



**WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON**

**FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON

Contents
December 31, 2025 and 2024

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Independent Auditor's Report

To the Board of Directors of
West End House, Inc. d/b/a West End House Boys and Girls Club
of Allston-Brighton:

Opinion

We have audited the financial statements of West End House, Inc. d/b/a West End House Boys and Girls Club of Allston-Brighton (the Club) which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements. We have also audited the combined financial statements of West End House, Inc. d/b/a West End House Boys and Girls Club of Allston-Brighton and West End House Support, Inc. which comprise the combined statement of financial position as of December 31, 2024, and the related combined statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of West End House, Inc. d/b/a West End House Boys and Girls Club of Allston-Brighton 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.

Also, in our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of West End House, Inc. d/b/a West End House Boys and Girls Club of Allston-Brighton and West End House Support, Inc. as of December 31, 2024, and the changes in their net assets and their 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Club 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, which raise substantial doubt about the Club'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional 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 the Club'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, which raise substantial doubt about the Club'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.

AAFCPA, Inc.

Boston, Massachusetts
May 27, 2026

WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON

Statements of Financial Position
December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Assets						
Current Assets:						
Cash	\$ 434,754	\$ 1,880,217	\$ 2,314,971	\$ 1,066,447	\$ 1,417,550	\$ 2,483,997
Current portion of investments	244,354	-	244,354	329,071	-	329,071
Current portion of pledges and contributions receivable	236,628	4,334,223	4,570,851	161,891	949,863	1,111,754
Government grants and contracts receivable	543,098	-	543,098	212,477	-	212,477
Prepaid expenses	76,901	-	76,901	59,340	-	59,340
Total current assets	<u>1,535,735</u>	<u>6,214,440</u>	<u>7,750,175</u>	<u>1,829,226</u>	<u>2,367,413</u>	<u>4,196,639</u>
Other Assets:						
Pledges and contributions receivable, net	-	9,509,577	9,509,577	-	1,765,650	1,765,650
Investments, net of current portion	-	5,147,010	5,147,010	-	2,986,830	2,986,830
Property and equipment, net	11,754,144	-	11,754,144	11,468,779	-	11,468,779
Total other assets	<u>11,754,144</u>	<u>14,656,587</u>	<u>26,410,731</u>	<u>11,468,779</u>	<u>4,752,480</u>	<u>16,221,259</u>
Total assets	<u>\$ 13,289,879</u>	<u>\$ 20,871,027</u>	<u>\$ 34,160,906</u>	<u>\$ 13,298,005</u>	<u>\$ 7,119,893</u>	<u>\$ 20,417,898</u>
Liabilities and Net Assets						
Current Liabilities:						
Accounts payable and accrued expenses	<u>\$ 454,413</u>	<u>\$ -</u>	<u>\$ 454,413</u>	<u>\$ 357,352</u>	<u>\$ -</u>	<u>\$ 357,352</u>
Net Assets:						
Without donor restrictions:						
Operating	261,333	-	261,333	201,445	-	201,445
Real estate	11,754,144	-	11,754,144	11,468,779	-	11,468,779
Board designated:						
Operating reserve	345,040	-	345,040	657,098	-	657,098
Racial equity fund	-	-	-	138,382	-	138,382
Capital reserve	474,949	-	474,949	474,949	-	474,949
Total without donor restrictions	<u>12,835,466</u>	<u>-</u>	<u>12,835,466</u>	<u>12,940,653</u>	<u>-</u>	<u>12,940,653</u>
With donor restrictions:						
Purpose restricted	-	3,254,655	3,254,655	-	3,791,007	3,791,007
Time restricted	-	37,033	37,033	-	183,897	183,897
Capital restricted	-	25,668	25,668	-	-	-
Comprehensive campaign	-	14,406,661	14,406,661	-	158,159	158,159
Funds acting as endowment - general	-	2,570,888	2,570,888	-	2,509,982	2,509,982
Funds acting as endowment - scholarship	-	576,122	576,122	-	476,848	476,848
Total with donor restrictions	<u>-</u>	<u>20,871,027</u>	<u>20,871,027</u>	<u>-</u>	<u>7,119,893</u>	<u>7,119,893</u>
Total net assets	<u>12,835,466</u>	<u>20,871,027</u>	<u>33,706,493</u>	<u>12,940,653</u>	<u>7,119,893</u>	<u>20,060,546</u>
Total liabilities and net assets	<u>\$ 13,289,879</u>	<u>\$ 20,871,027</u>	<u>\$ 34,160,906</u>	<u>\$ 13,298,005</u>	<u>\$ 7,119,893</u>	<u>\$ 20,417,898</u>

The accompanying notes are an integral part of these statements.

WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON

Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues:						
Grants and contributions	\$ 304,816	\$ 2,062,944	\$ 2,367,760	\$ 135,601	\$ 2,318,549	\$ 2,454,150
Individual donations	625,760	-	625,760	479,165	215,762	694,927
Special events revenue	923,908	-	923,908	918,765	-	918,765
Government grants and contracts	395,379	-	395,379	716,238	-	716,238
Comprehensive campaign contributions designated for operations	266,198	-	266,198	-	-	-
Investment return designated for operations	120,180	-	120,180	123,816	-	123,816
Interest and other revenue	28,396	-	28,396	44,910	-	44,910
Contributed non-financial assets	7,052	-	7,052	80,882	-	80,882
Net assets released from time restrictions - special events and other	82,397	(82,397)	-	267,993	(267,993)	-
Net assets released from purpose restrictions	2,663,763	(2,663,763)	-	2,289,982	(2,289,982)	-
Total operating revenues	5,417,849	(683,216)	4,734,633	5,057,352	(23,664)	5,033,688
Operating Expenses:						
Program services	4,737,593	-	4,737,593	4,193,287	-	4,193,287
General and administrative	301,304	-	301,304	296,916	-	296,916
Fundraising	691,010	-	691,010	718,849	-	718,849
Total operating expenses before depreciation and amortization	5,729,907	-	5,729,907	5,209,052	-	5,209,052
Changes in net assets from operations before depreciation and amortization	(312,058)	(683,216)	(995,274)	(151,700)	(23,664)	(175,364)
Depreciation and amortization	(377,046)	-	(377,046)	(394,501)	-	(394,501)
Changes in net assets from operations	(689,104)	(683,216)	(1,372,320)	(546,201)	(23,664)	(569,865)
Other Revenues (Expenses):						
Comprehensive campaign contributions	-	14,514,700	14,514,700	-	2,200	2,200
Capital grants	-	564,250	564,250	100,000	-	100,000
Investment return, net	45,335	194,200	239,535	53,583	253,899	307,482
Endowment - scholarship contributions	-	86,160	86,160	-	88,450	88,450
Net assets released from comprehensive campaign	266,198	(266,198)	-	40,000	(40,000)	-
Net assets released from capital restrictions	538,582	(538,582)	-	-	-	-
Gain on NMTC unwind	-	-	-	3,944,000	-	3,944,000
Investment return designated for operations	-	(120,180)	(120,180)	-	(123,816)	(123,816)
Comprehensive campaign contributions designated for operations	(266,198)	-	(266,198)	-	-	-
Total other revenues (expenses)	583,917	14,434,350	15,018,267	4,137,583	180,733	4,318,316
Changes in net assets	(105,187)	13,751,134	13,645,947	3,591,382	157,069	3,748,451
Net Assets:						
Beginning of year	12,940,653	7,119,893	20,060,546	9,349,271	6,962,824	16,312,095
End of year	\$ 12,835,466	\$ 20,871,027	\$ 33,706,493	\$ 12,940,653	\$ 7,119,893	\$ 20,060,546

The accompanying notes are an integral part of these statements.

WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON

Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 13,645,947	\$ 3,748,451
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	377,046	394,501
Increase (decrease) in discount on pledges and contributions receivable	489,823	(10,700)
Realized and unrealized gains on investments	(162,277)	(221,095)
Capital grants	(564,250)	(100,000)
Comprehensive campaign contributions	(14,514,700)	(2,200)
Gain on NMTC unwind	-	(3,944,000)
Changes in operating assets and liabilities:		
Pledges and contributions receivable	198,994	271,901
Government grants and contracts receivable	(330,621)	406,869
Prepaid expenses	(17,561)	18,974
Accounts payable and accrued expenses	(45,873)	54,878
Net cash provided by (used in) operating activities	<u>(923,472)</u>	<u>617,579</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(519,477)	(473,314)
Proceeds from sale of investments	1,128,511	1,168,220
Purchase of investments	(3,041,697)	(216,215)
Net cash provided by (used in) investing activities	<u>(2,432,663)</u>	<u>478,691</u>
Cash Flows from Financing Activities:		
Proceeds from capital grants	564,250	100,000
Proceeds from comprehensive campaign contributions	2,622,859	2,200
Payment of put option on NMTC unwind	-	(1,000)
Principal payments on notes payable	-	(109,731)
Net cash provided by (used in) financing activities	<u>3,187,109</u>	<u>(8,531)</u>
Net Change in Cash	<u>(169,026)</u>	<u>1,087,739</u>
Cash:		
Beginning of year	<u>2,483,997</u>	<u>1,396,258</u>
End of year	<u>\$ 2,314,971</u>	<u>\$ 2,483,997</u>
Supplemental Disclosure of Cash Flow Information:		
Property and equipment included in accounts payable and accrued expenses	<u>\$ 142,934</u>	<u>\$ -</u>
Cash paid for interest	<u>\$ -</u>	<u>\$ 47,211</u>

The accompanying notes are an integral part of these statements.

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WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON

Statements of Functional Expenses
For the Years Ended December 31, 2025 and 2024

	2025				2024			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Salaries and Related:								
Salaries	\$ 2,260,747	\$ 169,506	\$ 385,751	\$ 2,816,004	\$ 2,162,353	\$ 159,957	\$ 378,383	\$ 2,700,693
Employee benefits	429,784	32,228	73,344	535,356	396,874	31,647	82,136	510,657
Payroll taxes	192,613	14,445	32,870	239,928	173,012	14,135	35,806	222,953
Stipends	109,807	-	-	109,807	63,480	-	-	63,480
Staff development	61,475	1,284	1,828	64,587	70,069	3,002	10,554	83,625
Total salaries and related	<u>3,054,426</u>	<u>217,463</u>	<u>493,793</u>	<u>3,765,682</u>	<u>2,865,788</u>	<u>208,741</u>	<u>506,879</u>	<u>3,581,408</u>
Occupancy:								
Utilities	250,362	5,330	6,825	262,517	187,269	8,142	8,142	203,553
Repairs and maintenance	197,851	4,067	5,209	207,127	196,363	8,096	8,232	212,691
Insurance	58,410	1,244	1,592	61,246	51,049	2,189	2,219	55,457
Interest	-	-	-	-	47,101	63	47	47,211
Total occupancy	<u>506,623</u>	<u>10,641</u>	<u>13,626</u>	<u>530,890</u>	<u>481,782</u>	<u>18,490</u>	<u>18,640</u>	<u>518,912</u>
Other:								
Reimbursable grant expense	498,056	-	-	498,056	163,278	-	-	163,278
Professional fees	88,803	62,536	35,208	186,547	152,094	57,500	-	209,594
Information technology	131,239	3,091	3,680	138,010	102,204	4,405	16,380	122,989
Event expenses	-	-	128,002	128,002	-	-	154,915	154,915
Miscellaneous	103,887	6,184	13,604	123,675	52,735	3,986	9,965	66,686
Food	102,180	-	-	102,180	99,111	-	-	99,111
Scholarships	55,977	-	-	55,977	56,900	-	-	56,900
Program supplies and other	53,059	-	-	53,059	51,443	-	-	51,443
Transportation	40,764	-	298	41,062	12,267	-	298	12,565
Family food program costs	29,885	-	-	29,885	21,978	-	-	21,978
Dues and subscriptions	27,046	567	816	28,429	28,380	1,209	2,529	32,118
Telephone	23,054	491	629	24,174	21,005	913	913	22,831
Postage and printing	11,585	248	1,229	13,062	2,754	120	6,162	9,036
Donated clothing	7,052	-	-	7,052	80,882	-	-	80,882
Office supplies	3,957	83	125	4,165	686	1,552	2,168	4,406
Total other	<u>1,176,544</u>	<u>73,200</u>	<u>183,591</u>	<u>1,433,335</u>	<u>845,717</u>	<u>69,685</u>	<u>193,330</u>	<u>1,108,732</u>
Total operating expenses before depreciation and amortization	<u>4,737,593</u>	<u>301,304</u>	<u>691,010</u>	<u>5,729,907</u>	<u>4,193,287</u>	<u>296,916</u>	<u>718,849</u>	<u>5,209,052</u>
Depreciation and Amortization	<u>354,424</u>	<u>11,311</u>	<u>11,311</u>	<u>377,046</u>	<u>369,235</u>	<u>12,633</u>	<u>12,633</u>	<u>394,501</u>
Total operating expenses	<u>\$ 5,092,016</u>	<u>\$ 312,615</u>	<u>\$ 702,321</u>	<u>\$ 6,106,953</u>	<u>\$ 4,562,522</u>	<u>\$ 309,549</u>	<u>\$ 731,482</u>	<u>\$ 5,603,553</u>

The accompanying notes are an integral part of these statements.

WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON

Notes to Financial Statements
December 31, 2025 and 2024

1. OPERATIONS AND NONPROFIT STATUS

The mission of West End House, Inc. d/b/a West End House Boys and Girls Club of Allston-Brighton (the Club) is a vibrant community anchor and youth development organization rooted in Boston's Allston neighborhood and serving young people citywide. Since 1906, the Club has empowered youth to succeed academically and in life by providing high-impact programs that foster learning, creativity, wellness, leadership, and economic mobility.

The Club's mission is to inspire and enable young people to realize their full potential as productive, responsible, and caring citizens. This work is grounded in the Club's core values: opportunity for all, youth first, joy, equity, and community.

The Club's programming is built on a strengths-based, trauma-informed approach, serving more than 1,500 youth annually. Strengthened by deep community partnerships and delivered in a dynamic 46,000-square-foot facility, the Club's programs help youth ages 7 to 24 thrive emotionally, socially, and academically.

- **Academic Success** - Youth build strong academic foundations through literacy and STEM enrichment, homework help, tutoring, and opportunities to develop critical social-emotional skills that support success in school.
- **Social-Emotional Development & Belonging** - Through consistent relationships, clear expectations, and a safe, welcoming environment, youth build confidence, resilience, and a strong sense of belonging. Staff use trauma-informed practices to support positive behavior, emotional growth, and overall mental health and well-being, ensuring young people feel seen, supported, and connected.
- **College and Career Success** - Youth and alumni receive individualized and group coaching that supports college access, persistence, and career pathway development, with 250 alumni currently pursuing degrees or advancing in their careers.
- **Leadership and Career Development** - Through a robust employment program, youth ages 14 to 24 gain career readiness skills, participate in on-site work experiences, and complete paid, career-aligned internships with corporate and nonprofit partners.
- **Visual and Performing Arts** - Youth engage in high-quality visual arts, digital arts, music, and dance programs that foster creativity and support progression from exploration to mastery.
- **Sports, Fitness and Nutrition** - Youth participate in a wide range of physical activities that keep them active for at least 60 minutes each day, while also receiving nutritious, scratch-made meals that promote healthy habits and overall wellness.
- **Family Food Program** - In response to significant community need, the Club operates a bi-weekly grocery program serving 230 families, providing access to fresh produce, frozen proteins, and essential pantry staples.

The Club tracks and monitors youth progress to assess both individual growth and overall program effectiveness using a set of aligned measurement tools:

- **National Youth Outcomes Initiative (NYOI)** - Developed by Boys & Girls Clubs of America, this survey measures youth experiences across organizational priority areas—sense of belonging, emotional and physical safety, fun, adult connection, staff expectations, and recognition—using research-informed indicators of program impact.

WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON

Notes to Financial Statements
December 31, 2025 and 2024

1. OPERATIONS AND NONPROFIT STATUS (Continued)

- **Youth Program Quality Assessment (YPQA) and Youth Program Quality Intervention (YPQI)** - These tools assess the quality of youth programs and identify staff development needs across settings serving K–12 youth. Key areas include safe and supportive environments, interaction, engagement, youth-centered practices, high expectations, and access. The self-assessment process supports continuous improvement and professional growth.
- **Survey of Academic Youth Outcomes (SAYO)** - An evidence-based tool that measures changes in social-emotional skills through staff observations and youth surveys, including behavior, initiative, engagement in learning, problem-solving, communication, peer relationships, and reading. It also captures harder-to-measure outcomes such as confidence, leadership, and social responsibility.
- **MyClubHub** - A customized Salesforce platform used to track key data points, including demographics, attendance, and coaching and case management interactions, enabling real-time insights and informed decision-making.

Combined Affiliate

West End House Support, Inc. (WEHS), was a supporting organization of the Club, was created for the benefit of, to perform the function of, and to carry out the purpose of the Club with respect to its long-term facility needs, including securing funds to support those needs. During 2017, the Club integrated New Markets Tax Credits (NMTC) into the financing of the Comprehensive Campaign (see Note 2), and related expansion and renovations of the Club's building facility. Due to the location of the property and the measurable economic and community benefits of the project, the Club qualified for this special Federal and state tax funding. The Board of Directors of the Club appointed the majority of WEHS's Board of Directors. During 2024, the NMTC compliance period ended, resulting in an unwind of the related tax credit structure. As part of this transaction, in May 2024, the Club acquired 100% ownership interest in the Investment Fund (see Note 5) and the related leverage loan payable and QLICI loans receivable that it held, through exercising its Put Option (see Note 5). These assets and liabilities were then assigned/assumed by the Club, at which time the QLICI loans payable held by WEHS were forgiven (see Note 7) and the Club's leverage loan receivable was effectively cancelled upon assumption of the related payable (see Note 5). Subsequent to the execution of this transaction in December 2024, all remaining assets and liabilities of WEHS were transferred to the Club and WEHS merged into the Club, who remained as the surviving entity in the merger. As a result of the merger, the statement of activities and changes in net assets, cash flows, and functional expenses for the year ended December 31, 2024, are presented on a combined basis, while the 2024 statement of financial position includes only balances of the Club.

Nonprofit Status

The Club is exempt from Federal income taxes as an organization (not private foundations) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Club is also exempt from state income taxes. Contributions made to the Club are deductible by donors within the requirements of the IRC.

WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON

Notes to Financial Statements
December 31, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination

The Club prepares its financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

The combined 2024 financial statements (except for the statement of financial position) include the accounts and operations of the Club and WEHS. All significant intercompany balances and transactions have been eliminated in the accompanying 2024 combined financial statements. The 2025 financial statements are limited to the accounts and operations of the Club, who remained as the surviving entity in the merger (see Note 1).

Estimates

The preparation of financial statements in accordance with U.S. GAAP 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, Cash Equivalents and Concentration of Credit Risk

The Club considers all highly liquid investments originated with a maturity of three months or less, and that are available for current operations, to be cash equivalents. There were no cash equivalents as of December 31, 2025 and 2024, except for those funds considered part of the Club's investment portfolio (see Note 4).

The Club maintains its cash balances in high credit quality financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures balances at each financial institution up to certain amounts. At certain times during the year, cash balances may exceed the insured amounts. The Club has not experienced any losses in such accounts. The Club periodically assesses the financial condition of these financial institutions and believes it is not exposed to any significant credit risk on its cash.

Pledges and Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at fair value at the date the promise is received and are included in pledges and contributions receivable in the statements of financial position. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows net of an allowance for doubtful accounts, if any. An allowance for doubtful pledges and contributions receivable is recorded based on management's analysis of specific accounts and their estimate of amounts that may be uncollectible. There was no allowance for doubtful pledges and contributions as of December 31, 2025 or 2024.

Government Grants and Contracts Receivable and Allowance for Doubtful Accounts

Government grants and contracts receivable are recorded at the invoiced amount, do not bear interest, and are due on demand. An allowance for doubtful government grants and contracts receivable is recorded based on management's analysis of specific accounts and their estimate of amounts that may be uncollectible, if any. An allowance for doubtful government grants and contracts receivable is recorded based on management's analysis of specific accounts and their estimate of amounts that may be uncollectible, if any. Amounts are written-off against the allowance when they are determined to be uncollectible.

**WEST END HOUSE, INC.
D/B/A WEST END HOUSE BOYS AND GIRLS CLUB OF ALLSTON-BRIGHTON**

Notes to Financial Statements
December 31, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Club records its investments at fair value using Level 1 and 2 inputs (see page 11). Interest and dividends are recorded when earned. Gains and losses are recognized as incurred or based on fair value changes during the period (see Note 4).

The Club's investment policy sets forth guidelines for prudent investment of funds taking into account liquidity, growth, risk, and return characteristics appropriate for different categories of the Club's investments (see Note 4). Under this policy, funds are invested to produce a relatively high level of income commensurate with prudent diversification and moderate risks. Investment returns are achieved through both capital appreciation (realized and unrealized) and current income (interest and dividends).

In accordance with the Club's investment spending policy, annual operating allocations of the general and scholarship funds acting as endowment (collectively, the Endowment) (see Note 8) shall not exceed an amount equal to 4% (general funds) and 4.5% (scholarship funds) of the average market value of the Endowment over a rolling three-year period ending October 31st of the previous year, unless otherwise authorized by the Board of Directors. The Club will annually distribute the calculated amount from the Endowment, as approved by the Board of Directors, during the year. Transfers to operating net assets in accordance with this policy are reflected in the statements of activities and changes in net assets as investment return designated for operations.

Note Receivable and Allowance for Credit Losses

Note receivable was reported at amortized cost, net of a potential allowance for credit losses (ACL). The ACL represented an amount which, in management's judgement, reflected the lifetime expected losses that may be sustained on outstanding loans at the statement of financial position date based on past events, current conditions, and reasonable and supportable forecasts of future economic conditions. During 2024, the NMTC compliance period ended and the Club and WEHS entered into a series of transactions resulting in the cancellation of the note receivable (see Note 5).

Property and Equipment and Depreciation

Property and equipment are recorded at cost, if purchased, or at the estimated market value at the date of gift, if donated. Renewals and betterments are capitalized, while repairs and maintenance are expensed as incurred.

Property and equipment are depreciated using the straight-line method over estimated useful lives and consist of the following at December 31:

	Estimated Useful Lives	2025	2024
Building and improvements	10 - 40 years	\$ 14,879,156	\$ 14,284,898
Furniture and equipment	3 - 10 years	469,022	438,651
Land	N/A	<u>25,374</u>	<u>25,374</u>
		15,373,552	14,748,923
Less - accumulated depreciation		<u>3,619,408</u>	<u>3,280,144</u>
Property and equipment, net		<u>\$ 11,754,144</u>	<u>\$ 11,468,779</u>

During 2025, the Club disposed of fully depreciated assets totaling \$37,782.

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Notes to Financial Statements
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment and Depreciation (Continued)

Depreciation expense was \$377,046 and \$373,375 for the years ended December 31, 2025 and 2024, respectively, and is included in depreciation and amortization in the accompanying statements of functional expenses.

The Club accounts for the carrying value of its long-lived assets in accordance with the requirements of ASC Topic 360, *Property, Plant and Equipment*. The carrying value is evaluated annually for impairment and no impairment loss was recognized in 2025 or 2024.

Net Assets

Net assets without donor restrictions include those net resources of the Club that bear no external restrictions and are generally available for use by the Club. The Club has grouped its net assets without donor restrictions into the following categories:

- *Operating* net assets represent those net resources that are considered substantially liquid and available for general operations.
- *Real estate* net assets represent the portion of assets invested in real estate, net of related liabilities.
- *Board designated* represent funds set aside by the Board of Directors for long-term investment purposes and future expansion of program activities. The use of these funds requires the approval of the Board of Directors.

As of December 31, 2025 and 2024, Board designated funds were classified as follows:

Operating reserve - represents amounts set aside by the Board of Directors to fund future shortfalls in operations, if necessary.

Racial equity fund - represented funds set aside by the Board of Directors to support racial equity programs at the Club. There were no racial equity fund board designated funds as of December 31, 2025.

Capital reserve - represents funds set aside by the Board of Directors for repairs and improvements to the Club's property and equipment.

Net assets with donor restrictions consist of donations and grants that are designated by donors for specific purposes (including capital) or for a specified time, or with the stipulation that the principal will be held in an investment account and both the principal and investment income can be spent in accordance with the Club's spending policy (funds acting as endowment, see Note 8). These donations are recorded as net assets with donor restrictions until they are expended for their designated purposes or the time restrictions have lapsed.

Fair Value Measurements

The Club follows the accounting and disclosure standards pertaining to ASC Topic 820, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Club would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

The Club uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Club. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2: Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3: Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities other than investments (see page 9 and below) are valued using Level 1 inputs.

Investments

Investments are recorded in the financial statements at fair value. If an investment is directly held by the Club and an active market with quoted prices exists, the market price of an identical security (Level 1 input) is used to report fair value. The Club records its corporate bond investments using quoted prices for identical or similar assets in non-active markets (Level 2 inputs).

Statements of Activities and Changes in Net Assets

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as operating revenues and operating expenses in the accompanying statements of activities and changes in net assets. All other transactions are presented as other revenues (expenses).

Revenue Recognition

The Club's main sources of revenue are from government grants and contracts and various forms of philanthropic support. Philanthropic support includes individual donations, grants and contributions (capital and operating), comprehensive campaign contributions, and endowment scholarship contributions. Amounts received under contracts with various government agencies have been recorded in accordance with ASU Topic 958 (see page 12). These conditional contributions are recognized as services are provided or as costs are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Government Grants and Contracts and Philanthropic Support

In accordance with Topic 958, the Club must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Club should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met. See Note 11 for disclosure of the Club's conditional awards at December 31, 2025 and 2024.

Grants and contributions, donations, and bequests without donor restrictions and donated goods and services are recognized as revenue when unconditionally committed or received. Restricted grants and contributions, donations, and bequests are recorded as net assets with donor restrictions when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as costs are incurred or time restrictions or program restrictions have lapsed.

The Club launched a comprehensive campaign that included fundraising goals consisting of current and future program operations, capital funds for the building renovation, funds for retirement of debt, and funds for operating and facilities reserves. Comprehensive campaign contributions received for current and future program activities are transferred to net assets without donor restrictions at management's discretion as the funds are utilized by the Club in line with the fundraising goals communicated to donors when the contributions were solicited. Contributions used to fund current operating costs of the Club are reflected in the statements of activities and changes in net assets as comprehensive campaign contributions designated for operations.

Special Events Revenue

The Club generally measures revenue for qualifying exchange transactions based on the amount of consideration the Club expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as the Club satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Club evaluates its contract service revenue based on the five-step model under Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

Special events revenue is derived from the Club's performance to host fundraising events in which revenues are recognized at the time of the events. Special events revenue consists of both contributions and sales. The contribution portion of the special events revenue is recognized as revenue when unconditionally committed or received in accordance with ASC Subtopic 958-605, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Receive and Contributions*. The sales portion of the special events revenue is derived from various components, including ticket sales from those events held in which the transaction price is determined annually in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. Ticket sales for these events are set by the Club and have not been allocated as these events are each considered to be single performance obligation.

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Notes to Financial Statements
December 31, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Special Events Revenue (Continued)

Fees collected in advance of the special event are initially recorded as deferred revenue (contract liabilities) and are only recognized in the statements of activities and changes in net assets after the special event has occurred and the performance obligation has been met yet. The balance of deferred revenue is not material to the accompanying financial statements as of December 31, 2025 and 2024, and therefore, is not reflected as such.

Interest and Other Revenue

Interest and other revenue is recorded when earned.

Contributed Non-Financial Assets

Various individuals and organizations contribute clothing to the Club in support of various aspects of its programs. These goods and services are reflected in the accompanying financial statements based upon the estimated value assigned to them by the donating individuals, organizations or by management. Contributed non-financial assets do not have donor-imposed restrictions. The estimated fair value of these contributed non-financial assets was \$7,052 and \$80,882 for the years ended December 31, 2025 and 2024, respectively.

The Club also receives services of volunteers in various aspects of its programs. The value of these services is not reflected in the accompanying financial statements as these donated services do not require specialized skills and, therefore, do not meet the criteria for recognition under Topic 958, *Accounting for Contributions Received and Contributions Made*.

Expense Allocation

Expenses related directly to a program are allocated to program expenses, while other expenses are allocated based upon management's estimate of the percentage attributable to program services, general and administrative, and fundraising. The financial statements also contain certain categories of expenses that are attributable to program and supporting functions and require an allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, employee benefits and staff development costs which are allocated based on an estimate of time and level of effort spent on the Clubs' programs and supporting functions, as well as occupancy, telephone, depreciation and amortization, which are allocated based on square footage basis.

Income Taxes

The Club accounts for uncertainty in income taxes in accordance with ASC Topic 740, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Club has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at December 31, 2025 or 2024. The Club's information returns are subject to examination by the Federal and state jurisdictions.

WEST END HOUSE, INC.
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Notes to Financial Statements
December 31, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Subsequent events have been evaluated through May 27, 2026, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

3. PLEDGES AND CONTRIBUTIONS RECEIVABLE

Pledges and contributions receivable are recorded at their net present value when unconditionally committed. Pledges and contributions receivable consist of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Amounts due in:		
Within one year	\$ 4,570,851	\$ 1,111,754
One to two years	3,863,750	911,250
Two to three years	3,103,750	793,750
Three to four years	3,090,000	68,750
Four to five years	-	50,000
	<u>14,628,351</u>	<u>2,935,504</u>
Less - discount	547,923	58,100
Less - current portion	<u>4,570,851</u>	<u>1,111,754</u>
	<u>\$ 9,509,577</u>	<u>\$ 1,765,650</u>

The pledges and contributions receivable have been discounted using a 2% rate, which approximates the risk-free rate, as of December 31, 2025 and 2024. Two and four donors represented approximately 82% and 75% of the total outstanding pledges and contributions receivable as of December 31, 2025 and 2024, respectively.

4. INVESTMENTS

Investments are presented in the accompanying financial statements at fair value (see Note 2). The Club's investments consist of the following at December 31:

<u>2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and equivalents	\$ 3,014,589	\$ -	\$ -	\$ 3,014,589
Equities:				
Common stock	1,073,254	-	-	1,073,254
Exchange-traded funds (ETFs)	278,777	-	-	278,777
Mutual funds	181,937	-	-	181,937
Fixed income:				
U.S. Government obligations	365,312	-	-	365,312
Corporate bond funds	<u>-</u>	<u>477,495</u>	<u>-</u>	<u>477,495</u>
Total investments	<u>\$ 4,913,869</u>	<u>\$ 477,495</u>	<u>\$ -</u>	<u>\$ 5,391,364</u>

WEST END HOUSE, INC.
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Notes to Financial Statements
December 31, 2025 and 2024

4. INVESTMENTS (Continued)

<u>2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and equivalents	\$ 851,603	\$ -	\$ -	\$ 851,603
Equities:				
Common stock	1,075,692	-	-	1,075,692
Exchange-traded funds (ETFs)	224,968	-	-	224,968
Mutual funds	164,226	-	-	164,226
Fixed income:				
U.S. Government obligations	548,991	-	-	548,991
Corporate bond funds	<u>-</u>	<u>450,421</u>	<u>-</u>	<u>450,421</u>
Total investments	<u>\$ 2,865,480</u>	<u>\$ 450,421</u>	<u>\$ -</u>	<u>\$ 3,315,901</u>

The Club's investment return consisted of the following for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Realized and unrealized gains	\$ 162,277	\$ 221,095
Interest and dividends	112,517	107,015
Investment fees	<u>(35,259)</u>	<u>(20,628)</u>
Investment return, net	<u>\$ 239,535</u>	<u>\$ 307,482</u>

Investment return pertaining to net assets with donor restrictions, specifically for the Endowment, was \$194,200 and \$253,899 for the years ended December 31, 2025 and 2024, respectively. In accordance with the Club's spending policy (see Note 2), \$120,180 and \$123,816 were appropriated to operations during the years ended December 31, 2025 and 2024, respectively (see Note 8).

Investments, excluding unencumbered available for sale U.S. government obligations and cash and equivalents (see above), include donor endowment and funds intended to be utilized for long-term purposes and are generally not used for operations except for specially approved withdrawals. Accordingly, the Club's investments, excluding unencumbered available for sale U.S. government obligations and cash and equivalents (see above), have been classified as non-current assets regardless of maturity or liquidity.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements.

5. NOTE RECEIVABLE

In April 2017, the Club made a loan in the amount of \$8,210,000 to Chase NMTC West End Investment Fund, LLC (the Investment Fund), an unrelated third-party, as part of the 2017 NMTC financing transaction related to the property acquisition made by WEHS (see Note 1) for the development of a facility that is leased to the Club. The proceeds of the loan were invested by the Investment Fund into LIIF Sub-CDE XLI, LLC and Chase New Market Corporation Sub-CDE 133, LLC (collectively the CDEs) who loaned the funds to WEHS (see Note 7). Terms of the NMTC note receivable provided interest calculated at 1% per annum, to be paid quarterly. Quarterly interest-only payments of \$20,525 commenced in July 2017 and ran through April 2024, at which time principal and interest payments were due through maturity of December 2042.

WEST END HOUSE, INC.
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Notes to Financial Statements
December 31, 2025 and 2024

5. NOTE RECEIVABLE (Continued)

The Club granted to Chase Community Equity, LLC (Chase Equity), an unrelated third party, an option (the Put Option) to sell the Club its interest in the Investment Fund for the period April 1, 2024 through June 30, 2024 (Put Period) for \$1,000. Chase Equity granted to the Club an option (the Call Option) to purchase their interest in the Investment Fund after the end of the Put Period through December 31, 2024 (Call Period), at fair value. The Put Option was exercised in May 2024 and, as a result, the Club entered into following series of transactions:

- As part of the NMTC unwind, the Put Option was exercised, at which point the Club paid \$1,000 to Chase Equity for its interest in the Investment Fund.
- The QLICI notes due to the Investment Fund were assigned to the Club at the original loan balances totaling \$12,155,000. Subsequently, the Club forgave these QLICI loans receivable from WEHS (see Note 7), which resulted in no impact to the financial statements.
- In regard to the note receivable noted above, the Club assumed the corresponding loan payable from the Investment Fund for the same value of \$8,210,000. Consequently, as a result of holding both sides to this loan, the loan was effectively canceled with no impact to the financial statements.

The table below summarizes the gain recognized as part of the unwind transactions, reflected as gain on NMTC unwind in the accompanying statement of activities and changes in net assets for the year ended December 31, 2024:

Assignment of QLICI loans receivable	\$ 12,155,000
Assumption of leverage loan payable	(8,210,000)
Put Option payment	<u>(1,000)</u>
Gain on NMTC unwind	<u>\$ 3,944,000</u>

6. LINE OF CREDIT

The Club has a line of credit agreement with a bank that provides for borrowings up to \$500,000. Borrowings under the agreement are due on demand, and interest is payable monthly at the bank's prime rate (6.75% and 7.50% at December 31, 2025 and 2024, respectively). The line of credit is secured by the portion of the Club's investment portfolio (see Note 4) through the extended maturity date of December 2025. There was no outstanding balance as of December 31, 2025 and 2024. The Club was in compliance with all covenants as of December 31, 2025.

7. NOTES PAYABLE

QLICI Notes Payable

During 2017, as part of the NMTC financing transaction (see Note 1), WEHS entered into various QLICI notes totaling \$12,155,000. These notes accrued interest at a rate of 1.155% per annum and were scheduled to mature in March 2050 (maturity). Quarterly interest-only payments were due through April 2024, at which time WEHS was scheduled to make quarterly payments of principal and interest through maturity. The QLICI notes were secured by all assets of WEHS and were guaranteed by the Club. As part of the NMTC unwind (see Note 5), the QLICI notes payable were forgiven during 2024.

Debt issuance costs related to the QLICI notes totaled \$554,514 and became fully amortized prior to the forgiveness of the QLICI notes (see Note 5). Interest amortization was \$21,126 for the year ended December 31, 2024, and is included in depreciation and amortization in the accompanying 2024 statement of functional expenses.

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Notes to Financial Statements
December 31, 2025 and 2024

7. NOTES PAYABLE (Continued)

Other Note Payable

A 3.5% note payable was due in monthly installments of principal and interest of \$6,693 with Rockland Trust Company through October 2031 (scheduled maturity date). The note was secured by a first mortgage on property located at 105 Allston Street, Allston, Massachusetts and was guaranteed by the Club. During 2024, WEHS made an additional discretionary principal payment of \$32,117, which repaid the balance of the note.

8. FUNDS ACTING AS ENDOWMENT

Investment returns on the Endowment (see Note 2) are recorded as net assets with donor restrictions as specified by the donors. These amounts are included in investment return, net in the accompanying statements of activities and changes in net assets. The term endowment is an internal term not used in the traditional manner that would otherwise indicate permanently restricted net assets. The Club is not required to permanently maintain any portion of the Endowment.

The Club makes distributions from the Endowment to operations using the total-return method. Under the total-return method, endowment fund distributions consist of net investment return, including unrealized and realized gains. To satisfy its investment strategy objectives, the Club relies on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Club targets a diversified conservative asset allocation to achieve its investment objectives within prudent risk constraints.

Funds acting as endowment was comprised of the following as of December 31:

	<u>General Fund</u>	<u>Scholarship Fund</u>	<u>Total</u>
Funds acting as endowment net assets, December 31, 2023	\$ 2,388,790	\$ 379,507	\$ 2,768,297
Endowment - scholarship contributions	-	88,450	88,450
Investment return	231,016	22,883	253,899
Investment return designated for operations	<u>(109,824)</u>	<u>(13,992)</u>	<u>(123,816)</u>
Funds acting as endowment net assets, December 31, 2024	2,509,982	476,848	2,986,830
Endowment - scholarship contributions	-	86,160	86,160
Investment return	165,486	28,714	194,200
Investment return designated for operations	<u>(104,580)</u>	<u>(15,600)</u>	<u>(120,180)</u>
Funds acting as endowment net assets, December 31, 2025	<u>\$ 2,570,888</u>	<u>\$ 576,122</u>	<u>\$ 3,147,010</u>

WEST END HOUSE, INC.
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Notes to Financial Statements
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9. PENSION PLAN

The Club has a defined contribution pension plan (the Plan) covering all eligible employees. Employees become eligible to participate after reaching the age of twenty-one and completing one year of service. The Club contributes annually up to 5% of each eligible employee's annual salary. The Club's contributions to the Plan become fully vested after three years of service. For the years ended December 31, 2025 and 2024, the Club contributed \$197,783 and \$176,910, respectively, which are included in employee benefits in the accompanying statements of functional expenses.

10. RELATED PARTY TRANSACTIONS

The Chief Executive Officer (CEO) of the Club is also on the Board of Directors of various other nonprofit organizations. During 2025 and 2024, the Club received \$92,862 and \$87,813, respectively, in grants from these organizations, which are included in grants and contributions in the accompanying statements of activities and changes in net assets. The CEO was not involved in the grant approval process for any of the nonprofit organizations that made grant awards to the Club during 2025 and 2024.

11. CONDITIONAL AWARDS

Government Grants and Contracts

During 2025 and 2024, the Club received government, state and other grants and contracts that contained conditions that represent a barrier that must be overcome, as well as a right of return of assets or release from obligations. The Club recognizes these government, state grants and contracts when conditions are met. During the years ended December 31, 2025 and 2024, the Club recognized \$395,379 and \$716,238, respectively, of government grants and contracts. Conditional promises with maximum obligations to give at December 31, 2025 and 2024, consist of cost-reimbursable and other government contracts totaling \$49,149 and \$48,334, respectively. There were no conditional advances as of December 31, 2025 and 2024.

Grant and contract revenue from governmental agencies is subject to audit by the respective governmental authorities. In the opinion of management, the results of such audits, if any, will not have a material effect on the statements of financial position of the Club as of December 31, 2025 and 2024, or on the statements of activities and changes in net assets for the years then ended.

12. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Club's financial assets available within one year from the statements of financial position date for general operating expenses are as follows as of December 31:

	<u>2025</u>	<u>2024</u>
Cash	\$ 2,314,971	\$ 2,483,997
Current portion of investments	244,354	329,071
Current portion of pledges and contributions receivable	4,570,851	1,111,754
Government grants and contracts receivable	<u>543,098</u>	<u>212,477</u>
Total financial assets	7,673,274	4,137,299
Add - releases from donor time restrictions	37,033	183,897
Add - investment return designated for 2026/2025 operations	125,195	120,180
Less - net assets with donor restrictions	<u>(6,214,440)</u>	<u>(2,367,413)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,621,062</u>	<u>\$ 2,073,963</u>

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Notes to Financial Statements
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12. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

As part of the Club's liquidity management, the Club has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Club receives donor restricted contributions which require resources to be used in a particular manner or in a future period; therefore, the Club must maintain sufficient resources to meet those responsibilities to its donors. Thus, these financial assets may not be available for general expenditure within one year. To help manage unanticipated liquidity needs, the Club also has a \$500,000 line of credit available (see Note 6).