	175,284	290,631
2028	181,007	284,908
2029	193,935	271,980
2030	206,901	259,014
Thereafter	3,873,936	1,717,021
	$ 4,790,822	$ 3,129,710

On December 28, 2012, the Foundation issued and sold to the Industrial Development Authority of Clarke County, Virginia, a political subdivision of the Commonwealth of Virginia, $8,400,000 of tax-exempt revenue bonds to finance the costs of constructing, equipping, improving and developing a multi-purpose student union building which will be located on the Laurel Ridge Community College main campus in Middletown, Virginia. The bond principal and interest are secured by promissory notes issued by United Bank. Principal and interest payments began on July 28, 2014 and will continue to be payable on a monthly basis until maturity on December 28, 2042. The annual rate of interest charged in 2025 on the tax-exempt bonds is 6.40%.

NOTE 13—NOTES PAYABLE:

Notes payable as of December 31, consisted of the following:

	2025	2024
Notes payable:		
Luray-Page County Center Note	$ 4,208,641	$ 4,329,386
Less current portion	(127,980)	(122,633)
Notes payable, net of current portion	$ 4,080,661	$ 4,206,753

Annual retirements to retire the notes payable are as follows:

Year Ending	Notes Payable	
December 31,	Principal	Interest
2026	127,980	177,937
2027	133,560	172,357
2028	139,382	166,534
2029	145,459	160,458
2030	151,801	154,116
Thereafter	3,510,459	1,335,915
	$ 4,208,641	$ 2,167,317

NOTE 14—IN-KIND DONATIONS:

For the year ended December 31, 2025, contributed nonfinancial assets recognized within the statement of activities included the following:

Services contributed by the college	$ 380,846
Supplies	7,000
	$ 387,846

The Foundation received contributed services valued at $380,846 and $518,050 during the years ended December 31, 2025 and December 31, 2024, respectively, including accounting, management, and fundraising, provided by employees of Laurel Ridge Community College (Laurel Ridge), a public institution governed by the Virginia State Board for Community Colleges. The Foundation and Laurel Ridge work together securing resources and generating support on behalf of the college. The amounts above have been recorded as in-kind contributions of services for the years ended December 31, 2025 and 2024.

Donated land is recorded at the appraisal cost.

Contributed supplies are recorded at their estimated value at the date of receipt. These items are used in projects in support of the college.

All in-kind contributions during the year ended December 31, 2025 were unrestricted.

NOTE 15 –LIQUIDITY AND AVAILABILITY:

The following reflects the Foundation's financial assets as of December 31, 2025, reduced by amounts not available for general use because of donor and board designations. Amounts not available include amounts set aside for liquidity reserves.

Financial assets at year-end:		
Cash and cash equivalents	$	8,995,321
Contributions receivable		113,171
Investments		16,311,756
Total financial assets available for use at year-end	$	25,420,248
Less financial assets held to meet donor-imposed restrictions:		
Donor-restricted endowment funds		(11,983,454)
Donor-restricted funds		(3,396,901)
Less those unavailable for general expenditures within one year, due to:		
Contributions receivable		(13,432)
Construction funds		(3,975,000)
Financial assets available to meet cash needs for general expenditures within one year	$	6,051,461

The Foundation is greatly supported by contributions, as well as investment income. Because these restrictions require resources to be used in a particular manner in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors and Board. Thus, financial assets may not be available for general expenditure within one year.

In addition, the Foundation's financial assets available within one year of the date of the statement of financial position for general expenditures are as follows:

Cash and cash equivalents	$	1,733,817
Contributions receivable		99,739
Investments		4,217,905
Total	$	6,051,461

NOTE 16—DEFERRED REVENUE:

Deferred revenue consists of amounts received in advance of the related revenue recognition period or satisfaction of the related requirements. As of December 31, 2025, deferred revenue was comprised of the following:

Lease payments for 2025 for the Trades Lab Building	$	52,500
Lease payments for 2025 for theLuray-Page County Center		165,000
Lease payments for the PowerLine Facility		483,333
Amounts received for future construction of the PowerLine Facility		3,975,000
Total	$	4,675,833

NOTE 17—LEASE REVENUE:

The Foundation leases the Student Union, the Luray-Page County Center, the Skilled Trades Center, and PowerLine Facility to Laurel Ridge Community College. Lease revenue from these leases is recognized on a straight-line basis. All three leases include two options of five years each to extend the lease term. Future minimum lease payments are as follows:

Year Ended December 31,		
2026	$	930,000
2027		930,000
2028		930,000
2029		930,000
2030		930,000
Thereafter		2,705,833
Total future minimum revenues	$	7,355,833

Lease income from the College for the year ended December 31, 2025, totaled $896,667. As of December 31, 2025, the Foundation had rent receivable in the amount of $100,000 for the Student Union building.

In addition, the Foundation entered into a lease agreement on January 23, 2025 with Catoma Baking Projects, LLC to lease the food services space inside the Student Union Building with an initial term of December 19, 2024 through December 19, 2027. The rent is due the earlier of the opening of Blue Ridge Baking or Laurel Cafe or one hundred twenty days after the lease agreement's commencement date. Lease income for the year ended December 31, 2025, totaled $7,550. Future minimum lease payments are as follows:

Year Ended December 31,		
2026	$	18,120
2027		18,120
Total future minimum revenues	$	36,240

NOTE 18—DATE OF MANAGEMENT's REVIEW:

In the preparation of its financial statements, Laurel Ridge Community College Educational Foundation, Inc. considered subsequent events and transactions for potential recognition or disclosure through July 9, 2026. which was the date the financial statements were available to be issued.