

**Neighbor to Neighbor, Inc.**

Financial Statements

June 30, 2025 and 2024

## Independent Auditors' Report

**Board of Directors**  
**Neighbor to Neighbor, Inc.**

### ***Opinion***

We have audited the accompanying financial statements of Neighbor to Neighbor, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024, and 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 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

### ***Responsibilities of Management for the Financial Statements***

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

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

***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 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 Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 19 and 20 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*PKF O'Connor Davies, LLP*

January 29, 2026

**Neighbor to Neighbor, Inc.**

Statements of Financial Position

	June 30,	
	2025	2024
<b>ASSETS</b>		
Cash and cash equivalents	\$ 683,949	\$ 231,572
Restricted cash	250,000	250,000
Grants and contributions receivable	213,723	142,751
Inventory	98,402	101,083
Prepaid expenses and other assets	53,477	43,470
Investments	2,220,796	2,765,542
Property and equipment, net	4,344,925	4,448,449
Pledge receivable, net	<u>1,075,773</u>	<u>1,148,772</u>
	<u><u>\$ 8,941,045</u></u>	<u><u>\$ 9,131,639</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 144,331	\$ 63,554
Accrued payroll	<u>30,530</u>	<u>36,145</u>
Total Liabilities	<u>174,861</u>	<u>99,699</u>
Net Assets		
Without Donor Restrictions		
Undesignated	3,032,753	3,126,795
Board designated	169,131	172,131
Property and equipment	<u>4,344,925</u>	<u>4,448,449</u>
Total Net Assets Without Donor Restrictions	<u>7,546,809</u>	<u>7,747,375</u>
With Donor Restrictions		
Time and purpose restrictions	<u>1,219,375</u>	<u>1,284,565</u>
Total Net Assets With Donor Restrictions	<u>1,219,375</u>	<u>1,284,565</u>
Total Net Assets	<u>8,766,184</u>	<u>9,031,940</u>
	<u><u>\$ 8,941,045</u></u>	<u><u>\$ 9,131,639</u></u>

See notes to financial statements

# Neighbor to Neighbor, Inc.

## Statements of Activities

	Year Ended June 30, 2025			Year Ended June 30, 2024		
	Without Donor		With Donor	Without Donor		With Donor
	Restrictions	Restrictions	Total	Restrictions	Restrictions	Total
<b>OPERATING SUPPORT AND REVENUE</b>						
Contributions and foundation grants	\$ 1,246,697	\$ 142,761	\$ 1,389,458	\$ 1,310,446	\$ 108,657	\$ 1,419,103
In-kind donations	1,565,933	-	1,565,933	1,376,722	-	1,376,722
Special events revenue (net of costs with direct benefit to donors of \$32,131 and \$38,249 in 2024 and 2023)	140,867	-	140,867	74,616	-	74,616
Government grants	20,000	-	20,000	153,051	-	153,051
Net assets released from restrictions	207,951	(207,951)	-	251,439	(251,439)	-
Total Operating Support and Revenue	3,181,448	(65,190)	3,116,258	3,166,274	(142,782)	3,023,492
<b>OPERATING EXPENSES</b>						
Program	3,014,502	-	3,014,502	2,917,875	-	2,917,875
Management and general	292,841	-	292,841	314,418	-	314,418
Fundraising	260,256	-	260,256	259,479	-	259,479
Total Operating Expenses	3,567,599	-	3,567,599	3,491,772	-	3,491,772
Change in Net Assets from Operating Activities	(386,151)	(65,190)	(451,341)	(325,498)	(142,782)	(468,280)
<b>NON-OPERATING ACTIVITIES</b>						
Investment return	185,585	-	185,585	213,735	-	213,735
Change in Net Assets	(200,566)	(65,190)	(265,756)	(111,763)	(142,782)	(254,545)
<b>NET ASSETS</b>						
Beginning of year	7,747,375	1,284,565	9,031,940	7,859,138	1,427,347	9,286,485
End of year	\$ 7,546,809	\$ 1,219,375	\$ 8,766,184	\$ 7,747,375	\$ 1,284,565	\$ 9,031,940

See notes to financial statements

# Neighbor to Neighbor, Inc.

## Statements of Functional Expenses

	Year Ended June 30, 2025						Year Ended June 30, 2024									
	Program		Management and General		Fundraising		Direct Costs of Special Events		Program		Management and General		Fundraising		Direct Costs of Special Events	
Salaries and related benefits	\$ 506,066	\$ 212,139	\$ 154,426	\$ -	\$ 872,631	\$ 561,477	\$ 209,037	\$ 158,302	\$ -	\$ 928,816						
Clothing and Food:																
In-kind	1,588,621	-	-	-	1,588,621	1,397,290	-	-	-	-	1,397,290					
Purchased	627,947	-	-	-	627,947	680,608	-	-	-	-	680,608					
Occupancy	127,809	15,036	7,518	-	150,363	115,172	13,550	6,775	-	-	135,497					
Professional services	-	25,324	51,248	-	76,572	120	57,838	54,349	-	-	112,307					
Event expenses	-	-	-	86,560	86,560	-	-	-	-	32,131	32,131					
Volunteer and hospitality	3,115	-	4,032	-	7,147	3,754	-	1,888	-	-	5,642					
Computer expenses	3,801	-	5,571	-	9,372	2,449	2,581	4,333	-	-	9,363					
Dues and subscriptions	-	3,607	-	-	3,607	-	3,890	-	-	-	3,890					
Insurance	11,087	3,797	-	-	14,884	12,019	3,330	-	-	-	15,349					
Miscellaneous	-	1,956	1,445	-	3,401	36	1,211	1,234	-	-	2,481					
Office expenses	-	4,276	-	-	4,276	994	3,976	-	-	-	4,970					
Postage	-	2,810	855	-	3,665	-	1,112	1,814	-	-	2,926					
Printing	-	6,062	9,868	-	15,930	937	3,749	10,252	-	-	14,938					
Promotion and marketing	-	-	7,111	-	7,111	-	-	4,537	-	-	4,537					
Service charges	-	1,576	10,386	-	11,962	-	-	9,094	-	-	9,094					
Supplies	9,441	-	-	-	9,441	10,039	-	264	-	-	10,303					
Telephone and internet	-	590	-	-	590	-	205	-	-	-	205					
Travel	4,089	77	-	-	4,166	5,770	-	-	-	-	5,770					
Total Expenses Before Depreciation	2,881,976	277,250	252,460	86,560	3,498,246	2,790,665	300,479	252,842	32,131	3,376,117						
Costs with direct benefits to donors	-	-	-	(86,560)	(86,560)	-	-	-	(32,131)	(32,131)						
Total Expenses Reported by Function on the Statement of Activities	2,881,976	277,250	252,460	-	3,411,686	2,790,665	300,479	252,842	-	3,343,986						
Depreciation	132,526	15,591	7,796	-	155,913	127,210	13,939	6,637	-	-	147,786					
Total Expenses	\$ 3,014,502	\$ 292,841	\$ 260,256	\$ -	\$ 3,567,599	\$ 2,917,875	\$ 314,418	\$ 259,479	\$ -	\$ 3,491,772						

See notes to financial statements

**Neighbor to Neighbor, Inc.**

**Statements of Cash Flows**

	Year Ended June 30,	
	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (265,756)	\$ (254,545)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	155,913	147,786
Donated stock	-	202,038
Unrealized and realized gain on investments	(84,869)	(133,802)
Changes in operating assets and liabilities		
Accounts receivable	-	1,661
Grants and contributions receivable	(70,972)	(138,751)
Inventory	2,681	20,567
Prepaid expenses and other assets	(10,007)	(837)
Pledge receivable	72,999	76,000
Accounts payable	80,777	(46,818)
Accrued payroll	(5,615)	12,060
Net Cash from Operating Activities	<u>(124,849)</u>	<u>(114,641)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(52,390)	(156,658)
Proceeds from sale of investments	4,117,302	5,394,856
Purchases of investments	<u>(3,487,686)</u>	<u>(5,802,083)</u>
Net Cash from Investing Activities	<u>577,226</u>	<u>(563,885)</u>
Net Change in Cash, Cash Equivalents, and Restricted Cash	452,377	(678,526)
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>		
Beginning of year	<u>481,572</u>	<u>1,160,098</u>
End of year	<u>\$ 933,949</u>	<u>\$ 481,572</u>

See notes to financial statements

## **Neighbor to Neighbor, Inc.**

### Notes to Financial Statements June 30, 2025 and 2024

#### **1. Nature of Organization and Tax Status**

Neighbor to Neighbor, Inc. ("Neighbor to Neighbor" or the "Organization") is a Connecticut not-for-profit, non-member corporation. The Organization was originally called the Greenwich Committee for Foreign Relief, Inc. and was formed in 1948. Through a restatement of its Articles of Association in July 1975, the Organization was renamed as Neighbor to Neighbor, Inc. Neighbor to Neighbor, Inc. improves the lives of residents in need throughout the Greenwich area and strengthens the community by creating access to food, clothing, and basic living essentials in an atmosphere of kindness and respect. Neighbor to Neighbor offers assistance through a food pantry and a clothing and essentials room. The food pantry offers free nutritious weekly food to residents of Greenwich, Connecticut, as well as emergency food to residents of neighboring communities. The clothing and essentials room offers personal hygiene and household cleaning products as well as special distributions, including new and seasonal clothing, linens, and backpacks to residents of Greenwich, Connecticut. The families served by Neighbor to Neighbor are referred by social service agencies and religious organizations. The Organization is exempt from Federal income taxes in accordance with Section 501(c)(3) of the Internal Revenue Code.

Neighbor to Neighbor receives support from individuals, businesses, religious organizations, and other community groups in the form of cash, goods, and services.

#### **2. Summary of Significant Accounting Policies**

##### ***Basis of Presentation and Use of Estimates***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

##### ***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* represent those resources that are not subject to donor restrictions and are available for current operations. The following "categories of funds" are presented as without donor restrictions by the Organization:

"Undesignated" is used to account for general activities of the Organization.

"Board designated" is used for specific purposes as determined by the Board of Directors.

## **Neighbor to Neighbor, Inc.**

### Notes to Financial Statements June 30, 2025 and 2024

## **2. Summary of Significant Accounting Policies (continued)**

### ***Net Assets (continued)***

“Property and equipment” is used to separate the Organization’s fixed assets from all other net assets without donor restrictions.

*Net assets with donor restrictions* represent those resources that are subject to stipulations imposed by donors. These restrictions may be temporary in nature or perpetual in nature. Restrictions that are temporary in nature represent those resources that are subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. Net assets released from restrictions represent the satisfaction of the restricted purposes specified by the donor. As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restriction.

Net assets with donor restrictions that are perpetual in nature represent those resources, the use of which has been permanently restricted by donors. The Organization has no perpetual donor restricted net assets as of June 30, 2025 and 2024.

### ***Cash, Cash Equivalents, and Restricted Cash***

Cash, cash equivalents, and restricted cash include cash balances held in bank accounts, including money market accounts. Restricted cash consists of a reserve fund as required by the land lease agreement (See Note 10 and Note 14).

For financial reporting purposes, all highly liquid investments with a maturity of three months or less at the time of purchase that are available for operations are considered to be cash equivalents.

### ***Fair Value Measurement***

The Organization follows U.S. GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of the investment’s underlying assets and liabilities.

## **Neighbor to Neighbor, Inc.**

### **Notes to Financial Statements June 30, 2025 and 2024**

## **2. Summary of Significant Accounting Policies (continued)**

### ***Allowance for Uncollectible Grants and Contributions Receivable***

An allowance for uncollectible grants and contributions receivable is estimated based on a combination of write-off history, aging analysis and any specific known troubled accounts. At June 30, 2025 and 2024, management has concluded that an allowance is not required.

### ***Inventory***

Inventory is stated at the lower of cost or net realizable value. Cost is determined on a standard cost basis that approximates the first-in, first-out (FIFO) method. For donated inventory, the Organization uses pricing obtained from online retail resources to value clothing, food and housewares which approximates the cost that the Organization would have to incur if the Organization were to purchase the donated items.

### ***Investment Income Recognition and Valuation***

Investments are stated at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

### ***Property and Equipment***

The Organization's furniture and equipment and vehicles are recorded at cost. Purchases in excess of \$1,000 are capitalized. Furniture and equipment and vehicles are depreciated using the straight-line method over their useful lives which range from three to ten years. Construction in progress is recorded at cost and capitalized as incurred. The building is depreciated over its useful life or expected lease term, including any expected lease extensions, whichever is shorter.

### ***Contributions***

Unconditional contributions, including promises to give cash and other assets, are recognized on the date the contribution is received. Gifts are reported as net assets with donor restrictions 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 purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Discounts on those amounts are computed using rates applicable to the years in which the promises are received and consider market and credit risk as applicable.

## **Neighbor to Neighbor, Inc.**

### **Notes to Financial Statements June 30, 2025 and 2024**

## **2. Summary of Significant Accounting Policies (continued)**

### ***Government Grants***

Government grant revenue is generally related to funds received for government grants and contracts that are based on cost-reimbursement or have other conditions that have to be met to receive or earn the funds and are considered conditional contributions until the conditions are substantially met. Accordingly, revenue is recognized as or at the time that the conditions are substantially met. Funds received for grants and contracts that are not yet expended would be reflected as a liability until expended or returned to the funding source.

### ***Special Event Revenue***

The Organization records special events revenue equal to the fair value of direct benefit to donors, if any, and contribution income for the excess received when the event takes place.

### ***Allocation of Expenses***

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

Such allocations are determined by management and are allocated as follows:

Expense	Method of Allocation
Salaries and related benefits	Time and effort
Professional services	Usage
Occupancy	Usage

### ***Measure of Operations***

The Organization includes in its measure of operations all revenues and expenses that are an integral part of its programs and supporting activities and excludes investment return.

### ***Promotional and Marketing Costs***

Promotional and marketing costs are expensed in the period in which the cost is incurred.

### ***Accounting for Uncertainty in Income Taxes***

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examinations by applicable taxing jurisdictions for the periods prior to 2022.

## **Neighbor to Neighbor, Inc.**

### Notes to Financial Statements June 30, 2025 and 2024

#### **2. Summary of Significant Accounting Policies (continued)**

##### ***Reclassifications***

Certain reclassifications have been made to the June 30, 2024 balances previously reported in order to conform to the June 30, 2025 presentation.

##### ***Subsequent Events***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which is January 29, 2026.

#### **3. Liquidity and Availability of Financial Resources**

The Organization's intention is to have liquidity to cover at least six months of expected operating costs. The table reflects the Organization's available financial assets at June 30, 2025 and 2024, which deducts amounts not available for general use within one year. Amounts not available for use within one year include financial assets with donor restrictions as well as amounts set aside by the Board of Directors for operating and other reserves that could be drawn upon if the Board of Directors approves such action.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 683,949	\$ 231,572
Grants receivable due within one year	207,523	132,051
Contributions receivable due within one year	6,200	10,700
Investments	<u>2,220,796</u>	<u>2,765,542</u>
Total Financial Assets	3,118,468	3,139,865
Less: Board designated net assets	<u>(169,131)</u>	<u>(172,131)</u>
Financial Assets at Year End Available to Meet Cash Needs for General Expenditure Within One Year	<u>\$ 2,949,337</u>	<u>\$ 2,967,734</u>

#### **4. Concentrations of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investments and receivables. At times, cash balances may be in excess of balances insured by the Federal Deposit Insurance Corporation. Deposits exceeded Federal depositary insurance limits by approximately \$100,000 and \$0 at June 30, 2025 and 2024. Investments were held with one financial institution as of June 30, 2025 and 2024. Management considers investments to be sufficiently diversified to minimize individual investment and industry concentration risks. One donor comprised approximately 99% of pledges receivable, net as of June 30, 2025 and 2024. One grantor comprised approximately 94% and 97% of grants receivable as of June 30, 2025 and 2024.

## **Neighbor to Neighbor, Inc.**

### **Notes to Financial Statements June 30, 2025 and 2024**

#### **5. Grants Receivable**

Grants receivable as of June 30, 2025 and 2024, amounted to \$213,723 and \$142,751 are considered to be fully collectible within one year.

#### **6. Pledge Receivable**

Pledge receivable, net, consists of the following at June 30, 2025:

Due within:

Up to one year	\$ 70,799
Two years or more	<u>1,533,000</u>
	1,603,799
Present value discount	<u>(528,026)</u>
Pledge Receivable, net	<u>\$ 1,075,773</u>

The pledge receivable consists of the in-kind donation of land usage, described in Note 10.

The discount rate used for pledges outstanding at June 30, 2025 was 3.11%. The balance of pledges outstanding was \$1,148,772 at June 30, 2024.

#### **7. Inventory**

Inventory is comprised of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Food	\$ 49,081	\$ 35,845
Clothing and essentials	<u>49,321</u>	<u>65,238</u>
	<u>\$ 98,402</u>	<u>\$ 101,083</u>

#### **8. Investments**

Investments categorized by fair value consist of the following at June 30, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Mutual funds	\$ 369,057	\$ -	\$ 369,057
US Treasury notes	-	279,692	279,692
Exchange traded funds	495,986	-	495,986
Equities	213,287	-	213,287
	<u>\$ 1,078,330</u>	<u>\$ 279,692</u>	<u>1,358,022</u>
Timing and savings deposits, at cost			862,774
Total Investments			<u>\$ 2,220,796</u>

## **Neighbor to Neighbor, Inc.**

### **Notes to Financial Statements June 30, 2025 and 2024**

#### **8. Investments (continued)**

Investments categorized by fair value consist of the following at June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Mutual funds	\$ 729,183	\$ -	\$ 729,183
US Treasury notes	-	1,179,830	1,179,830
Exchange traded funds	573,479	-	573,479
Equities	234,261	-	234,261
	<u>\$ 1,536,923</u>	<u>\$ 1,179,830</u>	<u>2,716,753</u>
Timing and savings deposits, at cost			48,789
<b>Total Investments</b>			<b><u>\$ 2,765,542</u></b>

Investment return included the following for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 112,755	\$ 91,135
Realized and unrealized gain	84,869	133,802
Investment fees	(12,039)	(11,202)
	<u>\$ 185,585</u>	<u>\$ 213,735</u>

#### **9. Property and Equipment**

Property and equipment consist of the following at June 30:

	<u>2025</u>	<u>2024</u>	<u>Useful Lives</u>
Building	\$ 4,431,774	\$ 4,392,240	40 years
Furniture and equipment	352,803	339,947	3 to 10 years
Vehicles	50,000	50,000	5 years
Accumulated depreciation	(489,652)	(333,738)	
	<u>\$ 4,344,925</u>	<u>\$ 4,448,449</u>	

#### **10. Commitments and Contingencies**

On September 28, 2015, Neighbor to Neighbor entered into a lease agreement with Christ Church to lease land on Christ Church's premises for \$1 per year for 25 years. The 25-year lease term begins on the date the building is completed, as evidenced by a temporary certificate of occupancy, which was obtained by Neighbor to Neighbor in August 2022. The lease contains an option to extend for an additional 25 years.

## **Neighbor to Neighbor, Inc.**

### **Notes to Financial Statements June 30, 2025 and 2024**

#### **10. Commitments and Contingencies (*continued*)**

Neighbor to Neighbor began constructing a new facility on this land beginning in December 2020. During this time, Christ Church allowed Neighbor to Neighbor use of the land for purposes of the capital project.

During the year ended June 30, 2023, the Organization recognized \$1,294,772 in in-kind contribution revenue for the net present value of the in-kind donation of land usage. This in-kind donation for which the Organization will have the benefit of usage over the initial 25-year lease term is recorded in the line pledges receivable, net in the accompanying statements of financial position.

For both years ended June 30, 2025 and 2024 the Organization recognized in-kind rent expenses of \$73,000 related to this in-kind donation of land usage, which is included in the line occupancy on the accompanying statements of functional expenses.

Beginning in August 2022, this lease also requires the establishment of a \$250,000 Board designated reserve fund. The purpose of this fund is to support the operating, maintenance and repair of the leasehold improvements that were made on Christ Church's land, and to provide a fund meant to cover costs to restore the land substantially to its original condition should it be necessary. After five years, this reserve fund will be reassessed, as, on the first day of the month preceding the fifth anniversary of the lease commencement (September 2027). This reserve fund is intended to have a value of no less than twice the cost of restoring the land substantially to its original condition, or \$250,000, whichever is more.

#### **11. Board Designated Net Assets**

In 2011, the Board of Directors designated \$500,000 as a "Discretionary Reserve" for the purpose of covering 1) any future costs it might incur in order to expand or move its operating space and/or 2) any financial shortfall which may arise as a result of an emergency funding requirement. These funds were fully utilized prior to fiscal year 2022.

In December 2017, the Board of Directors designated \$100,000 as a "New Building Operating Reserve" for the purpose of supporting the new facility. These funds are held in a separate account and were invested in cash equivalents and savings deposits. In September 2024, the Board of Directors approved the closure of the Operating Reserve Fund and transferred approximately \$115,000 to the Morgan Stanley CD account. The balance of the account as of June 30, 2024, was \$113,838

In July 2022, the Board of Directors designated \$100,000 as a discretionary fund to be used for website rebranding, strategic planning, and cyber security. For the year ended June 30, 2025, \$3,000 was incurred for strategic planning. For the year ended June 30, 2024, \$41,707 was incurred for website rebranding and strategic planning.

## **Neighbor to Neighbor, Inc.**

### **Notes to Financial Statements June 30, 2025 and 2024**

#### **11. Board Designated Net Assets (*continued*)**

The changes in net assets of board designated funds consisted of the following for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 172,131	\$ 208,247
Investment gains	-	5,591
Appropriations	<u>(3,000)</u>	<u>(41,707)</u>
Ending balance	<u><u>\$ 169,131</u></u>	<u><u>\$ 172,131</u></u>

#### **12. Net Assets with Donor Restrictions**

Net assets with donor restrictions were as follows as of June 30:

	<u>2025</u>	<u>2024</u>
Capital improvements		
Not yet expended*	\$ 842	\$ 27,136
Linens	7,448	-
Summer supplement	10,959	14,425
Food	-	659
Van	64,500	-
Supplies and essentials	17,853	66,529
Holiday gifts	42,000	21,892
Thanksgiving	-	5,152
Time restricted - pledge for land usage	<u>1,075,773</u>	<u>1,148,772</u>
	<u><u>\$ 1,219,375</u></u>	<u><u>\$ 1,284,565</u></u>

## **Neighbor to Neighbor, Inc.**

### **Notes to Financial Statements June 30, 2025 and 2024**

#### **12. Net Assets with Donor Restrictions (continued)**

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donor or as a result of the expiration of donor-imposed time restrictions as follows during the years ended June 30:

	<u>2025</u>	<u>2024</u>
Capital improvements*	\$ 26,294	\$ 22,865
Supplies and essentials*	66,529	101,177
Land usage	73,000	73,000
Holiday gifts	21,892	14,975
Summer supplement	14,425	16,348
Food	659	20,000
Thanksgiving	5,152	-
Delivery program	-	3,000
Linens	-	74
	<u>\$ 207,951</u>	<u>\$ 251,439</u>

\*During the year ending June 30, 2024, \$96,952 of donor restricted donations were redesignated by the donor from capital improvements to supplies and essentials. The full amount was expended and released from restriction during the year.

#### **13. In-Kind Contributions**

In-kind contributions for the years ended June 30 consisted of the following:

	<u>2025</u>	<u>2024</u>
Food	\$ 1,471,531	\$ 1,285,876
Clothing and essentials	94,402	90,846
	<u>\$ 1,565,933</u>	<u>\$ 1,376,722</u>

The Organization recognized contributed nonfinancial assets within revenue, including food, clothing and essentials. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restriction.

Contributed food, clothing, and essentials were distributed to the general public. In valuing food, clothing and essentials the Organization estimated the fair value on the basis of estimates of retail values that would be paid for buying similar products in the United States.

## **Neighbor to Neighbor, Inc.**

### **Notes to Financial Statements June 30, 2025 and 2024**

#### **14. Cash, Cash Equivalents, And Restricted Cash**

For purposes of the statement of financial position and the statement of cash flows, cash and cash equivalents consist of cash and other highly liquid resources, such as investments in certificates of deposit and money market funds, with a maturity of three months or less when purchased. Restricted cash consists of those amounts required by a contractual agreement with a lessor to be set aside for the payment of restoration costs associated with the Cohen Center building. The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sums to the total of the same amounts shown in the statements of cash flows.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 683,949	\$ 231,572
Restricted cash	<u>250,000</u>	<u>250,000</u>
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	<u>\$ 933,949</u>	<u>\$ 481,572</u>

\* \* \* \* \*

**Neighbor to Neighbor, Inc.**

Supplementary Information

June 30, 2025 and 2024

# Neighbor to Neighbor, Inc.

## Supplemental Schedule Development of New Facility Summary June 30, 2025

	Board Designated	With Donor Restrictions
<b>REVENUES</b>		
Funds designated by the Board for the new facility:		
Year ended May 31, 2011	\$ 500,000	\$ -
Contributions:		
Individual and corporations:		
Year ended May 31, 2014	-	37,500
Year ended May 31, 2015	-	198,099
Year ended May 31, 2016	-	399,509
Month ended June 30, 2016	-	4,500
Year ended June 30, 2017	-	122,220
Year ended June 30, 2018	-	60,000
Year ended June 30, 2019	-	500
Year ended June 30, 2020	-	113,268
Year ended June 30, 2021	-	968,180
Year ended June 30, 2022	-	88,384
Foundations and organizations:		
Year ended May 31, 2015	-	155,000
Year ended May 31, 2016	-	164,765
Year ended June 30, 2017	-	40,000
Year ended June 30, 2018	-	4,000
Year ended June 30, 2020	-	100,000
Year ended June 30, 2021	-	1,021,100
Year ended June 30, 2022	-	952,960
Year ended June 30, 2023	-	-
Year ended June 30, 2024*	-	(96,952)
Total Revenues	<u>500,000</u>	<u>4,333,033</u>
<b>CAPITALIZED ACTIVITY</b>		
New facility - amounts expended		
Year ended May 31, 2015	(149,622)	-
Year ended May 31, 2016	(122,721)	(216,417)
Month ended June 30, 2016	-	(23,120)
Year ended June 30, 2017	-	(154,169)
Year ended June 30, 2018	-	(88,623)
Year ended June 30, 2019	-	(7,376)
Year ended June 30, 2020	-	(69,901)
Year ended June 30, 2021	-	(1,850,451)
Year ended June 30, 2022	-	(1,592,583)
Year ended June 30, 2023	-	(60,807)
Year ended June 30, 2024	-	(22,865)
Year ended June 30, 2025	-	(23,618)
Legal Fees - new facility lease		
Year ended May 31, 2015	(26,363)	-
New facility - Furniture and Equipment		
Year ended June 30, 2022	-	(116,774)
Year ended June 30, 2023	-	(102,811)
Year ended June 30, 2024	-	-
Year ended June 30, 2025	-	(2,676)
Total Capitalized Activity	<u>\$ (298,706)</u>	<u>\$ (4,332,191)</u>

\*Amount represents a re-designation in donor restriction. See Note 12 to the financial statements.

## Neighbor to Neighbor, Inc.

### Supplemental Schedule Development of New Facility Summary June 30, 2025

	<u>Board Designated</u>	<u>With Donor Restrictions</u>
<b>EXPENSES - Capital Project</b>		
Capital Project		
Years ended May 31, 2010 and 2011	(12,568)	-
Year ended May 31, 2013	(71,259)	-
Year ended May 31, 2014	(82,399)	-
Year ended May 31, 2015	(18,213)	-
Year ended May 31, 2016	(16,855)	-
Total Expenses	<u>(201,294)</u>	<u>-</u>
Balance of capital funds not yet expended	\$ <u>                  </u> -	\$ <u>                  </u> 842