PEACE NEIGHBORHOOD CENTER

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

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Bennett & Associates
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Peace Neighborhood Center
Ann Arbor, Michigan

Opinion

We have audited the accompanying consolidated financial statements of Peace Neighborhood Center (a nonprofit corporation), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Peace Neighborhood 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. 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 Peace Neighborhood 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Peace Neighborhood Center's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 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 consolidated 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 consolidated 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 consolidated 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 Peace Neighborhood 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Peace Neighborhood 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.

Respectfully,

Bennett & Associates CPAs PLLC

Ann Arbor, Michigan
June 15, 2026

	2025	2024
ASSETS		
Cash and cash equivalents	$ 857,377	$ 3,106,027
Investments	2,187,392	-
Prepaid expenses	5,250	13,384
Grants receivable	203,442	162,084
Promises to give	47,500	72,875
Cash designated for longer-term purposes	471,576	1,123,889
Beneficial interest in the assets of the Ann Arbor Area Community Foundation	555,500	484,694
Cash restricted for capital improvements	5,171	5,117
Property and equipment, net of accumulated depreciation	4,007,814	3,457,781
TOTAL ASSETS	$ 8,341,022	$ 8,425,851
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 30,088	$ 737,654
Accrued liabilities	99,242	89,333
TOTAL LIABILITIES	129,330	826,987
NET ASSETS		
Without donor restrictions		
Undesignated	6,857,502	5,497,003
Designated for endowment	555,500	484,694
Designated for other long-term purposes	471,576	1,123,889
	7,884,578	7,105,586
With donor restrictions	327,114	493,278
TOTAL NET ASSETS	8,211,692	7,598,864
TOTAL LIABILITIES AND NET ASSETS	$ 8,341,022	$ 8,425,851

	2025	2024
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES, GAINS, AND OTHER SUPPORT		
Grants	$ 682,917	$ 1,382,428
Contributions	1,321,898	2,967,617
Net investment return	243,936	190,149
Other revenues, gains and support	54,302	1,317
	2,303,053	4,541,511
Net assets released from restrictions	613,400	65,865
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	2,916,453	4,607,376
EXPENSES AND LOSSES		
Program Services	1,838,837	1,599,845
Supporting Services		
Management and general	134,807	140,718
Fundraising	163,817	173,341
Total Supporting Services	298,624	314,059
TOTAL EXPENSES AND LOSSES	2,137,461	1,913,904
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	778,992	2,693,472
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	174,122	274,790
Special events, net of expenses of $34,204 and $40,556, respectively	273,114	185,593
Net assets released from restrictions	(613,400)	(65,865)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(166,164)	394,518
CHANGE IN NET ASSETS	612,828	3,087,990
NET ASSETS AT BEGINNING OF YEAR	7,598,864	4,510,874
NET ASSETS AT END OF YEAR	$ 8,211,692	$ 7,598,864

	Program Services	Supporting Services: Management and General	Supporting Services: Fund-Raising	2025 Total	2024 Total
Specific assistance to individuals	$ 75,733	$ -	$ -	$ 75,733	$ 53,614
Employee Compensation					
Salaries and wages	1,050,805	44,881	117,090	1,212,776	1,063,081
Retirement plan contribution	13,406	904	753	15,063	14,358
Other employee benefits	132,630	4,233	4,233	141,096	86,238
Payroll taxes	88,037	3,760	9,810	101,607	95,245
	1,284,878	53,778	131,886	1,470,542	1,258,922
Other Expenses					
Accounting fees	-	23,888	-	23,888	19,658
Supplies	104,609	13,546	3,806	121,961	206,395
Communications	20,262	2,356	953	23,571	17,208
Postage and shipping	1,388	135	1,862	3,385	3,712
Occupancy					
Utilities	50,229	2,791	2,790	55,810	36,213
Repairs and maintenance	27,163	2,396	1,556	31,115	48,374
Printing and publications	6,083	724	7,676	14,483	16,521
Travel	9,408	256	291	9,955	12,157
Depreciation and amortization	151,248	8,402	8,403	168,053	101,253
Consultants	669	6,202	-	6,871	32,862
Insurance	65,277	3,718	2,686	71,681	65,193
Bank and finance charges	1,111	9,798	62	10,971	13,703
All other	40,779	6,817	36,050	83,646	68,675
	1,838,837	134,807	198,021	2,171,665	1,954,460
Less expenses included with revenues on statement of activities	-	-	(34,204)	(34,204)	(40,556)
	$ 1,838,837	$ 134,807	$ 163,817	$ 2,137,461	$ 1,913,904

		Supporting Services		
	Program Services	Management and General	Fund-Raising	2024 Total
Specific assistance to individuals	$ 53,614	$ -	$ -	$ 53,614
Employee Compensation				
Salaries and wages	893,396	43,855	125,830	1,063,081
Retirement plan contribution	12,779	861	718	14,358
Other employee benefits	81,064	2,587	2,587	86,238
Payroll taxes	80,043	3,929	11,273	95,245
	1,067,282	51,232	140,408	1,258,922
Other Expenses				
Accounting fees	-	19,658	-	19,658
Supplies	182,258	15,878	8,259	206,395
Communications	14,709	1,712	787	17,208
Postage and shipping	1,522	148	2,042	3,712
Occupancy				
Utilities	32,592	1,811	1,810	36,213
Repairs and maintenance	42,376	3,514	2,484	48,374
Printing and publications	6,939	826	8,756	16,521
Travel	11,245	500	412	12,157
Depreciation and amortization	91,127	5,063	5,063	101,253
Consultants	2,909	29,953	-	32,862
Insurance	60,096	3,247	1,850	65,193
Bank and finance charges	7,868	5,770	65	13,703
All other	25,308	1,406	41,961	68,675
	1,599,845	140,718	213,897	1,954,460
Less expenses included with revenues on statement of activities	-	-	(40,556)	(40,556)
	$ 1,599,845	$ 140,718	$ 173,341	$ 1,913,904

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 612,828	$ 3,087,990
Adjustments to reconcile change in net assets to net		
cash from operating activities:		
Depreciation and amortization	168,053	101,253
Realized and unrealized (gain) loss on investments	(55,188)	-
Change in beneficial interest in assets held by others	(70,806)	(151,259)
Change in:		
Prepaid expenses	8,134	5,659
Grants receivable	(41,358)	(34,467)
Promises to give	25,375	1,475
Accounts payable	(707,566)	721,142
Accrued liabilities	9,909	21,991
Net cash from (used for) operating activities	(50,619)	3,753,784
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(718,086)	(1,849,096)
Purchases of investments	(2,225,713)	-
Proceeds from sales of investments	93,509	-
Net cash used for investing activities	(2,850,290)	(1,849,096)
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(2,900,909)	1,904,688
BEGINNING CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	4,235,033	2,330,345
ENDING CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	$ 1,334,124	$ 4,235,033
As presented on consolidated statements of financial position:		
Cash and cash equivalents	$ 857,377	$ 3,106,027
Cash designated for longer-term purposes	471,576	1,123,889
Cash restricted for capital improvements	5,171	5,117
	$ 1,334,124	$ 4,235,033

NOTE A - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Peace Neighborhood Center (the "Center") is a nonprofit organization established to help youth, adults, and families address social and economic obstacles that stem from poverty, racial inequities, and trauma; and help them build futures that include self-sufficiency and positive community involvement. Peace Neighborhood Center is primarily funded through public and private contributions and grants.

Peace Neighborhood Center – Maple Road Corridor was established to operate solely to support and benefit the mission and vision of Peace Neighborhood Center in the Maple Road Corridor in Ann Arbor. Peace Neighborhood Center – Maple Road Corridor is a wholly-owned nonprofit subsidiary of Peace Neighborhood Center. Peace Neighborhood Center is the sole member of Peace Neighborhood Center – Maple Road Corridor.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Peace Neighborhood Center and its controlled organization, Peace Neighborhood Center – Maple Road Corridor, for the years ended December 31, 2025 and 2024. All significant intercompany transactions have been eliminated.

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. Accordingly, revenues are recognized when earned and expenses are recognized as they are incurred.

Basis of Presentation

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.

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make accounting estimates and assumptions that affect the reported amounts of assets, liabilities, and other amounts and disclosures included herein. Actual results could differ from those estimates.

Cash Equivalents

The Center considers all investments with an original maturity of three months or less to be cash equivalents. Cash held temporarily in the investment portfolio is excluded from cash and cash equivalents. See Footnote L for the detail of cash equivalents.

Receivables and Allowance for Uncollectible Promises to Give

Promises to give are stated at the amount pledged by donors net of net present value discounts. The Center provides an allowance for doubtful pledges receivable, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Delinquent pledges receivable are written off based on the specific circumstances of the donor making the pledge.

Investments

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment
Property and equipment purchased is carried at cost. All donated equipment is carried at estimated fair market value at the date of the gift. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. It is the Center's policy to capitalize expenditures for property and equipment that have an original cost in excess of $1,000. Repairs are not capitalized unless they both increase the value of the asset and extend the useful life.

Donated Services
No amounts have been reflected in the consolidated financial statements for donated services. The Center pays for most services requiring a specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Center with specific programs, fundraising, and administrative duties.

Contributions
Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Contributions Restricted to Purchase of Property and Equipment
Contributions that must be used to purchase property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Center reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Grants
Grants are primarily from governmental sources and are considered conditional contributions. Revenue is recognized as conditions are met, either through incurring related costs or providing services.

Income Taxes
The Internal Revenue Service has ruled that the Center and its subsidiary Peace Neighborhood Center – Maple Road Corridor both qualify under Section 501(c)(3) of the Internal Revenue Code and are, therefore, not subject to income tax under present laws and are not considered private foundations.

Expense Allocation
The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses 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 depreciation and insurance, which are allocated on a square-footage basis, as well as salaries, wages, and employee benefits, which are allocated on the basis of estimates of time and effort.

Reclassifications
Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation. The reclassifications had no impact on previously reported net assets.

Subsequent Events
Subsequent events have been evaluated through June 15, 2026, the date the consolidated financial statements were available to be issued.

NOTE B - LIQUIDITY AND AVAILABILITY

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

	2025	2024
Financial assets:		
Cash and cash equivalents	$ 857,377	$ 3,106,027
Investments	2,187,392	-
Grants receivable	203,442	162,084
Promises to give	47,500	72,875
Beneficial interest in the assets of the Ann Arbor Area Community Foundation	555,500	484,694
Cash designated for longer-term purposes	471,576	1,123,889
Cash restricted for capital improvements	5,171	5,117
Total financial assets	4,327,958	4,954,686
Less financial assets held to meet donor-imposed restrictions:		
Purpose-restricted net assets	(324,614)	(490,403)
Less financial assets not available within one year:		
Promises to give	(25,000)	(50,000)
Less board-designated endowment fund	(555,500)	(484,694)
Less cash designated or restricted to longer-term purposes	(476,747)	(1,129,006)
Amount available for general expenditures within one year	$ 2,946,097	$ 2,800,583

As part of its liquidity management plan, the Center has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. It invests cash in excess of daily requirements in savings accounts, money market accounts, and stocks and bonds.

NOTE C - PROMISES TO GIVE

All promises to give at year-end are collectible over the next five years. Promises to give consist of the following at:

	December 31,	
	2025	2024
Receivable in less than one year	$ 27,500	$ 27,875
Receivable in one to five years	25,000	50,000
Total promises to give	52,500	77,875
Less unamortized discount at 3%	-	-
Less allowance for uncollectible promises to give	(5,000)	(5,000)
	$ 47,500	$ 72,875

NOTE D - INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Center reports certain assets at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset 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, 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 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 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 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, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, 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.

Investments as of December 31, 2025 and 2024 were comprised of the following mutual funds and exchange-traded funds which are valued at Level 1 measurement:

	2025	2024
Money Market	$ 250,603	$ -
Stocks	666,071	-
Stock Funds	849,088	-
Bond Funds	421,630	-
	$ 2,187,392	$ -

The following schedule summarizes the net investment return and its classification in the statements of activities:

	2025	2024
Without Donor Restrictions		
Interest and dividend income	$ 117,942	$ 136,388
Realized and unrealized gain/(loss) on investments	64,748	-
Gain/(loss) on beneficial interest in assets held by Ann Arbor Area Community Foundation	70,806	53,761
Total investment return	253,496	190,149
Less investment fees	(9,560)	-
Net investment return - without donor restrictions	$ 243,936	$ 190,149

The fair value of the Center's beneficial interest in assets held by the Ann Arbor Area Community Foundation is based on the fair value of fund investments as reported by the community foundation. These are considered to be Level 3 measurements. See Footnote K – Endowment for a roll forward of the beneficial interest in the assets of the Ann Arbor Area Community Foundation.

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at:

	December 31, 2025	December 31, 2024
Land	$ 270,000	$ 270,000
Buildings and improvements	4,836,058	2,236,750
Vehicles	332,468	156,852
Software	30,313	30,313
Furniture and equipment	220,135	212,000
Construction in progress - HUB Center	-	2,064,973
	5,688,974	4,970,888
Less accumulated depreciation and amortization	(1,681,160)	(1,513,107)
	$ 4,007,814	$ 3,457,781

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	December 31, 2025	December 31, 2024
Subject to expenditure for specified purpose:		
Capital Improvement Fund	$ 4,951	$ 4,951
HUB Renovation	45,000	299,859
Transportation	1,549	185,593
Peace building improvements	273,114	-
	324,614	490,403
Subject to the passage of time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	2,500	2,875
	$ 327,114	$ 493,278

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows during the years ended December 31, 2025 and 2024:

	2025	2024
Expiration of time restrictions	$ 375	$ 36,475
Satisfaction of purpose restrictions		
Youth services	82,544	23,594
Advocacy and adult community programs	33,000	-
HUB renovation and programs	279,860	-
Fundraising activities	25	5,200
College prep	25,000	-
Transportation	185,844	-
General operating	6,752	596
	$ 613,400	$ 65,865

NOTE G - CONDITIONAL CONTRIBUTIONS

The Center has received grants from governmental sources that are considered conditional contributions, as reimbursement contracts. The Center receives grant funds once conditions are met as outlined in the Center's grant reports. Some grants from governmental sources have grant terms that fall within two fiscal years. The amounts of conditional contributions whose conditions have not been met as of December 31, 2025 are $227,730. These amounts will be recognized once the conditions are met either through incurring related costs or providing services.

NOTE H - BOARD DESIGNATED NET ASSETS FOR OTHER LONG-TERM PURPOSES

Board designated net assets are designated for longer-term purposes including funding an endowment.

NOTE I - RETIREMENT PLAN

The Center has a defined contribution plan covering all employees working at least 20 hours per week, with at least one year of service who agree to make contributions to the plan. The plan conforms to the provisions set by Internal Revenue Code Section 403(b), Defined Contribution Retirement Plan. The Center makes an annual contribution to the plan based upon Board designation and the amount is fully vested when the contribution is made. Retirement plan expense for the years ended December 31, 2025 and 2024 was $15,063 and $14,358, respectively.

NOTE J - COMMUNITY FOUNDATION

Certain funds donated by outside donors for the benefit of the Center are held and managed by the Ann Arbor Area Community Foundation (the “Community Foundation”). The fair market value of these funds was approximately $1,323,594 and $1,191,678 at December 31, 2025 and 2024, respectively. These funds are not reflected in the financial statements. Earnings are available for distribution to the Center at the discretion of the Community Foundation, and therefore, are not reflected as revenue in the financial statements until received by the Center. Distributions of $35,415 and $39,818 were received in 2025 and 2024, respectively.

NOTE K - ENDOWMENT

The Center's endowment consists of a fund established for a variety of purposes. Its endowment includes funds designated by the Board of Directors to function as an endowment. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The endowment consists entirely of board-designated funds.

Change in Endowment Net Assets

The changes in endowment net assets for the year ended December 31, 2025 are presented in the following schedule:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	$ 484,694	$ -	$ 484,694
Net investment return	70,806	-	70,806
Contributions	-	-	-
Amounts appropriated for expenditure	-	-	-
Other changes	-	-	-
Net assets, end of year	$ 555,500	$ -	$ 555,500

The changes in endowment net assets for the year ended December 31, 2024 are presented in the following schedule:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	$ 333,435	$ -	$ 333,435
Net investment return	53,761	-	53,761
Contributions	107,000	-	107,000
Amounts appropriated for expenditure	(9,502)	-	(9,502)
Other changes	-	-	-
Net assets, end of year	$ 484,694	$ -	$ 484,694

Return Objectives and Risk Parameters

The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets are composed entirely of board-designated funds.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Center has placed its endowment funds with the Ann Arbor Area Community Foundation (the "Community Foundation"). The funds are invested in accordance with the Community Foundation's investment policy.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The endowment funds are subject to the investment and distribution policies of the Community Foundation. The Center determines annually whether it will accept the distribution designated by the Community Foundation from the fund or ask that it be reinvested for growth.

NOTE L - CONCENTRATIONS

Concentrations of Credit Risk in Financial Instruments

Financial instruments, which potentially subject the Center to significant concentrations of credit risk, include cash and cash equivalents, receivables, and promises to give. Cash is maintained at Bank of Ann Arbor, a local bank, and in one money market mutual fund managed by Fidelity Investments. The Center manages deposit concentration, with guidance from an independent Finance Committee of financial professionals and advisors, by placing cash with financial institutions they believe to be creditworthy. Cash on deposit with financial institutions exceeded the FDIC insured limit of $250,000 by approximately $657,247 at December 31, 2025. The Center's money market fund and U.S. treasury bills are not covered by FDIC insurance. Receivables and promises to give are due from several grantors and contributors. Promises to give are presented net of management's estimate of uncollectible accounts.

Cash and cash equivalents were comprised of the following at December 31:

	2025	2024
U.S. Treasury Bills	$ -	$ 2,053,227
BOAA Trust Cash Equivalent	-	7,468
Money market funds	471,576	1,123,889
Checking and savings accounts	862,548	1,050,449
	$ 1,334,124	$ 4,235,033