GRENVILLE BAKER BOYS AND GIRLS CLUB, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2025

(WITH SUMMARIZED COMPARATIVE TOTALS FOR DECEMBER 31, 2024)

GRENVILLE BAKER BOYS AND GIRLS CLUB, INC.

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Grenville Baker Boys and Girls Club, Inc.
Locust Valley, New York

Opinion

We have audited the accompanying financial statements of Grenville Baker Boys and Girls Club, Inc., 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 Grenville Baker Boys and Girls Club, Inc. as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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Auditors' 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 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 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 Grenville Baker Boys and Girls Club, Inc.'s internal control. Accordingly, no such opinion is expressed.

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Grenville Baker Boys and Girls Club, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Grenville Baker Boys and Girls Club, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 21, 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.

Grassi & Co., CPAs, P.C.

GRASSI & CO., CPAs, P.C.

New York, New York
May 14, 2026

GRENVILLE BAKER BOYS AND GIRLS CLUB, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025
(WITH SUMMARIZED COMPARATIVE TOTALS AT DECEMBER 31, 2024)

	2025	2024
ASSETS		
Cash and cash equivalents	$ 182,783	$ 159,479
Investments	17,350,167	14,493,726
Contributions and grants receivable, net	199,694	548,255
Prepaid expenses and other assets	928,616	946,598
Property and equipment, net	9,428,783	10,277,758
TOTAL ASSETS	$ 28,090,043	$ 26,425,816
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 151,331	$ 217,481
Line of credit	-	226,453
Deferred revenue	35,241	10,839
Total Liabilities	186,572	454,773
COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Without donor restrictions	22,262,680	20,649,379
With donor restrictions	5,640,791	5,321,664
Total Net Assets	27,903,471	25,971,043
TOTAL LIABILITIES AND NET ASSETS	$ 28,090,043	$ 26,425,816

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

GRENVILLE BAKER BOYS AND GIRLS CLUB, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
OPERATING REVENUES AND SUPPORT:				
Program fees	$ 673,762	$ -	$ 673,762	$ 674,014
Contributions	303,985	76,924	380,909	414,670
Grants	452,322	-	452,322	548,345
Special events revenue	823,184	-	823,184	1,155,776
Direct costs of special events	(314,119)	-	(314,119)	(298,600)
In-kind contributions	155,023	-	155,023	144,552
Net assets released from restrictions	262,911	(262,911)	-	-
Total Operating Revenues and Support	2,357,068	(185,987)	2,171,081	2,638,757
OPERATING EXPENSES:				
Program services	3,504,758	-	3,504,758	3,692,130
Supporting services:				
Management and general	307,671	-	307,671	284,237
Fundraising	735,021	-	735,021	614,997
Total Operating Expenses	4,547,450	-	4,547,450	4,591,364
CHANGE IN NET ASSETS FROM OPERATIONS	(2,190,382)	(185,987)	(2,376,369)	(1,952,607)
NONOPERATING SUPPORT, GAINS AND LOSSES:				
Capital campaign	-	-	-	311
Royalty income, net of related expenses	2,504,819	-	2,504,819	2,589,368
Dividends and interest	294,486	114,523	409,009	391,732
Realized gain on sale of investments, net of expenses of $52,045 and $48,587 in 2025 and 2024, respectively	441,838	171,826	613,664	521,735
Unrealized gain in market value of investments	562,540	218,765	781,305	628,485
Total Nonoperating Support, Gains and Losses	3,803,683	505,114	4,308,797	4,131,631
CHANGE IN NET ASSETS	1,613,301	319,127	1,932,428	2,179,024
NET ASSETS, BEGINNING OF YEAR	20,649,379	5,321,664	25,971,043	23,792,019
NET ASSETS, END OF YEAR	$ 22,262,680	$ 5,640,791	$ 27,903,471	$ 25,971,043

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

GRENVILLE BAKER BOYS AND GIRLS CLUB, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

		Supporting Services					
	Program Services	Management and General	Fundraising	Total Supporting Services	Direct Costs of Special Events	2025 Total	2024 Total
Salaries	$ 1,543,880	$ 125,463	$ 349,828	$ 475,291	$ -	$ 2,019,171	$ 1,991,541
Payroll taxes and benefits	238,137	76,439	76,415	152,854	-	390,991	365,941
Program service and trips	107,787	747	-	747	-	108,534	105,335
Professional fees	123,909	21,611	15,758	37,369	-	161,278	170,163
Donated goods	-	-	155,023	155,023	-	155,023	144,552
Hall, catering and entertainment	-	-	-	-	314,119	314,119	298,600
Supplies	88,609	6,844	21,453	28,297	-	116,906	110,904
Telephone	144	934	-	934	-	1,078	2,558
Postage and shipping	11	21	6,986	7,007	-	7,018	4,902
Occupancy	184,797	19,687	3,850	23,537	-	208,334	249,654
Printing and publications	4,422	7	8,718	8,725	-	13,147	385
Travel and transportation	27,085	16,057	1,298	17,355	-	44,440	34,733
Marketing and advertising	7,159	3,214	43,719	46,933	-	54,092	30,556
Scholarships and other member assistance	20,438	-	-	-	-	20,438	36,394
Membership dues and trainings	27,935	8,421	4,220	12,641	-	40,576	37,579
Prizes and awards	7,963	2,821	2,838	5,659	-	13,622	10,183
Administrative fees	73,147	189	22,483	22,672	-	95,819	68,169
Insurance	124,646	2,567	2,567	5,134	-	129,780	127,251
Interest	1,053	-	-	-	-	1,053	99,129
Bad debt (recovery) expense	(5,090)	-	-	-	-	(5,090)	32,550
Total Expenses	2,576,032	285,022	715,156	1,000,178	314,119	3,890,329	3,921,079
Depreciation	928,726	22,649	19,865	42,514	-	971,240	968,885
Less: Direct costs of special events	-	-	-	-	(314,119)	(314,119)	(298,600)
TOTAL EXPENSES REPORTED BY FUNCTION ON THE STATEMENT OF ACTIVITIES	$ 3,504,758	$ 307,671	$ 735,021	$ 1,042,692	$ -	$ 4,547,450	$ 4,591,364

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

GRENVILLE BAKER BOYS AND GIRLS CLUB, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 1,932,428	$ 2,179,024
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	971,240	968,885
Bad debt (recovery) expense	(5,090)	32,550
Realized and unrealized gain on investments	(1,394,969)	(1,150,220)
Changes in assets:		
Contributions and grants receivable, net	353,651	(209,887)
Prepaid expenses and other assets	17,982	(15,251)
Changes in liabilities:		
Accounts payable and accrued expenses	(66,150)	(346,915)
Deferred revenue	24,402	2,860
Net Cash Provided By Operating Activities	1,833,494	1,461,046
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(122,265)	(33,455)
Purchases of investments	(5,963,329)	(5,121,202)
Proceeds from sales of investments	4,501,857	5,317,886
Net Cash (Used In) Provided By Investing Activities	(1,583,737)	163,229
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of borrowings from line of credit	(226,453)	(1,709,557)
Net Cash Used In Financing Activities	(226,453)	(1,709,557)
NET CHANGE IN CASH AND CASH EQUIVALENTS	23,304	(85,282)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	159,479	244,761
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 182,783	$ 159,479
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 100,182	$ -

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

Note 1 - Nature of Organization

Grenville Baker Boys and Girls Club, Inc. (the “Organization”) is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has been serving children and their families in the greater Locust Valley, New York area since 1950.

The Organization’s mission is to inspire and enable all young people to realize their potential as productive, responsible, and caring citizens and community leaders of tomorrow. As part of the Organization’s mission, the Organization is dedicated to ensuring access to all those in need of its services. The Organization strives to maximize the number of participants and level of participation of the Organization’s community youth by providing quality programs and services, thereby enhancing their lives and shaping their futures.

The Organization has an independent Board of Directors comprised of a cross-section of its local community leaders. The Organization is a member organization in good standing with Boys and Girls Clubs of America.

The Organization’s primary sources of revenue and support are program fees, contributions and grants, special events, and royalty income.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of Estimates

The preparation of financial statements in conformity 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 and assumptions.

Summarized Comparative Totals

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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Measure of Operations

In the statement of activities, the Organization includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Investment income, including realized and unrealized gains and losses, contributions to its capital campaign and royalty income are recognized as nonoperating support, gains, and losses.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Cash and Cash Equivalents

Cash equivalents include highly liquid investments with initial maturities when acquired of three months or less. Temporary cash equivalents held within long-term investment accounts are reported as investments in the statement of financial position.

Investments

Investments are reported at their fair values in the statement of financial position. All dividends and interest and realized and unrealized gains and losses are reported in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is purpose or time restricted by explicit stipulations or by law.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a framework for measuring fair value is used which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurement,* are described as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or 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 - Valuations based on unobservable inputs reflecting the Organization's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Refer to Note 4 for assets measured at fair value at December 31, 2025 in accordance with FASB ASC Topic 820.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Allowance for Doubtful Accounts

The Organization determines whether an allowance for doubtful accounts should be provided for contributions and grants receivable. Such estimates are based on management's assessment of the aged basis of the receivables, current economic conditions and historical information. Contributions and grants receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. Bad debt expense is charged in order to adjust the allowance for doubtful accounts to the required balance determined by management based on their periodic review. At December 31, 2025, the Organization has established an allowance for doubtful accounts of $32,537.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. The Organization capitalizes property and equipment with a cost of $1,000 or more and a useful life of greater than one year. Repairs and maintenance are charged to expense in the period incurred.

Estimated useful lives of property and equipment are as follows:

Buildings and improvements	5 to 40 years
Furniture, equipment, vehicles and computers	5 years

Impairment

The Organization reviews the carrying value of long-lived assets to determine if facts and circumstances exist which would suggest that the assets might be impaired. If impairment is indicated, an adjustment will be made to reduce the carrying amount of the long-lived assets to their fair value. Based on the Organization's review at December 31, 2025, no impairment of long-lived assets was evident.

Net Assets

Net assets without donor restrictions include funds having no restrictions as to use or purpose imposed by donors. Net assets with donor restrictions are those whose use has been restricted by donors to a specific time period or purpose. Also included in net assets with donor restrictions are endowment funds whose principal may not be expended. The donors may or may not restrict the use of the investment income.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Revenue Recognition

Program Fees

The Organization's revenue streams that are accounted for as exchange transactions are program fees, which are derived through membership, summer day camp, and program fees.

The Organization recognizes revenue from program fees during the year in which the related services are provided. The performance obligation of delivering the programmatic services is simultaneously received and consumed; therefore, the revenue is recognized as the performance obligation is satisfied at the point of time when services are delivered.

Membership comprises an exchange element based on the value of benefits provided, and a contribution element for the difference between the total dues paid and the exchange element. The Organization recognizes the exchange portion of membership over the membership period, and the contribution portion immediately, if any.

Contributions and Grants

Contributions and grants are provided to the Organization either with or without donor restrictions. Revenues and net assets are separately reported to reflect the nature of those gifts - with or without donor restrictions. The value recorded for each contribution and grant is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts, with or without restrictions	
Gifts that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met
Unconditional gifts, with or without restrictions	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Revenue Recognition (cont'd.)

Contributions and Grants (cont'd.)

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Conditional promises to give are not included as support until the conditions are substantially met. Cash received in advance of such conditions being met is reflected as deferred revenue in the statement of financial position.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue without donor restrictions.

Special Events

The Organization hosts a dinner dance and golf tournament. Revenue is generated from hosting such events. A portion of the gross proceeds of these events paid by participants represents payment for the direct cost of the benefits received by participants at the events. All proceeds received are recorded as special events revenue in the statement of activities.

Royalty Income

In January 2008, an individual donated tracts of income-producing land located in Texas that is used for oil and gas operations. The contribution was appraised at $894,158 and was recorded in the Organization's financial statements after the fair market appraisal was completed in 2009. The $894,158 value of the individual donated tracts of land is included in prepaid expenses and other assets in the statements of financial position. The Organization earns royalty income based on the quantity and sales price of resources extracted from the land. Net royalty income earned from this gift is included in net assets without donor restrictions and amounted to $2,504,819 for the year ended December 31, 2025.

Donated Services and In-Kind Contributions

Contributions of nonfinancial assets are recorded at their fair values in the year received. Contributions of services are recognized if the services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. During the year ended December 31, 2025, the Organization recognized $155,023 in contribution of goods for use in its fundraising activities. The values of donated goods were estimated based on the retail value of identical or similar products.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Functional Allocation of Expenses

The costs of providing the Organization's services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as time and effort and space utilization estimates.

Accounting for Uncertainty in Income Taxes

The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2022.

Note 3 - Concentration of Credit Risk

The Organization maintains cash balances in a financial institution. Such balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to $250,000. From time to time, the Organization's balances may exceed these limits.

Note 4 - Investments and Fair Value Measurement

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2025.

Cash and cash equivalents are valued at cost, which approximates fair value due to its their short-term maturity.

*Common stocks: V*alued at the closing price reported on the active market on which the individual securities are traded.

*Exchange traded funds: V*alued at the closing price on the exchange on which the securities are primarily traded or, if no closing price is available, at the last bid price.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

U.S. Treasury notes: Valued using pricing models maximizing the use of observable inputs for similar securities.

Note 4 - Investments and Fair Value Measurement (cont'd.)

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Real estate income trusts (REITs) and other funds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

The following table presents the Organization's assets measured at fair value on a recurring basis as of December 31, 2025:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 616,094	$ -	$ -	$ 616,094
Common stocks	8,756,317	-	-	8,756,317
Exchange traded funds	761,686	-	-	761,686
Mutual funds	2,216,397	-	-	2,216,397
U.S. Treasury notes	-	920,586	-	920,586
Corporate bonds	-	2,022,638	-	2,022,638
REITs and other funds	-	2,056,449	-	2,056,449
	$ 12,350,494	$ 4,999,673	$ -	$ 17,350,167

Net investment income amounted to $1,803,978 for the year ended December 31, 2025. The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations become due.

Funds were withdrawn from the investment accounts during the year ended December 31, 2025 as follows:

General unrestricted fund	$ 600,792
Resource development endowment	142,278
Education endowment	13,550
Scholarship endowment	33,876
Total withdrawals	$ 790,496

Note 5 - Contributions and Grants Receivable

The Organization's contributions and grants receivable, net was comprised of the following:

Less than one year (including capital campaign of $17,193)	$ 214,231
Capital campaign - one year to two years	18,000
Less: Allowance for doubtful accounts	(32,537)
Contributions and grants receivable, net	$ 199,694

At December 31, 2025, receivables from four donors accounted for approximately 98% of the total contributions and grants receivable balance.

Note 6 - Property and Equipment

Property and equipment, net is summarized as follows:

Land and improvements	$ 173,430
Buildings and improvements	15,670,930
Furniture and equipment	898,452
Vehicles	170,997
Computers	206,947
	17,120,756
Less: Accumulated depreciation	7,691,973
	$ 9,428,783

Depreciation expense related to property and equipment amounted to $971,240 for the year ended December 31, 2025.

Note 7 - Line of Credit

In 2019, the Organization entered into a Premier Credit Line agreement (the "Credit Line") with UBS Financial Services, Inc. ("UBS"). The Credit Line is revolving and has no maturity date as long as the Organization maintains an adequate balance of investments with UBS to secure the Credit Line. Interest is charged at the rate of UBS Variable Rate, which approximates the Secured Overnight Financing Rate, plus 1% (4.897% at December 31, 2025). The Credit Line is secured by a portion of the Organization's investment assets held at UBS. There is no required monthly payment due if there is availability for interest to capitalize. There was no outstanding balance under the Credit Line at December 31, 2025. The available credit under the Credit Line at December 31, 2025 was approximately $7,000,000. Interest expense for the year ended December 31, 2025 amounted to $1,053.

Note 8 - Endowment Funds

General

The Organization's endowment consists of donor-restricted funds established primarily to provide long-term support for its programs. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization's Board of Directors has interpreted the New York Prudent Management of Institutional Funds Act (“NYPMIFA”) as requiring the preservation of the purchasing power (real value) of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets subject to spending policy and appropriation (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, (3) 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, and (4) the portion of investment return added to the permanent endowment to maintain its purchasing power.

If the endowment assets earn investment returns beyond the amount necessary to maintain the endowment assets’ real value, that excess is available for appropriation and is therefore classified as net assets subject to appropriation until appropriated by the Board for expenditure. In accordance with the NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(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 Organization
(7) Alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Organization

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor or relevant law requires the Organization to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. These deficiencies result from unfavorable market fluctuations that occur after the investment of net assets with donor restrictions, contributions and continued appropriation for certain programs that was deemed prudent by the Board of Directors. For the year ended December 31, 2025, there were no deficiencies of this nature.

Note 8 - Endowment Funds (cont'd.)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution each year 5% of its investment portfolios' fair value based on a rolling three-year average. The Organization believes a spending policy is necessary to carry out the statutory prescribed standard of ordinary business care and prudence. In establishing this policy, the Organization considered the long-term expected return on its endowment. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization 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 Organization targets a diversified asset allocation in accordance with the Board-approved investment policy statement that places emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

Changes in endowment net assets for the year ended December 31, 2025 were as follows:

	With Donor Restrictions
Endowment net assets, January 1, 2025	$ 5,213,264
Contributions	75,924
Investment return:	
Dividends and interest	114,523
Management fees	(14,573)
Realized gain	186,399
Unrealized gain	218,765
Total investment return	505,114
Appropriation of endowment assets for expenditure	(189,704)
Endowment net assets, December 31, 2025	$ 5,604,598

Note 9 - Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following uses at December 31, 2025:

Resource development endowment	$	4,209,673
Education endowment		340,796
Scholarship endowment		978,205
College prep endowment		75,924
Other funds		1,000
Capital campaign - building		35,193
Total net assets with donor restrictions	$	5,640,791

Net assets released from restriction for the year ended December 31, 2025 were as follows:

Resource development endowment	$	142,278
Education endowment		13,550
Scholarship endowment		33,876
Capital campaign - building		73,207
Total net assets released from restriction	$	262,911

Note 10 - Pension Plan

Effective January 1, 2011, the Organization adopted the Grenville Baker Boys and Girls Club Pension Plan, a profit-sharing plan administered by a third-party administrator at no cost to the Organization. The funds are all invested with Fidelity Investments. The Organization has its own Plan Document. Employees become eligible to participate in the plan upon completing two years of 1,000 hours of service per year to the Organization and reaching the age of 21. Employees become 100% vested upon entering the plan. The Organization has appointed two trustees to manage the Plan: the Organization's Executive Director and its Board President. Employer contributions to the Plan are discretionary. A tiered contribution schedule based on years of service has been established. Employees who have completed 10 or more years of service, 4 to 9 years of service, and less than 4 years receive employer contributions of 9%, 7% and 4% of gross wages, respectively. Enrolled employees who terminate employment will receive a profit-sharing contribution if they have completed at least one calendar quarter of service. For the year ended December 31, 2025, employer contributions to the Plan amounted to $56,362.

Note 11 - Contingencies

Paycheck Protection Program

The Small Business Administration ("SBA") may undertake a review of a Paycheck Protection Program ("PPP") loan of any size greater than $150,000 during the six-year period following forgiveness or repayment of the loan. If selected, the review would include the loan forgiveness application, as well as whether the Organization met the eligibility requirements of the PPP and received the proper loan amount.

In May 2020, the Organization received a PPP loan in the amount of $304,090 and received full forgiveness of the PPP loan in April 2021. The Organization is subject to an SBA review until April 2027. In April 2021, the Organization received a second PPP loan in the amount of $304,090 and received full forgiveness of the PPP loan in December 2021. The Organization is subject to an SBA review until December 2027.

Whether the Organization will be selected for an SBA review, as well as the timing and outcome, is not yet known.

Note 12 - Risks and Uncertainties

The Organization invests in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near terms and such changes could materially affect the amounts reported in the statement of financial position.

Note 13 - Available Resources and Liquidity

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, investments, receivables and a line of credit. See Note 7 for information on the Organization's line of credit.

The following reflects the Organization's financial assets as of the statement of financial position date available to meet cash needs for general expenditures within one year.

Cash and cash equivalents	$ 182,783
Investments	17,350,167
Contributions and grants receivable, net	199,694
Total financial assets	17,732,644
Less: Donor restrictions for specific purposes or time	(5,640,791)
Financial assets available to meet cash needs for general expenditures within one year	$ 12,091,853

Note 14 - Subsequent Events

The Organization has evaluated all events or transactions that occurred after December 31, 2025 through May 14, 2026, which is the date that the financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure.