

***CITIZEN ADVOCACY OF CHESTER COUNTY***

**FINANCIAL STATEMENTS**

**Years Ended September 30, 2025 and 2024**

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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors  
Citizen Advocacy of Chester County  
Phoenixville, Pennsylvania**

### Opinion

We have audited the accompanying financial statements of Citizen Advocacy of Chester County (a nonprofit organization), which comprise the statements of financial position as of September 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 Citizen Advocacy of Chester County as of September 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Citizen Advocacy of Chester County 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 Citizen Advocacy of Chester County's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 Citizen Advocacy of Chester County'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 Citizen Advocacy of Chester County'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.

*Herbein + Company, Inc.*

**Reading, Pennsylvania  
March 2, 2026**

**CITIZEN ADVOCACY OF CHESTER COUNTY**

**STATEMENTS OF FINANCIAL POSITION**

	September 30	
	2025	2024
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 225,111	\$ 235,583
Pledges receivable	-	8,800
Prepaid expenses	800	800
	<u>225,911</u>	<u>245,183</u>
<b>TOTAL CURRENT ASSETS</b>	225,911	245,183
<b>NONCURRENT ASSETS</b>		
Right-of-use assets, operating leases	-	11,262
Equipment:		
Office equipment	5,404	5,404
Less: accumulated depreciation	(5,346)	(5,117)
Net equipment	<u>58</u>	<u>287</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>58</u>	<u>11,549</u>
<b>TOTAL ASSETS</b>	<u>\$ 225,969</u>	<u>\$ 256,732</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 11,623	\$ 8,264
Payroll related liabilities	164	260
Deferred revenue	12,756	15,439
Operating lease liabilities	-	12,165
	<u>24,543</u>	<u>36,128</u>
<b>TOTAL LIABILITIES</b>	24,543	36,128
<b>NET ASSETS</b>		
Without donor restrictions - undesignated	147,426	157,804
Without donor restrictions - board designated operating reserve	54,000	54,000
Total net assets without donor restrictions	<u>201,426</u>	<u>211,804</u>
With donor restrictions - time or purpose	-	8,800
	<u>201,426</u>	<u>220,604</u>
<b>TOTAL NET ASSETS</b>	201,426	220,604
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 225,969</u>	<u>\$ 256,732</u>

See accompanying notes.

**CITIZEN ADVOCACY OF CHESTER COUNTY**

**STATEMENTS OF ACTIVITIES**

	Year Ended September 30	
	2025	2024
<b>WITHOUT DONOR RESTRICTIONS:</b>		
<b>SUPPORT AND REVENUES</b>		
Community Coalition	\$ 17,331	\$ -
Contributions from events	130,090	88,632
Foundation awards	28,747	28,372
Contributions	110,826	95,402
Contributed nonfinancial assets	1,104	8,978
Interest income	4,426	2,497
Net assets released from restrictions	<u>8,800</u>	<u>28,321</u>
<b>TOTAL SUPPORT AND REVENUES</b>	<b>301,324</b>	<b>252,202</b>
<b>PROGRAM SERVICES</b>		
Advocacy efforts	262,285	248,851
<b>SUPPORTING SERVICES</b>		
Management and general	13,803	13,284
Fundraising	<u>35,614</u>	<u>31,618</u>
<b>TOTAL SUPPORTING SERVICES</b>	<u>49,417</u>	<u>44,902</u>
<b>TOTAL EXPENSES</b>	<u>311,702</u>	<u>293,753</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>(10,378)</b>	<b>(41,551)</b>
<b>WITH DONOR RESTRICTIONS:</b>		
<b>SUPPORT AND REVENUES</b>		
Contributions	-	8,800
Net assets released from restrictions	<u>(8,800)</u>	<u>(28,321)</u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>(8,800)</u>	<u>(19,521)</u>
<b>CHANGE IN NET ASSETS</b>	<b>(19,178)</b>	<b>(61,072)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>220,604</u>	<u>281,676</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 201,426</u></u>	<u><u>\$ 220,604</u></u>

See accompanying notes.

**CITIZEN ADVOCACY OF CHESTER COUNTY**

**STATEMENTS OF FUNCTIONAL EXPENSES**

	Year Ended September 30, 2025				Year Ended September 30, 2024			
	Program Services	Supporting Services			Program Services	Supporting Services		
	Advocacy Efforts	Management and General	Fundraising	Total	Advocacy Efforts	Management and General	Fundraising	Total
Salaries	\$ 158,563	\$ 9,113	\$ 14,580	\$ 182,256	\$ 163,586	\$ 9,401	\$ 15,042	\$ 188,029
Employee benefits	9,472	544	871	10,887	6,143	353	565	7,061
Payroll taxes	11,804	678	1,085	13,567	12,340	709	1,135	14,184
Rent	11,295	594	-	11,889	11,732	617	-	12,349
Professional services	22,979	1,209	-	24,188	12,565	661	-	13,226
Postage	2,643	139	-	2,782	1,123	59	-	1,182
Telephone and internet	2,007	106	-	2,113	2,035	107	-	2,142
Utilities	813	43	-	856	179	9	-	188
Training	846	44	-	890	2,558	135	-	2,693
Insurance	2,950	155	-	3,105	2,913	153	-	3,066
Event expense	16,534	-	16,535	33,069	13,157	-	13,157	26,314
Depreciation	218	11	-	229	218	11	-	229
Office and supplies	14,737	776	-	15,513	11,377	599	-	11,976
Technology	7,424	391	-	7,815	8,925	470	-	9,395
Annual appeal and campaign	-	-	2,543	2,543	-	-	1,719	1,719
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 262,285</b>	<b>\$ 13,803</b>	<b>\$ 35,614</b>	<b>\$ 311,702</b>	<b>\$ 248,851</b>	<b>\$ 13,284</b>	<b>\$ 31,618</b>	<b>\$ 293,753</b>

See accompanying notes.

**CITIZEN ADVOCACY OF CHESTER COUNTY**

**STATEMENTS OF CASH FLOWS**

	Year Ended September 30	
	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (19,178)	\$ (61,072)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	229	229
Noncash lease expense	11,495	11,495
Changes in:		
Grants receivable	-	10,000
Pledges receivable	8,800	19,521
Accounts payable and accrued expenses	3,359	90
Payroll related liabilities	(96)	260
Deferred revenue	(2,683)	4,443
Operating lease liabilities	<u>(12,398)</u>	<u>(11,030)</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>(10,472)</u>	<u>(26,064)</u>
<b>NET DECREASE IN CASH</b>	(10,472)	(26,064)
<b>CASH AT BEGINNING OF YEAR</b>	<u>235,583</u>	<u>261,647</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 225,111</u>	<u>\$ 235,583</u>

## CITIZEN ADVOCACY OF CHESTER COUNTY

### NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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##### **Nature of Activities**

Citizen Advocacy of Chester County (the "Organization") is a nonprofit organization organized under the laws of the Commonwealth of Pennsylvania. The purpose of the Organization is promoting, protecting, and defining the welfare and interests of, and justice for, people who are diminished in status or are seriously, physically, or socially isolated through one-to-one unpaid voluntary commitments made to them by people who have the needed skills and resources.

##### **Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

##### **Cash**

For the purposes of reporting cash flows, the Organization considers all cash deposited in bank accounts, including highly-liquid investments with an initial maturity of three months or less to be cash on the accompanying statements of financial position. At various times during the year, the Organization may have cash balances in excess of the federally insured limits in deposit accounts at local banks.

##### **Pledges Receivable**

Pledges receivable are recognized when the donor makes a promise to give that is, in substance, unconditional. No allowance is recorded as all pledges receivable are considered collectible by the Organization.

##### **Leases**

The Organization leases office space and a storage unit. The Organization determines if an arrangement is a lease at inception. In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if they have obtained substantially all of the rights to the underlying asset through exclusivity, if they can direct the use of the asset by making decisions about how and for what purpose the asset will be used, and if the lessor has substantive substitution rights. This evaluation may require significant judgment. The office space and storage unit are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position.

The Organization elected the practical expedient to not recognize ROU assets and liabilities for operating leases with shorter than 12-month terms. These leases will be expensed on a straight-line basis, and no operating lease liability will be recorded.

The Organization elected the practical expedient to use the risk-free rate as the discount rate for all leases based on the information available at commencement date in determining the present value of lease payments.

CITIZEN ADVOCACY OF CHESTER COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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**Leases - continued**

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent their obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Organization uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU assets also include any lease payments made and excludes lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that they will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Variable lease costs are not included within the measurement of the lease liability as they are entirely variable and the difference between the portion captured within the lease liability and the actual cost will be expensed as incurred.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

**Equipment**

Purchased equipment is capitalized at cost. Donations of equipment are recorded as contributions at their fair market value. The Organization's policy is to capitalize any assets in excess of \$300 with an estimated useful life of more than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Office equipment	5 - 10 years
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Maintenance and repairs of equipment are charged to operations and major improvements are capitalized. Upon retirement, sale, or other dispositions of equipment, the cost and accumulated depreciation are eliminated from the accounts and gain or loss is included in operations.

**Net Assets**

The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions - Net assets without donor restrictions include funds not subject to donor-imposed stipulations. In general, the revenues received, and expenses incurred in conducting the Organization's charitable mission are included in this category.

Net Assets With Donor Restrictions - Net assets with donor restrictions include gifts, grants, and pledges whose use by the Organization has been limited by donors to later periods of time or after specified dates, or to specified purposes.

## CITIZEN ADVOCACY OF CHESTER COUNTY

### NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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##### **Net Assets - continued**

The Organization reports gifts of cash and other assets as revenue 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 a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restriction.

##### **Revenue Recognition**

The Organization recognizes revenue in accordance with Financial Accounting Standards Board (FASB), Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (ASC 606), which applies to exchange transactions with customers that are bound by contract or similar arrangement and establishes a performance obligation approach to revenue recognition. The Organization records the following exchange transaction revenue in its statements of activities:

##### Special Events

The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event (the exchange component), and a portion represents a contribution to the Organization. The fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Organization, are recorded as costs of direct donor benefits in the statements of activities. The performance obligation is delivery of the event. For special event fees received before year end for an event to occur after year end, the Organization treats the inherent contribution as a condition on the event taking place and is therefore treated as deferred revenue along with the exchange component. Deferred revenue as of September 30, 2025 and 2024 was \$12,756 and \$15,439, respectively. Deferred revenue as of October 1, 2023 was \$10,996.

##### **Contribution Revenue**

The Organization recognizes revenue from contributions in accordance with Accounting Standards Update (ASU) 2018-08, *Not-For-Profit Entities* (Topic 958); *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. In accordance with ASU 2018-08, the Organization evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Organization applies guidance under ASC-606. If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right or release of a promisor's obligation to transfer assets.

## CITIZEN ADVOCACY OF CHESTER COUNTY

### NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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##### **Contribution Revenue - continued**

The Organization recognizes unconditional contributions and conditional contributions in which the conditions have been met or waived by the donor as support with or without donor restrictions, depending on the existence or nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions with donor restrictions that are used for the purposes specified by the donor in the same year as the contribution is recognized as revenues without donor restrictions.

##### **Contributed Nonfinancial Assets**

Contributed nonfinancial assets are presented as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Contributed nonfinancial assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service (as the assets are used in the Organization's activities).

Contributed nonfinancial assets are reflected as contributions in the accompanying financial statements at their estimated fair value at the date of receipt. Donated services and materials during the years ended September 30, 2025 and 2024 were \$1,104 and \$8,978, respectively.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. A number of unpaid volunteers, which include the directors of the Organization, have made significant contributions of their time toward developing and achieving the Organization's goals and objectives. However, no amounts have been included in the financial statements for donated director or volunteer services since they do not meet the criteria for recognition.

##### **Functional Expense Allocations**

As reported in the statements of functional expenses, expenses of the Organization have been allocated to the following functional reporting classifications: Program Services, Management and General, and Fundraising.

Expenses directly attributable to a specific functional area are reported as expenses of those functions. The Organization's method for allocating expenses among the functional reporting classifications which cannot be specifically identified as program or supporting service are based on estimates made for time spent by key personnel between functions, space occupied by function, consumption of supplies and postage by function, and other objective bases.

**CITIZEN ADVOCACY OF CHESTER COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2025 and 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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**Tax-Exempt Status**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization annually files federal and state information returns as required. There is no current year provision for federal or state income taxes. In accordance with generally accepted accounting principles, the Organization accounts for uncertain tax positions relative to unrelated business income, if any, as required.

**Use of Estimates**

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

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 2, 2026, the date the financial statements were available to be issued.

**NOTE 2 - PLEDGES RECEIVABLE**

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Pledges receivable are recognized when the donor makes a promise to give that is, in substance, unconditional. The Organization uses the allowance method to determine uncollectible monies receivable. The allowance method is based on prior years' experience and management's analysis of specific promises made. All receivables are collectible within one year and no allowance for uncollectible pledges is recorded, as management deems all pledges as collectible. For the year ended September 30, 2024, pledges receivable consists of an amount promised by one major donor.

Pledges receivable at September 30 are as follows:

	<u>2025</u>	<u>2024</u>
Receivable in less than one year	\$ -	\$ 8,800

**CITIZEN ADVOCACY OF CHESTER COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2025 and 2024**

**NOTE 3 - LEASES**

The Organization leased office space and a storage unit. Both leases ended during the year ended September 30, 2025 and became month-to-month. The Organization included the following amounts related to operating lease assets and liabilities within the statements of financial position as of September 30:

		2025	2024
<u>Assets:</u>			
Right-of-use assets	Classification Operating leases	\$ -	\$ 11,262
<u>Liabilities:</u>			
Current operating lease	Operating lease liabilities	\$ -	\$ 12,165
Noncurrent operating lease	Operating lease liabilities	-	-
	Total lease liabilities	\$ -	\$ 12,165

The components of lease expense were as follows for the years ended September 30:

	2025	2024
Operating lease expense	\$ 11,495	\$ 11,495

Supplemental cash flow information related to leases was as follows for the years ended September 30:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 12,398	\$ 11,030
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ -	\$ -

Supplemental balance sheet information related to leases was as follows:

	2025	2024
Weighted Average Remaining Lease Term		
Operating leases	-	1.00 years
Weighted Average Discount Rate		
Operating leases	-	4.12%

There are no future maturities for these leases.

**CITIZEN ADVOCACY OF CHESTER COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2025 and 2024**

**NOTE 4 - NET ASSETS**

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Net assets without donor restrictions are comprised of undesignated and board-designated amounts for the following purposes as of September 30:

	<u>2025</u>	<u>2024</u>
Undesignated	\$ 147,426	\$ 157,804
Board designated operating reserve	<u>54,000</u>	<u>54,000</u>
Total net assets without donor restrictions	<u>\$ 201,426</u>	<u>\$ 211,804</u>

Net assets with donor restrictions are comprised of the following as of September 30:

	<u>2025</u>	<u>2024</u>
Time or purpose:		
Pledges receivable	\$ -	\$ 8,800

Net assets were released from donor restrictions by satisfying the restricted purposes as follows at September 30:

	<u>2025</u>	<u>2024</u>
Pledges receivable	\$ 8,800	\$ 28,321

**NOTE 5 - RELATED PARTY TRANSACTIONS**

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The Organization recognized contributions from Community Coalition of \$17,331 and \$0 for the years ended September 30, 2025 and 2024, respectively. Members of the Citizen Advocacy of Chester County board serve on the board of the Community Coalition.

**CITIZEN ADVOCACY OF CHESTER COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2025 and 2024**

**NOTE 6 - EVENT REVENUES/EXPENSES**

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Event revenues and expenses are summarized as follows as of September 30:

	2025		2024	
	<u>Revenues</u>	<u>Expenses</u>	<u>Revenues</u>	<u>Expenses</u>
Race	\$ 30,047	\$ 9,711	\$ 25,745	\$ 8,351
Theater	71,419	18,627	46,307	16,071
Raffle	17,118	4,419	16,580	1,844
Spaghetti Dinner	11,506	312	-	48
	<u>\$ 130,090</u>	<u>\$ 33,069</u>	<u>\$ 88,632</u>	<u>\$ 26,314</u>

**NOTE 7 - ENDOWMENT FUNDS**

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The Organization is the beneficiary of an endowment fund held by the Chester County Community Foundation (the "Foundation"). The assets of the fund are owned and controlled by the Foundation and are not included in the Organization's statement of financial position. Revenue is recognized when distributions are approved by the Foundation and become unconditional. During the years ended September 30, 2025 and 2024, the Organization received distributions totaling \$2,632 and \$2,347, respectively, which are recorded as contribution revenue without donor restrictions.

**NOTE 8 - RETIREMENT PLAN**

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In February 2024, the Organization established a Simple IRA Retirement Plan that covers all eligible employees. Employees are eligible if they are expected to earn over \$5,000 in the year. Employer contributions to the Plan equal up to 3% of the participating employee's contribution. Employer contributions to the Plan for the year ended September 30, 2025 and 2024 were \$5,081 and \$3,029, respectively.

**CITIZEN ADVOCACY OF CHESTER COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2025 and 2024**

**NOTE 9 - CONTRIBUTED NONFINANCIAL ASSETS**

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The value of contributed nonfinancial assets provided by local businesses and donors to benefit the Organization included with revenue in the accompanying financial statements and the corresponding expenses are as follows for the years ended September 30, 2025 and 2024, respectively.

	<u>2025</u>	<u>2024</u>
Website and technology services	\$ -	\$ 7,500
Donation platform fees	-	864
Printing services	<u>1,104</u>	<u>614</u>
	<u>\$ 1,104</u>	<u>\$ 8,978</u>

Valuation Techniques:

Contributed services and materials are recognized as contributed nonfinancial assets at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. Donated services and fees are valued at the amount charged for similar services and fees by the vendor.

Donor Restrictions:

There are no restrictions on contributed nonfinancial assets at year end. The Organization does not sell contributed nonfinancial assets and only utilized them for their programs.

CITIZEN ADVOCACY OF CHESTER COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

**NOTE 10 - AVAILABILITY OF FINANCIAL RESOURCES**

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The following reflects the Organization’s financial assets available as of September 30, 2025 and 2024, reduced by amounts not for general use within one year because of board designated or donor imposed restrictions due within one year. The Organization’s financial assets include cash and pledges receivable. The Organization has board designated funds and restricted funds.

	<u>2025</u>	<u>2024</u>
Cash	\$ 225,111	\$ 235,583
Pledges receivable	<u>-</u>	<u>8,800</u>
Total financial assets	225,111	244,383
Less amounts not available within one year due to:		
Board designated funds - operating reserve	(54,000)	(54,000)
Donor restrictions - time or purpose	<u>-</u>	<u>(8,800)</u>
Financial assets available to meet cash needs for general expenses within one year	<u>\$ 171,111</u>	<u>\$ 181,583</u>

The Organization adopted a liquidity policy to ensure the stability of the mission, programs, employment, and ongoing operations of the Organization. The board designated operating reserve will provide a source of internal funds for Organization priorities such as program opportunity and capacity building.