



FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024**

ST. FRANCIS NEIGHBORHOOD CENTER CORPORATION

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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Independent Auditor's Report

To the Board of Directors of
St. Francis Neighborhood Center Corporation

Opinion

We have audited the accompanying financial statements of St. Francis Neighborhood Center Corporation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the St. Francis Neighborhood Center Corporation as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 St. Francis Neighborhood Center Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of St. Francis Neighborhood Center Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Francis Neighborhood Center Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Alta CPA Group, LLC

Annapolis, Maryland
September 9, 2026

ST. FRANCIS NEIGHBORHOOD CENTER CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 1,050,672	\$ 2,270,705
Accounts Receivable	525	12,216
Grants Receivable	68,594	278,767
Contributions Receivable, Current Portion	35,000	60,000
Investments	5,382	3,102
Prepaid Expenses	<u>32,270</u>	<u>31,554</u>
Total Current Assets	1,192,443	2,656,344
Property and Equipment, Net	8,453,634	8,386,115
Other Assets:		
Deposit Held in Escrow	<u>-</u>	<u>24,772</u>
Total Other Assets	<u>-</u>	<u>24,772</u>
Total Assets	<u>\$ 9,646,077</u>	<u>\$ 11,067,231</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 17,294	\$ 303,832
Accrued Salaries and Payroll Taxes	18,972	10,190
Fiscal Relationship Liabilities	<u>13,826</u>	<u>5,144</u>
Total Current Liabilities	<u>50,092</u>	<u>319,166</u>
Total Liabilities	50,092	319,166
Net Assets:		
Without Donor Restrictions	9,537,443	10,245,580
With Donor Restrictions	<u>58,542</u>	<u>502,485</u>
Total Net Assets	<u>9,595,985</u>	<u>10,748,065</u>
Total Liabilities and Net Assets	<u>\$ 9,646,077</u>	<u>\$ 11,067,231</u>

See auditor's report and accompanying notes to financial statements.

ST. FRANCIS NEIGHBORHOOD CENTER CORPORATION
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
PUBLIC SUPPORT AND REVENUE						
In-Kind Contributions	\$ 704,349	\$ -	\$ 704,349	\$ 489,996	\$ -	\$ 489,996
Government Contracts and Grants	566,354	-	566,354	3,044,995	-	3,044,995
Employee Retention Credit	212,728	-	212,728	-	-	-
Contributions	167,882	250	168,132	125,234	602,000	727,234
Investment Income, net	37,991	-	37,991	88,099	-	88,099
Insurance Proceeds	35,192	-	35,192	-	-	-
Special Events	32,191	-	32,191	37,082	-	37,082
Facility Rental Income	14,367	-	14,367	17,520	-	17,520
Fiscal Relationship Fees	8,400	-	8,400	412	-	412
Gain on Sale of Fixed Asset	3,400	-	3,400	-	-	-
Miscellaneous Income	-	-	-	2,268	-	2,268
Net Assets Released from Restrictions	<u>444,193</u>	<u>(444,193)</u>	<u>-</u>	<u>2,940,645</u>	<u>(2,940,645)</u>	<u>-</u>
Total Revenue and Support	2,227,047	(443,943)	1,783,104	6,746,251	(2,338,645)	4,407,606
EXPENSES						
Program Expenses	2,157,571	-	2,157,571	1,567,288	-	1,567,288
Supporting Services:						
Management and General	556,286	-	556,286	480,388	-	480,388
Fundraising	<u>221,327</u>	<u>-</u>	<u>221,327</u>	<u>199,668</u>	<u>-</u>	<u>199,668</u>
Total Expenses	<u>2,935,184</u>	<u>-</u>	<u>2,935,184</u>	<u>2,247,344</u>	<u>-</u>	<u>2,247,344</u>
Change in Net Assets	(708,137)	(443,943)	(1,152,080)	4,498,907	(2,338,645)	2,160,262
Net Assets at Beginning of Year	<u>10,245,580</u>	<u>502,485</u>	<u>10,748,065</u>	<u>5,746,673</u>	<u>2,841,130</u>	<u>8,587,803</u>
Net Assets at End of Year	<u>\$ 9,537,443</u>	<u>\$ 58,542</u>	<u>\$ 9,595,985</u>	<u>\$ 10,245,580</u>	<u>\$ 502,485</u>	<u>\$ 10,748,065</u>

See auditor's report and accompanying notes to financial statements.

ST. FRANCIS NEIGHBORHOOD CENTER CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Supporting Services			
	Program	Management		Total	Total
	Services	and	Fundraising	Supporting	Expenses
		General		Services	
Salaries	\$ 759,456	\$ 89,898	\$ 120,915	\$ 210,813	\$ 970,269
Payroll Taxes	70,732	11,992	9,250	21,242	91,974
Employee Benefits	-	85,091	-	85,091	85,091
Total Salaries and Related Expenses	830,188	186,981	130,165	317,146	1,147,334
Advertising/Marketing	2,854	1,046	1,924	2,970	5,824
Bank and Merchant Fees	-	4,758	1,516	6,274	6,274
Community Outreach	1,245	-	-	-	1,245
Meetings	-	497	-	497	497
Contracted Services	72,342	3,048	30,000	33,048	105,390
Depreciation Expense	436,243	-	-	-	436,243
Dues and Subscriptions	154	12,415	165	12,580	12,734
Educational Programming	29,905	7,936	-	7,936	37,841
Equipment Rental & Maintenance	6,576	64,716	-	64,716	71,292
Food	636,959	2,204	-	2,204	639,163
Fraud Loss	-	9,431	-	9,431	9,431
Insurance	26,342	31,113	-	31,113	57,455
Miscellaneous Expenses	1,516	8,867	39	8,906	10,422
Printing and Promotion	-	174	37	211	211
Professional Fees	15,169	161,260	-	161,260	176,429
Special Events	-	-	57,481	57,481	57,481
Staff Development	160	7,925	-	7,925	8,085
Supplies	65,906	5,282	-	5,282	71,188
Telephone and Utilities	29,223	41,892	-	41,892	71,115
Transportation and Travel	2,789	6,741	-	6,741	9,530
Total Expenses	\$ 2,157,571	\$ 556,286	\$ 221,327	\$ 777,613	\$ 2,935,184

See auditor's report and accompanying notes to financial statements.

ST. FRANCIS NEIGHBORHOOD CENTER CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

		Supporting Services			
	Program	Management		Total	Total
	Services	and	Fundraising	Supporting	Expenses
		General		Services	
Salaries	\$ 727,172	\$ 93,126	\$ 125,257	\$ 218,383	\$ 945,555
Payroll Taxes	68,475	8,769	11,795	20,564	89,039
Employee Benefits	-	73,915	-	73,915	73,915
Total Salaries and Related Expenses	795,647	175,810	137,052	312,862	1,108,509
Advertising/Marketing	193	101	2,883	2,984	3,177
Bank and Merchant Fees	6	3,566	648	4,214	4,220
Community Outreach	10,799	856	4	860	11,659
Meetings	98	4,507	-	4,507	4,605
Contracted Services	110,633	7,410	32,000	39,410	150,043
Depreciation Expense	-	23,833	-	23,833	23,833
Dues and Subscriptions	5,602	11,287	195	11,482	17,084
Educational Programming	43,780	13,404	-	13,404	57,184
Equipment Rental & Maintenance	11,923	55,778	2,315	58,093	70,016
Facility Rental	132	1,356	-	1,356	1,488
Food	394,468	3,257	-	3,257	397,725
Insurance	16,483	29,618	95	29,713	46,196
Miscellaneous Expenses	1,154	3,559	-	3,559	4,713
Printing and Promotion	270	391	-	391	661
Professional Fees	36,416	110,198	46	110,244	146,660
Special Events	-	-	21,857	21,857	21,857
Staff Development	385	17,544	2,495	20,039	20,424
Supplies	93,889	1,835	-	1,835	95,724
Telephone and Utilities	37,254	4,895	51	4,946	42,200
Transportation and Travel	8,156	11,183	27	11,210	19,366
Total Expenses	\$ 1,567,288	\$ 480,388	\$ 199,668	\$ 680,056	\$ 2,247,344

See auditor's report and accompanying notes to financial statements.

ST. FRANCIS NEIGHBORHOOD CENTER CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (1,152,080)	\$ 2,160,262
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	436,243	23,833
Unrealized Gain on Investments	(2,280)	(347)
Donated Securities	-	(937)
Gain on Sale of Fixed Asset	(3,400)	-
Changes in Operating Assets and Liabilities:		
Accounts Receivable	11,691	8,432
Grants Receivable	210,173	200,316
Contributions Receivable	25,000	25,000
Prepaid Expenses	(716)	(13,410)
Deposit Held in Escrow	24,772	(14,507)
Accounts Payable	(286,538)	165,141
Accrued Salaries and Payroll Taxes	8,782	(33,407)
Deferred Revenue	-	(1,460)
Unapplied Grant Funds	-	(84,700)
Fiscal Relationship Liabilities	<u>8,682</u>	<u>(36,888)</u>
Net Cash Provided by (Used for) Operating Activities	(719,671)	2,397,328
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Fixed Asset	3,400	-
Purchase of Property and Equipment	<u>(503,762)</u>	<u>(3,069,293)</u>
Net Cash Used for Investing Activities	(500,362)	(3,069,293)
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net Change in Cash	(1,220,033)	(671,965)
Cash, Beginning of Year	<u>2,270,705</u>	<u>2,942,670</u>
Cash, End of Year	<u><u>\$ 1,050,672</u></u>	<u><u>\$ 2,270,705</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	<u>\$ -</u>	<u>\$ -</u>
Cash Paid for Income Taxes	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See auditor's report and accompanying notes to financial statements.

ST. FRANCIS NEIGHBORHOOD CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

St. Francis Neighborhood Center Corporation (the Organization), a 501(c)(3) nonprofit corporation, is a community-based organization in the Reservoir Hill area of Baltimore. Founded in 1963 as an outreach for two local churches, the Organization was incorporated in 1972 as a neighborhood nonprofit corporation, independent of any church affiliation. Since its inception, the Organization has served as a resource and catalyst for improving the lives of those in Reservoir Hill, and making Baltimore a better place. The Organization's programs create an approach that builds self-esteem, personal strength, academic, emotional, interpersonal, social, and community development that works to address complex challenges in an effort to break through the cycle of urban poverty.

Nature of Activities

The Organization offers free youth development programs which are after-school (Power Project) and in the summer (Summer of Service Excursion). The Organization provides meeting facilities, yoga, book exchange, community computer lab and mentoring, potluck dinner, adult programs such as job readiness and financial literacy, and an annual Reservoir Hill Resource Fair and Festival.

The majority of revenue for providing these services is funded by grants from government agencies and private foundations.

The accounting policies of St. Francis Neighborhood Center Corporation conform to accounting principles generally accepted in the United States of America. Significant accounting policies of the Organization are presented below.

Basis of Accounting

The financial statements of St. Francis Neighborhood Center Corporation have been prepared on the accrual basis of accounting and accordingly, revenue is recognized when earned and expenses are recognized when incurred.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ST. FRANCIS NEIGHBORHOOD CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all cash and other highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Grants and Contributions Receivable

Grants and contributions receivables are recorded when the donor makes an unconditional promise to give. Contribution receivables are primarily related to the Organization's capital fundraising efforts. Conditional grant revenues are recorded as revenue and expense in the year the conditions are met. No adjustment for present value is presented as the adjustment is immaterial at the Organization's discount rate of 2%. The Organization uses the allowance method based on management's analysis of specific receivables to determine uncollectible amounts. Receivables are written off when management deems them uncollectible. The allowance is based on prior years' experience and management's analysis of individual receivable balances. At December 31, 2025 and 2024, all amounts are considered fully collectible.

Property and Equipment

Property and equipment are stated at cost. Buildings and improvements are depreciated for both book and tax purposes using the straight line method based on estimated useful lives of between 10 and 39 years. Renewals and improvements that materially extend the life of the assets are capitalized. It is the Organization's policy to capitalize items in excess of \$500.

Property and equipment purchased with donor restricted support which imposes restrictions on those assets are reported as an increase in net assets with donor restrictions. When a restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donated assets are recorded at fair market value of the asset at the date of the gift.

Depreciation is provided over the estimated useful lives of the respective assets on a straight line basis as follows:

Building and improvements	10 - 39	years
Furniture, fixtures, and equipment	5 - 7	years
Computers and software	3 - 5	years

The cost of assets sold, retired, or otherwise disposed of and the accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is included in operations. Expenditures for maintenance and repairs are charged against operations.

ST. FRANCIS NEIGHBORHOOD CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate a portion of these net assets for specific purposes.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of the Organization's revenue is derived from cost-reimbursable government contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized when the Organization has incurred expenditures in compliance with specific contract or grant provisions. No amounts have been received in advance under the Organization's government contracts and grants.

The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution revenue for the difference.

ST. FRANCIS NEIGHBORHOOD CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services and Materials

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

Donations of materials are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless a donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Income Taxes

The Organization is exempt under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. The Organization is exempt from paying federal income tax on any income except unrelated business income. No provision has been made for income taxes as the Organization has had no unrelated business income.

The Organization follows the guidance of ASC 740-10, which clarifies the accounting for the recognition and measurement of the benefits of individual tax positions in the financial statements, including those of nonprofit organizations. Tax positions must meet a recognition threshold of more-likely-than-not in order for the benefit of those tax positions to be recognized in the Organization's financial statements.

The Organization analyzes tax positions taken, including those related to the requirements set forth by IRC Section 501(c) to qualify as a tax-exempt organization, activities performed by volunteers and board members, the reporting of unrelated business income, and its status as a tax-exempt organization under Maryland state statute. The Organization does not know of any tax benefits arising from uncertain tax positions and there was no effect on the Organization's financial position or changes in net assets as a result of analyzing its tax positions.

The Organization's informational return filings are subject to audit by the Internal Revenue Service, generally for three years after filing.

ST. FRANCIS NEIGHBORHOOD CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs, fundraising, and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, employee benefits, and depreciation, which are allocated on the basis of estimates of time and effort.

Valuation of Long-Lived Assets

The Organization reviews its long-lived assets and certain identifiable intangible assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets is measured by a comparison of the carrying amount of the net asset to future undiscounted net cash flows expected to be generated and any estimated proceeds from the eventual disposition of the asset. If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. As of December 31, 2025 and 2024, the Organization determined that none of its assets were impaired. Assets to be disposed are reportable at the lower of the carrying amount or fair value, less costs to sell. The Organization had no assets intended for disposal as of December 31, 2025 and 2024.

Advertising

The Organization expenses advertising costs as they are incurred.

Cash Concentration

The Organization maintains cash and cash equivalents at multiple financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. The Organization, at times throughout the year ended December 31, 2025, held funds in excess of federally insured limits. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash and cash equivalents.

ST. FRANCIS NEIGHBORHOOD CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The Organization evaluated subsequent events through the date that the financial statements were available to be issued. The Organization is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to September 9, 2026, that would have a material impact on the financial statements.

NOTE 2 - LIQUIDITY AND AVAILABILITY

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization will use debt when necessary to support cash flow needs.

The following represents the Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31:

	<u>2025</u>	<u>2024</u>
Financial Assets at Year End:		
Cash	\$ 1,050,672	\$ 2,270,705
Accounts Receivable	525	12,216
Grants Receivable	68,594	278,767
Contributions Receivable	35,000	60,000
Investments	<u>5,382</u>	<u>3,102</u>
Total Financial Assets Available	1,160,173	2,624,790
Less Amounts Not Available to be Used Within One Year, Due to:		
Restricted by Donors with Purpose Restrictions	<u>(58,542)</u>	<u>(502,485)</u>
Total Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ <u>1,101,631</u>	\$ <u>2,122,305</u>

ST. FRANCIS NEIGHBORHOOD CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 3 - CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are estimated to be collected as follows at December 31:

	<u>2025</u>	<u>2024</u>
Within One Year	\$ 35,000	\$ 60,000
One to Five Years	<u>---</u>	<u>---</u>
Total Contributions Receivable	\$ <u>35,000</u>	\$ <u>60,000</u>

NOTE 4 - PROPERTY AND EQUIPMENT

As of December 31, the carrying values of each class of property and equipment are as follows:

	<u>2025</u>	<u>2024</u>
Land	\$ 57,473	\$ 57,473
Building and Improvements	8,839,728	5,123,099
Furniture and Equipment	102,478	72,599
Vehicles	169,740	159,740
Computers and Software	3,760	3,760
Construction in Progress	<u>---</u>	<u>3,252,746</u>
	9,173,179	8,669,417
Less Accumulated Depreciation	<u>(719,545)</u>	<u>(283,302)</u>
Net Value of Property and Equipment	\$ <u>8,453,634</u>	\$ <u>8,386,115</u>

Depreciation expense was \$436,243 and \$23,833 for the years ended December 31, 2025 and 2024, respectively.

ST. FRANCIS NEIGHBORHOOD CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following purposes at December 31:

	<u>2025</u>	<u>2024</u>
Subject to Expenditure for Specific Purpose:		
Renovation and Expansion of Facilities	\$ ---	\$ 444,193
Emergency Relief Outreach	<u>58,542</u>	<u>58,292</u>
Total Purpose Restricted Net Assets	<u>58,542</u>	<u>502,485</u>
 Total Net Assets with Donor Restrictions	 \$ <u>58,542</u>	 \$ <u>502,485</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Satisfaction of Purpose Restrictions:		
Renovation and Expansion of Facilities	\$ 444,193	\$ 2,939,845
Emergency Relief Outreach	<u>---</u>	<u>800</u>
 Total	 \$ <u>444,193</u>	 \$ <u>2,940,645</u>

NOTE 6 - CONTINGENCIES

The Organization receives a significant portion of its revenue from grants, some of which are subject to potential audit by the donor. The ultimate determination of amounts received under these programs is often based on allowable costs reported to and audited by the donor. Until such audits have been completed and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

ST. FRANCIS NEIGHBORHOOD CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 7 - DONATED MATERIALS AND SERVICES

Donated goods and services consisted of the following for the years ended December 31:

<u>2025</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Food	\$ 635,753	\$ ---	\$ ---	\$ 635,753
Supplies	62,884	---	---	62,884
Professional Services	<u>5,712</u>	<u>---</u>	<u>---</u>	<u>5,712</u>
Total	\$ <u>704,349</u>	\$ <u>---</u>	\$ <u>---</u>	\$ <u>704,349</u>
<u>2024</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Food	\$ 392,174	\$ ---	\$ ---	\$ 392,174
Supplies	89,972	---	---	89,972
Professional Services	<u>7,850</u>	<u>---</u>	<u>---</u>	<u>7,850</u>
Total	\$ <u>489,996</u>	\$ <u>---</u>	\$ <u>---</u>	\$ <u>489,996</u>

A significant portion of the Organization's functions and programs is conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills. During the years ended December 31, 2025 and 2024, volunteers donated approximately 1,700 and 4,300 hours of time, respectively.