

NEIGHBORS LINK, CORP.

FINANCIAL STATEMENTS

December 31, 2025

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Independent Auditor's Report

The Board of Directors
Neighbors Link, Corp.

Opinion

We have audited the accompanying financial statements of Neighbors Link, Corp. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net assets, 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 Neighbors Link, Corp. 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Neighbors Link, Corp. 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 Neighbors Link, Corp.'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 the Organization'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 the Organization'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 Neighbors Link, Corp.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 14, 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.

 CPA PC

Mount Kisco, New York
July 13, 2026

NEIGHBORS LINK, CORP.

STATEMENT OF FINANCIAL POSITION

December 31, 2025 and 2024

	<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Current Assets:			
Cash and cash equivalents	\$	2,419,295	\$ 475,623
Cash and cash equivalents – board designated		700,000	700,000
Cash and cash equivalents– ReSet fiscal sponsorship		238,395	268,019
Investments (Note 4)		8,686,491	9,005,508
Note receivable, current		54,624	51,532
Grants receivable		2,424,900	1,384,766
Pledges receivable, current		50,000	20,000
Prepaid expenses		72,178	77,590
Other asset		<u>3,393</u>	<u>955</u>
Total Current Assets		<u>14,649,276</u>	<u>11,983,993</u>
Fixed assets, net of accumulated depreciation		1,579,695	687,811
Operating right-of-use assets, net of accumulated amortization		2,290,048	1,148,870
Note receivable, long term		403,880	458,504
Pledges receivable, long term		50,000	-
Security deposits		<u>91,476</u>	<u>91,476</u>
Total Assets	\$	<u>19,064,375</u>	\$ <u>14,370,654</u>
	<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:			
Accounts payable and accrued expenses	\$	350,374	\$ 289,254
Deferred revenue		224,490	92,250
Deferred revenue – ReSet fiscal sponsorship		238,395	268,019
Operating lease liability, current portion (Note 8)		<u>294,903</u>	<u>181,937</u>
Total Current Liabilities		<u>1,108,162</u>	<u>831,460</u>
Operating lease liability, long-term portion (Note 8)		<u>2,066,279</u>	<u>1,016,984</u>
Total Liabilities		<u>3,174,441</u>	<u>1,848,444</u>
Net Assets:			
Without donor restrictions-board designated		700,000	700,000
Without donor restrictions-other		14,679,967	11,146,589
With donor restrictions (Note 10)		<u>509,967</u>	<u>675,621</u>
Total Net Assets		<u>15,889,934</u>	<u>12,522,210</u>
Total Liabilities and Net Assets	\$	<u>19,064,375</u>	\$ <u>14,370,654</u>

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

NEIGHBORS LINK, CORP.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2025

(With Summarized Comparative Information for the Year Ended December 31, 2024)

	2025			2024
	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>		
Revenues:				
Contributions	\$ 3,150,031	\$ 74,580	\$ 3,224,611	\$ 2,956,251
Contributions – ReSet fiscal sponsorship		105,299	105,299	92,521
Foundation grants and contributions	2,244,386	364,319	2,608,705	1,627,500
Government grants		6,647,598	6,647,598	7,373,819
Program revenue	55,070		55,070	43,528
Fundraising events	792,963		792,963	704,504
Other income	14,776		14,776	14,100
Interest income on note receivable	30,602		30,602	33,519
Interest income - Reset		8,844	8,844	1,464
Investment return, net	828,184	96,532	924,716	533,507
Loss on disposal of asset	(6,299)		(6,299)	-
Donated services and facilities (Note 9)	2,190,352		2,190,352	807,122
Net Assets released from restrictions:				
Satisfaction of program restrictions	<u>7,462,826</u>	<u>(7,462,826)</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>16,762,891</u>	<u>(165,654)</u>	<u>16,597,237</u>	<u>14,187,835</u>
Expenses:				
Program expenses	11,464,735		11,464,735	10,829,129
Administrative expenses	900,458		900,458	814,627
Fundraising expenses	<u>864,320</u>		<u>864,320</u>	<u>912,682</u>
Total Expenses	<u>13,229,513</u>		<u>13,229,513</u>	<u>12,556,438</u>
Increase (decrease) in Net Assets	3,533,378	(165,654)	3,367,724	1,631,397
Net Assets, beginning of year	<u>11,846,589</u>	<u>675,621</u>	<u>12,522,210</u>	<u>10,890,813</u>
Net Assets, end of year	<u>\$ 15,379,967</u>	<u>\$ 509,967</u>	<u>\$ 15,889,934</u>	<u>\$ 12,522,210</u>

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

NEIGHBORS LINK, CORP.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2025

(With Summarized Comparative Information for the Year Ended December 31, 2024)

	2025				2024
	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>	<u>Total</u>
	<u>Expenses</u>	<u>Expenses</u>	<u>Expenses</u>	<u>Expenses</u>	
Expenses:					
Personnel expenses:					
Salaries	\$ 4,765,502	\$ 442,965	\$ 533,203	\$ 5,741,670	\$ 5,103,265
Payroll taxes	403,235	37,482	45,117	485,834	432,877
Employee benefits	346,807	32,237	38,804	417,848	309,212
Retirement plan	124,052	11,531	13,880	149,463	117,975
Donated services and facilities	2,129,055	61,297		2,190,352	807,122
Program expense:					
Direct client relief	1,748,136			1,748,136	3,728,382
Legal services	261,109			261,109	213,979
Workforce development	140,727			140,727	119,508
Other	183,841			183,841	160,601
ReSet fiscal sponsorship	109,213	4,930		114,143	93,985
Lease obligations	421,061	13,271	13,271	447,603	311,597
Equipment expense	210,691	7,626	7,626	225,943	53,513
Professional fees	119,479	82,407	6,009	207,895	268,166
Event fundraising expenses			179,174	179,174	244,320
Payroll services		169,302		169,302	106,926
Utilities	101,579	3,677	3,677	108,933	86,968
Insurance	92,438	9,548	4,943	106,929	94,598
Office expenses	53,110	14,799	2,785	70,694	71,636
Impact measurement	36,646	675	6,427	43,748	40,397
Repairs and maintenance	26,593	963	963	28,519	27,191
Travel	22,412	2,083	2,508	27,003	32,186
Advertising and promotion	20,043			20,043	17,579
Conferences and workshops	14,205	1,321	1,589	17,115	23,955
Volunteers	14,765			14,765	12,632
Depreciation	<u>120,036</u>	<u>4,344</u>	<u>4,344</u>	<u>128,724</u>	<u>77,868</u>
Total Expenses	\$ <u>11,464,735</u>	\$ <u>900,458</u>	\$ <u>864,320</u>	\$ <u>13,229,513</u>	\$ <u>12,556,438</u>

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

NEIGHBORS LINK, CORP.

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Increase (decrease) in Net Assets	\$ 3,367,724	\$ 1,631,397
Adjustments to reconcile increase (decrease) in Net Assets to net cash provided (used) by operating activities:		
Depreciation	128,724	77,868
Loss on disposal of fixed assets	6,299	-
Amortization of operating right-of-use assets	338,688	166,068
Donated stock	(118,869)	(157,063)
Realized/unrealized (gain) loss on investments	(465,888)	(103,164)
(Increase) decrease in other assets	(2,438)	930
(Increase) decrease in grants receivable	(1,040,134)	(782,549)
(Increase) decrease in pledges receivable	(80,000)	20,000
(Increase) decrease in interest receivable	-	36,271
(Increase) decrease in notes receivable	51,532	94,478
(Increase) decrease in prepaid expenses	5,412	(22,605)
(Increase) decrease in security deposits	-	(38,500)
Increase (decrease) in accounts payable and accrued expenses	61,120	70,573
Increase (decrease) in operating lease liabilities	(317,605)	(157,597)
Increase (decrease) in deferred revenue	<u>102,616</u>	<u>(1,376,471)</u>
Net cash provided (used) by operating activities	<u>2,037,181</u>	<u>(540,364)</u>
Cash flows from investing activities:		
Purchase of fixed assets	(1,031,908)	(493,027)
Proceeds from sale of fixed assets	5,000	-
Proceeds from sale of investments	1,625,180	1,793,402
Purchase of investments	<u>(721,405)</u>	<u>(1,867,048)</u>
Net cash provided (used) by investing activities	<u>(123,133)</u>	<u>(566,673)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	1,914,048	(1,107,037)
Cash, cash equivalents and restricted cash - beginning of year	<u>1,443,642</u>	<u>2,550,679</u>
Cash, cash equivalents and restricted cash - end of year	\$ <u>3,357,690</u>	\$ <u>1,443,642</u>

Supplemental disclosure of cash flow information:

Cash paid during the year for:

Interest	\$ <u> -</u>	\$ <u> -</u>
Income tax	\$ <u> -</u>	\$ <u> -</u>

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

NEIGHBORS LINK, CORP.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Note 1 – The Organization:

Neighbors Link, Corp. (the “Organization”) is a not-for-profit organization incorporated in the State of New York. The mission of the Organization is to strengthen the whole community by actively enhancing the healthy integration of immigrants. The Organization’s staff, along with over 900 community volunteers, offer programs in English as a second language, parent education, workforce development and education, legal services, cultural awareness training and crisis and support services.

Note 2 – Significant Accounting Policies:

a. Basis of Accounting

The accompanying financial statements are prepared in accordance with U.S. generally accepted accounting principles on the accrual basis of accounting.

b. Cash and Cash Equivalents

The Organization considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and restricted cash at December 31 consist of the following:

	<u>2025</u>	<u>2024</u>
Unrestricted – operating accounts	\$ 210,600	\$ 300
Unrestricted – money market funds	<u>2,208,695</u>	<u>475,323</u>
Subtotal	2,419,295	475,623
Board designated	700,000	700,000
Held for ReSet fiscal sponsorship	<u>238,395</u>	<u>268,019</u>
Total	\$ <u>3,357,690</u>	\$ <u>1,443,642</u>

c. Investments

Investments are classified as held for investment and are stated at fair market value. Realized gains or losses and investment income are reflected within investment return, net of investment advisory fees of \$49,980 in 2025 and \$45,660 in 2024. Securities received as donations are recorded at fair market value and are generally sold immediately by the Organization.

d. Functional Expense Allocations

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, which are allocated on the basis of time and effort; office and occupancy which are allocated on a square-footage basis.

NEIGHBORS LINK, CORP.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Note 2 – Significant Accounting Policies (continued):

e. Net Assets

The accompanying financial statements present information regarding the financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets without donor restrictions may be expended for any purpose in performing the primary objectives of the Organization and may be used at the discretion of management and the board of directors. Net assets with donor restrictions are subject to stipulations imposed by donors or grantors. Some restrictions are temporary in nature; those restrictions that will be met by the passage of time or accomplishing the purpose restriction. Other restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

f. Volunteers

Over 900 volunteers made significant contributions of their time to the Organization's programs. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

g. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

h. Income Tax Status

The Organization is a not-for-profit organization, that is exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code.

The Organization adopted the provision pertaining to uncertain tax positions and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. The Organization is generally no longer subject to income tax examination by the applicable taxing jurisdiction for periods prior to 2023.

i. Reclassification

Certain reclassifications may have been made to some prior year account balances in order to conform to current year presentation.

NEIGHBORS LINK, CORP.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Note 2 – Significant Accounting Policies (continued):

j. Revenue Recognition

Income from unconditional contributions is recognized when received or pledged as net assets without donor restrictions. Conditional promises with measurable performance or other barriers and a right of return are recorded as net assets with donor restrictions. When the conditions have been met or the time restriction expires, it is reclassified to net assets without donor restrictions in the statement of activities and changes in net assets.

The Organization receives grants that are considered to be nonexchange transactions in accordance with FASB ASC 958-605, Not-for-Profit Entities: Revenue Recognition. Under this guidance, revenue is recognized when the conditions are fulfilled. Most grants are on a cost reimbursement basis; therefore, revenue is recognized when the qualifying expenses are incurred and documented and the Organization has the right to reimbursement. Grants receivable arise from nonexchange transactions, therefore they are excluded from the credit loss assessment under ASC 326 (CECL). Advanced grant funds that are unspent are reported as deferred revenue.

Program income is reported in accordance with FASB Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606) at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services and satisfies their performance obligations.

k. Leases

The Organization's lease portfolio primarily consists of operating leases for office space. The Organization determines if an arrangement is a lease at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. Leases with an initial term of 12 months or less are not recorded on the *Statement of Financial Position*; the Organization recognizes expense for these leases on a straight-line basis over the lease term. For leases with an initial term in excess of 12 months, lease right-of-use assets and lease liabilities are recognized based on the present value of the future lease payments over the committed lease term at the lease commencement date. If the Organization's leases do not provide an implicit rate, the Organization uses the risk-free rate and the information available at the lease commencement date in determining the present value of future lease payments. Most leases include one or more options to renew and the exercise of renewal options is at the Organization's sole discretion.

NEIGHBORS LINK, CORP.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Note 2 – Significant Accounting Policies (continued):

k. Leases (continued)

The Organization does not include renewal options in its determination of the lease term unless the renewals are deemed to be reasonably certain at lease commencement. Operating lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has lease agreements with lease and non-lease components, which the Organization elects to combine as one lease component for all classes of underlying assets. Non-lease components include variable costs based on actual costs incurred by the lessor related to the payment of real estate taxes, common area maintenance, and insurance.

l. Subsequent Events

Subsequent events have been evaluated through July 13, 2026 which is the date the financial statements were available to be issued.

Note 3 – Liquidity and Availability:

The Organization is substantially supported by contributions and grants and must maintain sufficient resources to meet those responsibilities to its donors. As part of the liquidity plan, the Organization has a policy to structure its financial assets to be available for its general expenditures, liabilities, and other obligations that come due. The following represents the financial assets that are available to meet general expenditures within one year, reduced by amounts for donor-imposed restrictions or board designations:

	<u>2025</u>	<u>2024</u>
Financial assets, at year end:		
Cash and cash equivalents	\$ 2,419,295	\$ 475,623
Cash and cash equivalents – board designated	700,000	700,000
Cash & cash equivalents– Reset fiscal sponsorship	238,395	268,019
Investments	8,686,491	9,005,508
Pledges receivable, current	50,000	20,000
Grants receivable	2,424,900	1,384,766
Note receivable, current	<u>54,624</u>	<u>51,532</u>
Total financial assets	14,573,705	11,905,448
Less amounts not available within one year:		
Restricted by donor with purpose restrictions	(1,565)	(190,730)
Endowment	(508,402)	(484,891)
Board designated	<u>(700,000)</u>	<u>(700,000)</u>
Financial assets available to meet general expenditures within one year	\$ <u>13,363,738</u>	\$ <u>10,529,827</u>

NEIGHBORS LINK, CORP.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Note 4 – Fair Value Measurements:

The Organization adopted the provisions pertaining to fair value measurements and disclosures which offers a framework consisting of a three-tier hierarchy of inputs to be used in determining the fair market value of assets and liabilities.

Fair value measurements based on Level 1 inputs: Includes quoted prices in active markets for identical assets or liabilities to which the company has access at the measurement date. *Fair value measurement based on Level 2 inputs:* Includes inputs other than quoted market prices that are directly or indirectly observable for the assets or liability, including quoted prices in an active market for similar assets or liabilities; quoted prices in a market that is not active for the same or similar assets or liabilities; inputs other than quoted market prices that are observable for the asset or liability. *Fair value measurements based on Level 3 inputs:* Includes unobservable inputs reflecting the assumptions that a market participant would use to price the asset or liability. The following tables provides the fair market value hierarchy of the Organization's financial assets as of December 31:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<u>2025 Financial Assets:</u>			
Treasury Bills	\$ 4,403,997		\$ 4,403,997
Equity funds	2,243,487		2,243,487
Equities	798,625		798,625
Exchange Traded Funds	714,350		714,350
Bond funds	510,609		510,609
Real Estate Investment Trust	<u>15,423</u>	<u> </u>	<u>15,423</u>
Total	\$ <u>8,686,491</u>	\$ <u>-</u>	\$ <u>8,686,491</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<u>2024 Financial Assets:</u>			
Treasury Bills	\$ 5,248,912	\$	\$ 5,248,912
Equity funds	1,788,336		1,788,336
Equities	659,812		659,812
Exchange Traded Funds	533,402		533,402
Bond funds	497,047		497,047
Certificate of Deposit		264,139	264,139
Real Estate Investment Trust	<u>13,860</u>	<u> </u>	<u>13,860</u>
Total	\$ <u>8,741,369</u>	\$ <u>264,139</u>	\$ <u>9,005,508</u>

NEIGHBORS LINK, CORP.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Note 5 – Pledges Receivable:

Pledges receivables at December 31 are expected to be received as follows:

	<u>2025</u>	<u>2024</u>
Less than 1 year	\$ 50,000	\$ 20,000
One year to two years	<u>50,000</u>	<u>-</u>
Total	\$ <u>100,000</u>	\$ <u>20,000</u>

Note 6 – Note Receivable:

In December 2023, the Organization received a bequest of \$604,514 consisting of a secured promissory note receivable. As of December 31, 2025, the Note receivable was \$458,504. The Organization receives an annual fixed payment of \$82,134 over the ten-year term. The note matures in 2032 and includes interest at 6%.

<u>Year</u>	<u>Principal</u>
2026	\$ 54,624
2027	57,901
2028	61,375
2029	65,058
2030	68,961
Thereafter	<u>150,585</u>
Total	\$ <u>458,504</u>

The Organization adopted FASB Accounting Standards Update (ASU)2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* and regularly assesses credit risk associated with its financial assets. Management evaluated the need for an allowance for credit losses based on the creditworthiness of the counterparties and the existence of collateral. After careful consideration, management has determined that the risk of credit losses associated with this note to be immaterial, therefore, no allowance for credit losses has been established.

NEIGHBORS LINK, CORP.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Note 7 – Fixed Assets:

The Organization has a policy to capitalize fixed assets over \$5,000 and records purchases of property and equipment at cost. Major additions and improvements are capitalized, while maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed currently. Depreciation is provided by using the straight-line method over the estimated useful lives of the assets.

Fixed assets consisted of the following for the year ended December 31:

	<u>2025</u>	<u>2024</u>
Equipment	\$ 230,195	\$ 298,094
Furniture and fixtures	90,992	112,790
Leasehold improvements	<u>1,756,033</u>	<u>869,054</u>
Total assets	2,077,220	1,279,938
Less: Accumulated depreciation	<u>(497,525)</u>	<u>(592,127)</u>
Total fixed assets, net	\$ <u>1,579,695</u>	\$ <u>687,811</u>

Note 8 – Commitment and Contingencies:

- a. Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions, which from time to time may exceed the Federal depository insurance coverage (FDIC) limits. Cash and cash equivalents and other securities held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) up to certain limits.
- b. Pursuant to the Organization's contractual relationships with certain funding sources, outside agencies have the right to examine the books and records of the Organization involving transactions relating to these contracts.

NEIGHBORS LINK, CORP.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Note 8 – Commitment and Contingencies (continued):

- c. The Organization is obligated under operating lease agreements for its three locations. The components of lease expense for the year ended December 31, 2025 were as follows:

Operating lease expense	\$ 338,688
Short-term lease expense	53,443
Variable lease expense	<u>55,472</u>
 Total	 \$ <u>447,603</u>

Supplemental information related to operating leases:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 304,771
Right of use assets obtained in exchange for new operating lease liabilities	1,403,960
Weighted-average remaining operating lease terms	7.68
Weighted-average discount rate for operating leases	3.23%

Future maturities of lease liabilities are as follows:

2026	\$ 364,605
2027	359,642
2028	324,996
2029	333,536
2030	342,301
Thereafter	<u>970,722</u>
 Total	 2,695,802
Less present value discount	<u>(334,620)</u>
 Total lease liability	 2,361,182
Less current portion	<u>(294,903)</u>
 Long-term lease liabilities	 \$ <u>2,066,279</u>

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NOTES TO FINANCIAL STATEMENTS

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Note 9 – Donated Services:

Donated services are recognized as contributions in accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provide various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under SFAS No. 116 were not met. Donated services contributed for the Organization's program services for the year ended December 31 are as follows:

	<u>2025</u>	<u>2024</u>
Legal services	\$ 2,030,845	\$ 612,369
Educational programs	137,212	128,245
Architect service	2,935	43,458
Other	<u>19,360</u>	<u>23,050</u>
Total	\$ <u>2,190,352</u>	\$ <u>807,122</u>

Note 10 – Net Assets:

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Organization's net assets with donor restrictions for the year ended December 31 were as follows:

	<u>2025</u>	<u>2024</u>
Subject to purpose restrictions:		
Ossining/Yonkers and Digital Inclusion programs	\$ -	\$ 25,000
Education	-	75,000
Client Crisis Relief	1,565	955
Renovation Project	-	89,775
Subject to the endowment agreement:		
Endowment	<u>508,402</u>	<u>484,891</u>
Total net assets with restrictions	\$ <u>509,967</u>	\$ <u>675,621</u>

The Board of Directors has designated \$700,000 of net assets without donor restrictions to be set aside to assure the future delivery and expansion of the Organization's programs.

NEIGHBORS LINK, CORP.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Note 11 – Endowment Fund:

The Organization is subject to the State Prudent Management of Institutional Funds Act (“SPMIFA”) and thus classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board appropriates such amounts for expenditure which are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount, unless a donor stipulates the contrary.

As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or calculate donor-restricted endowment funds:

- a. The duration and preservation of the fund
- b. The general purposes of the Organization and the donor-restricted endowment
- c. General economic conditions
- d. The possible effect of inflation and deflation
- e. The expected total return from income and appreciation of investments
- f. Other resources of the Organization
- g. The investment policies of the Organization

The principle of the endowment fund shall remain in perpetuity and only the income may be expended for the general purposes of the Organization. Income is defined as six percent of the market value of the fund on the day of funding and then December 1st of each year hereafter and any amounts not expended in prior years.

NEIGHBORS LINK, CORP.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Note 11 – Endowment Fund (continued):

The activity of the endowment for the year ended December 31 is as follows:

	<u>2025</u> <u>With Donor</u> <u>Restrictions</u>	<u>2024</u> <u>With Donor</u> <u>Restrictions</u>
Balance, beginning of year	\$ 484,891	\$ 534,636
Investment return, net	96,532	47,627
Withdrawals	<u>(73,021)</u>	<u>(97,372)</u>
Balance, end of year	\$ <u>508,402</u>	\$ <u>484,891</u>

Note 12 – Retirement Plan:

The Organization adopted a 401K plan for employees. Under the terms of the plan, the Organization matches eligible employees' contributions up to a maximum of 4% of compensation. Contributions of \$149,463 and \$117,975 were made to the plan for the years ended December 31, 2025 and 2024, respectively.

Note 13 – ReSet Fiscal Sponsorship:

On February 22, 2022, the Organization became the fiscal sponsor for ReSet Westchester, Inc., an organization consisting of volunteers. Their mission is to welcome, support, integrate and advocate for refugees, and is consistent with the Organization's mission. The Organization receives donations and makes expenditures on behalf of ReSet Westchester, Inc. The Organization recognized contributions and interest to the extent that the funds were expended. Total contributions and interest recognized were \$114,143 and \$93,985 for the years ended December 31, 2025 and 2024, respectively. The expenses consisted of the following:

	<u>2025</u>	<u>2024</u>
Rent expense	\$ 54,341	\$ 45,682
Supplies/Other	29,449	22,519
Debit card expense	25,423	15,792
Administrative fee	<u>4,930</u>	<u>9,992</u>
Total expenses	\$ <u>114,143</u>	\$ <u>93,985</u>

The Organization received an administrative fee of \$4,930 and \$9,992 from ReSet Westchester, Inc. for the years ended December 31, 2025 and 2024, respectively.

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NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Note 14 – 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 general accepted accounting principles. 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.