Foothill Unity Center, Inc.

HELPING PEOPLE. CHANGING LIVES.

FINANCIAL REPORT
DECEMBER 31, 2025

FOOTHILL UNITY CENTER, INC.
CONTENTS

Singer Lewak
Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Foothill Unity Center, Inc.
Monrovia, California

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Foothill Unity Center, Inc. (the Center), which comprise the statements of financial position as of December 31, 2025 and 2024, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center 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 opinions.

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 the Center's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center'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 Center'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.

Singer Lewak LLP

July 27, 2026

FOOTHILL UNITY CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

ASSETS

	2025	2024
Cash	$ 488,060	$ 229,789
Grants and contributions receivable	262,270	295,882
Prepaid expenses	71,780	12,109
Operating lease, right-of-use asset	240,784	292,877
Property and equipment, net	6,230,372	6,342,538
Investments designated and restricted by donor	12,773,363	11,517,868
Total assets	**$ 20,066,629**	**$ 18,691,063**

LIABILITIES AND NET ASSETS

	2025	2024
Liabilities		
Accounts payable and accrued expenses	$ 125,606	$ 374,044
Operating lease liability	249,701	300,051
Total liabilities	375,307	674,095
Net assets		
Without donor restrictions		
Undesignated	6,353,636	6,478,625
Designated by the board for endowment	297,829	286,075
Total net assets without donor restrictions	6,651,465	6,764,700
With donor restrictions	13,039,857	11,252,268
Total net assets	19,691,322	18,016,968
Total liabilities and net assets	**$ 20,066,629**	**$ 18,691,063**

See notes to financial statements.

FOOTHILL UNITY CENTER, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support, and gains			
Grants and contributions	$ 2,249,412	$ 813,984	$ 3,063,396
Contributed goods and services	5,202,584	-	5,202,584
Special events	94,323	-	94,323
Net investment return	18,814	1,919,328	1,938,142
Net assets released from restrictions	945,723	(945,723)	-
Total revenues, support, and gains	8,510,856	1,787,589	10,298,445
Expenses			
Program services	7,331,996	-	7,331,996
Management and general	897,388	-	897,388
Fundraising	255,750	-	255,750
Total expenses	8,485,134	-	8,485,134
Loss on uncollectible contributions receivable	138,957	-	138,957
Total expenses and losses	8,624,091	-	8,624,091
Change in net assets	(113,235)	1,787,589	1,674,354
Net assets, beginning	6,764,700	11,252,268	18,016,968
Net assets, ending	**$ 6,651,465**	**$ 13,039,857**	**$ 19,691,322**

See notes to financial statements.

FOOTHILL UNITY CENTER, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support, and gains			
Grants and contributions	$ 1,788,697	$ 467,245	$ 2,255,942
Contributed goods and services	4,076,370	-	4,076,370
Net investment return	13,020	1,289,028	1,302,048
Net assets released from restrictions	2,455,576	(2,455,576)	-
Total revenues, support, and gains	8,333,663	(699,303)	7,634,360
Expenses			
Program services	6,408,876	-	6,408,876
Management and general	749,637	-	749,637
Fundraising	220,520	-	220,520
Total expenses	7,379,033	-	7,379,033
Change in net assets	954,630	(699,303)	255,327
Net assets, beginning	5,810,070	11,951,571	17,761,641
Net assets, ending	**$ 6,764,700**	**$ 11,252,268**	**$ 18,016,968**

See notes to financial statements.

FOOTHILL UNITY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2025

	Program Services				Supporting Services			
	Food Services	Health Services	Client Services	Total	Management and General	Fundraising	Total	Total
Contributed goods and services	$ 4,975,421	$ 118,732	$ 108,431	$ 5,202,584	$ -	$ -	$ -	$ 5,202,584
Salaries, taxes, and benefits	322,551	291,726	333,665	947,942	317,934	148,886	466,820	1,414,762
Client assistance	151,536	160,653	244,807	556,996	-	-	-	556,996
Professional fees	3,878	13,574	21,330	38,782	351,912	57,969	409,881	448,663
Depreciation and amortization	88,656	37,426	11,811	137,893	55,167	3,937	59,104	196,997
Utilities	50,978	21,520	6,792	79,290	31,721	2,264	33,985	113,275
Facilities	42,333	17,871	5,640	65,844	26,341	1,880	28,221	94,065
Events	-	-	-	-	800	25,230	26,030	26,030
Rent	30,815	13,009	4,105	47,929	19,176	1,368	20,544	68,473
Insurance	47,286	19,962	6,300	73,548	29,424	2,100	31,524	105,072
Vehicle	73,435	-	-	73,435	-	-	-	73,435
Licenses, taxes, and fees	7,547	3,186	1,005	11,738	4,696	335	5,031	16,769
Computer charges	21,028	8,877	2,802	32,707	13,084	934	14,018	46,725
Telephone and internet	15,326	6,470	2,042	23,838	9,536	681	10,217	34,055
Bank charges	-	-	-	-	10,185	5	10,190	10,190
Office supplies	17,228	4,395	2,032	23,655	5,561	800	6,361	30,016
Other	9,113	4,616	2,086	15,815	21,851	9,361	31,212	47,027
Total expenses by function	**$ 5,857,131**	**$ 722,017**	**$ 752,848**	**$ 7,331,996**	**$ 897,388**	**$ 255,750**	**$ 1,153,138**	**$ 8,485,134**

See notes to financial statements.

FOOTHILL UNITY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	Program Services				Supporting Services			
	Food Services	Health Services	Client Services	Total	Management and General	Fundraising	Total	Total
Contributed goods and services	$ 3,898,381	$ 93,030	$ 84,959	$ 4,076,370	$ -	$ -	$ -	$ 4,076,370
Salaries, taxes, and benefits	407,827	532,123	451,308	1,391,258	261,641	113,123	374,764	1,766,022
Client assistance	72,131	9,005	247,506	328,642	-	-	-	328,642
Professional fees	25,000	-	69,773	94,773	247,384	58,111	305,495	400,268
Depreciation and amortization	96,580	40,772	12,867	150,219	60,098	4,289	64,387	214,606
Utilities	52,988	22,369	7,060	82,417	32,972	2,353	35,325	117,742
Facilities	41,597	17,560	5,542	64,699	25,884	1,847	27,731	92,430
Events	-	-	851	851	2,604	32,183	34,787	35,638
Rent	28,884	12,193	3,848	44,925	17,973	1,283	19,256	64,181
Insurance	33,551	14,164	4,470	52,185	20,878	1,490	22,368	74,553
Interest	7,541	3,183	1,005	11,729	4,693	335	5,028	16,757
Vehicle	36,306	-	3,102	39,408	1,208	-	1,208	40,616
Licenses, taxes, and fees	3,876	1,636	516	6,028	2,412	172	2,584	8,612
Computer charges	3,417	1,443	455	5,315	2,127	152	2,279	7,594
Telephone and internet	15,195	6,415	2,024	23,634	9,455	675	10,130	33,764
Bank charges	-	-	-	-	12,219	100	12,319	12,319
Office supplies	8,285	3,498	1,104	12,887	5,155	368	5,523	18,410
Other	15,132	6,388	2,016	23,536	42,934	4,039	46,973	70,509
Total expenses by function	**$ 4,746,691**	**$ 763,779**	**$ 898,406**	**$ 6,408,876**	**$ 749,637**	**$ 220,520**	**$ 970,157**	**$ 7,379,033**

See notes to financial statements.

FOOTHILL UNITY CENTER, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows provided by operating activities		
Change in net assets	$ 1,674,354	$ 255,327
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	196,997	214,606
Loss on uncollectible contributions receivable	138,957	-
Net realized and unrealized investment gains	(1,653,797)	(1,016,894)
Noncash operating lease expense	1,743	1,556
Changes in operating assets and liabilities:		
Grants and contributions receivable	(105,345)	(113,476)
Prepaid expenses	(59,671)	(12,109)
Accounts payable and accrued expenses	(248,438)	177,775
Net cash used in operating activities	(55,200)	(493,215)
Cash flows from investing activities		
Purchases of investments	(442,372)	(315,136)
Sales of investments	840,674	1,820,310
Purchases of property and equipment	(84,831)	-
Net cash provided by investing activities	313,471	1,505,174
Cash flows from financing activities		
Principal payments on note payable	-	(980,542)
Net change in cash	258,271	31,417
Cash, beginning	229,789	198,372
Cash, ending	**$ 488,060**	**$ 229,789**
Supplemental cash flow disclosure:		
Cash paid for interest	**$ -**	**$ 16,757**

See notes to financial statements.

NOTE 1 – NATURE OF ORGANIZATION

Foothill Unity Center, Inc. (the Center) is a California nonprofit Corporation whose mission is to help neighbors in crisis attain self-sufficiency by partnering with the community and using its resources wisely to provide vital support services with love and dignity. The Center was founded in 1980 as an emergency food pantry operating out of a church closet in Monrovia, California, to assist the low-income, disadvantaged, and underserved. The Center operates out of two locations, Monrovia and Pasadena. The Center was federally designated as a Community Action Agency (CAA) in 2008 to join a network of 47 organizations in the state of California and 1,100 in the country, to combat poverty. The target population expanded to the Foothills portion of SPA 3, which includes Altadena, Arcadia, Azusa, Baldwin Park, Bradbury, Duarte, Irwindale, Monrovia, Pasadena, Sierra Madre, South Pasadena, and Temple City. The Center is a multi-service agency that is the region’s primary provider of integrated services that provide a safety net for the very low-income and homeless population. All programs focus on helping individuals and families stabilize and move out of poverty with the following core programs that are supported by our Volunteer Program: Food, Health, Crisis Case Management, Job Development, and Housing.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Center have been prepared on the accrual basis of accounting to conform to generally accepted accounting principles in the United States of America (U.S. GAAP) as applicable to nonprofit institutions.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

Grants and Contributions Receivable

Grants and contributions receivable expected to be collected within one year are recorded at net realizable value. The allowance for uncollectible grants and contributions receivable is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Grants and contributions receivable are written off when deemed uncollectible. At December 31, 2025 and 2024, management determined no allowance for uncollectible grants and contributions receivable was necessary.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Right-of-use Leased Assets and Liabilities
Right-to-use leased assets and the related liabilities are recognized at the lease commencement date and represent the Center's right to use an underlying asset and lease obligations for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method.

Property and Equipment
The Center records property and equipment additions over $1,000 at cost, or if donated, at the fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful life of the assets ranging from 3 to 39 years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Impairment of Long-lived Assets
Management reviews long-lived assets for indicators of impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. Impairment would be recorded in circumstances where undiscounted cash flows expected to be generated by an asset are less than the carrying value of that asset. Management believes there were no indicators of asset impairment during the year ended December 31, 2025 and 2024.

Investments
The Center records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

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, including donor-restricted contributions whose restrictions are met in the same reporting period. The governing board has designated, from net assets without donor restrictions, a board-designated endowment, the Hunger Fund, which provides food distribution assistance.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

- *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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

Grants and Contributions

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

A portion of the Center’s revenue is derived from cost-reimbursable federal and state grants and contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Center incurs expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Contributed Goods and Services

Donated services are recognized when the services received either (a) create or enhance a nonfinancial asset or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. Donated goods consist primarily of food, clothing, and personal care items for distribution. For the year ended December 31, 2025 and 2024, two donors accounted for approximately 64% and 86% of contributed goods received by the Center, respectively.

The Center receives significant contributed time from volunteers (primarily for program services, management and general, and fundraising activities) that does not meet the recognition criteria described above. Accordingly, the value of this contributed time is not reflected in the accompanying financial statements.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Facilities, utilities, and rent are allocated based on square footage.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes
The Center is exempt from income taxes under Internal Revenue Code §501(c)(3) and California Revenue and Taxation Code §23701(d). Management has analyzed the tax positions taken by the Center, and has concluded that, as of December 31, 2025 and 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Center is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Concentration of Credit Risk
The Center manages deposit concentration risk by placing cash and cash equivalents with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Center has not experienced losses in any of these accounts.

Credit risk associated with grants and contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies, corporations, and foundations supportive of the Center's mission.

Investments are made by diversified investment managers whose performance is monitored by management and the investment committee of the board of directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Center.

Subsequent Events
In the preparation of these financial statements, the Center considered subsequent events through July 27, 2026, which is the date these financial statements were available for issuance.

NOTE 3 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31, 2025 and 2024:

	2025	2024
Cash and cash equivalents	$ 488,060	$ 229,789
Grants and contributions receivable	262,270	295,882
Endowment appropriations	892,503	806,251
Financial assets available to meet general expenditure within one year	**$ 1,642,833**	**$ 1,331,922**

NOTE 3 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES (Continued)

The Center considers grants and contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Center manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. In the event the need arises to utilize the board-designated funds for liquidity purposes, the funds could be drawn upon through board resolution.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Center reports certain assets and liabilities at fair value in the financial statements. U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value, which is the Center's policy. For the years ended December 31, 2025 and 2024, the application of valuation techniques applied to similar assets and liabilities has been consistent.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

At December 31, 2025 and 2024, the Center's investments are held in various mutual funds and are all considered Level 1 assets based on observable inputs under the fair value hierarchy.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2025	2024
Land	$ 2,499,994	$ 2,499,994
Building and improvements	4,678,656	4,593,825
Office furniture and equipment	449,518	449,518
Vehicles	191,078	191,078
Other	74,514	74,514
	7,893,760	7,808,929
Less accumulated depreciation	(1,663,388)	(1,466,391)
	$ 6,230,372	**$ 6,342,538**

NOTE 6 – OPERATING LEASE

The Center leases its Pasadena facility, under a long-term non-cancelable operating lease which expires in February 2030. The Center includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The Center's operating lease provides for increases in future minimum annual rental payments.

The discount rate is based on the discount rate implicit in the lease. The Center has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

The remaining lease term for the operating lease is 4.17 years. The discount rate is 4.11%.

NOTE 6 – OPERATING LEASE (Continued)

The future minimum lease payments are listed below for the years ending December 31:

2026	$ 63,585
2027	65,557
2028	67,199
2029	64,820
Thereafter	10,856
Total undiscounted cash flows	272,017
Less present value discount	(22,316)
Total present value of lease liabilities	**$ 249,701**

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, net assets with donor restrictions consist of the following:

	2025	2024
Facility fund	$ 105,000	$ 20,476
Emergency food and shelter program	482,643	-
Term endowment – Arcadia Fund	696,958	670,964
Subject to endowment spending policy and appropriation		
Accumulated investment gains	3,023,112	1,828,684
Perpetual in nature, earnings from which are subject to endowment spending policy and appropriation	8,732,144	8,732,144
Total net assets with donor restrictions	**$13,039,857**	**$11,252,268**

As of December 31, net assets were released from donor restrictions by meeting donor-imposed stipulations and appropriations:

	2025	2024
Facility fund	$ 20,476	$ 885,928
Emergency food and shelter program	226,340	-
Term endowment – Arcadia Fund	70,597	110,331
Endowment spending policy distributions	628,310	1,459,317
Total net assets released from restrictions	**$ 945,723**	**$ 2,455,576**

NOTE 8 – ENDOWMENTS

The Center's endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The board of directors of the Center has interpreted the California enacted Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Center retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Center 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 Center 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 Center
(7) The investment policies of the Center.

At December 31, 2025, the Center had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 297,829	$ -	$ 297,829
Perpetual endowment funds:			
Accumulated investment gains	-	3,023,112	3,023,112
Original donor-restricted gift amounts required to be maintained in perpetuity	-	8,732,144	8,732,144
	$ 297,829	**$ 11,755,256**	**$ 12,053,085**

NOTE 8 – ENDOWMENTS (Continued)

At December 31, 2024, the Center had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 286,075	$ -	$ 286,075
Perpetual endowment funds:			
Accumulated investment gains	-	1,828,684	1,828,684
Original donor-restricted gift amounts required to be maintained in perpetuity	-	8,732,144	8,732,144
	$ 286,075	**$ 10,560,828**	**$ 10,846,903**

Endowment – Return Objectives, Risk Parameters, and Spending Policy
The Center's endowment consists of assets restricted for perpetual endowment and related endowment earnings. The Center holds endowment funds at one institution, which manages the funds and attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment fund. Under this policy, the funds are invested in a manner that is intended to achieve a total return over the long term (three- to five-year rolling periods) of at least equal to the inflation rate as measured by the Consumer Price Index while assuming a moderate amount of risk. Actual returns in any given year may vary from this amount. On an annual basis, the Center makes available for spending an amount equal to approximately 5% of the endowment fund's average fair value over the prior 12 quarters. The spending rate may exceed 5% if the board, in their good judgement, deems it necessary as the spending rate limit is a guiding principle and not absolute. Any such action will be evidenced by a board resolution.

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets – beginning	$ 286,075	$ 10,560,828	$ 10,846,903
Net investments gain	18,814	1,822,738	1,841,552
Appropriation of endowment assets pursuant to spending-rate policy	-	(628,310)	(628,310)
Distribution from board-designated endowment pursuant to distribution policy	(7,060)	-	(7,060)
Total	**$ 297,829**	**$ 11,755,256**	**$ 12,053,085**

NOTE 8 – ENDOWMENTS (Continued)

Changes in endowment assets for the year ended December 31, 2024, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets – beginning	$ 493,717	$ 10,796,237	$ 11,289,954
Net investments gain	13,020	1,223,908	1,236,928
Appropriation of endowment assets pursuant to spending-rate policy	-	(1,459,317)	(1,459,317)
Distribution from board-designated endowment pursuant to distribution policy	(220,662)	-	(220,662)
Total	**$ 286,075**	**$ 10,560,828**	**$ 10,846,903**

NOTE 9 – EMPLOYEE BENEFITS

The Center offers a 403(b) plan for its employees. Eligible employees are allowed to make salary reduction contributions. During the year ended December 31, 2025 and 2024, the Center did not make discretionary employer contributions to the retirement plan.

NOTE 10 – CONTRIBUTED GOODS AND SERVICES

As of December 31, donated goods recognized as revenue in the statement of activities consisted of the following:

	2025	2024	Valuation Techniques
Clothing, personal care items	$ 3,614,788	$ 483,600	Average price per unit for each category based on discounted retail value.
Food	1,587,796	3,592,770	Average regional price per pound for each food category as determined by published sources.
Total	**$ 5,202,584**	**$ 4,076,370**	

NOTE 11 – LEGAL MATTERS

The Center is, from time to time, the subject of litigation, claims and assessments arising out of matters occurring in its normal business operations. In the opinion of management, resolution of these matters will not have a material adverse effect on the Center's financial position or results of operations.