# The Upper Valley Haven, Inc.

Financial Statements
March 31, 2026 and 2025

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# Independent Auditor's Report

To the Board of Directors and Finance Committee
The Upper Valley Haven, Inc.

## Opinion

We have audited the financial statements of The Upper Valley Haven, Inc. (the Organization), which comprise the statements of financial position as of March 31, 2026 and 2025, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of March 31, 2026 and 2025, 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 (GAAP).

## Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 GAAP, 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.

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Gallagher, Flynn & Company, LLC

South Burlington, Vermont
October 21, 2026

**The Upper Valley Haven, Inc.**

**Statements of Financial Position**
**March 31, 2026 and 2025**

| | 2026 | 2025 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | **$ 6,927,910** | $ 5,065,389 |
| Current portion of pledges receivable | **544,131** | 679,743 |
| Grants and other receivables | **346,921** | 540,444 |
| Inventory | **46,985** | 56,988 |
| Prepaid expenses and other assets | **54,933** | 56,068 |
| **Total current assets** | **7,920,880** | 6,398,632 |
| Long-term assets: | | |
| Pledges receivable, less current portion | **255,824** | 484,701 |
| Investments | **6,092,735** | 5,367,645 |
| Property and equipment | **8,732,906** | 5,251,646 |
| Right-of-use asset, finance lease | **66,554** | 87,032 |
| **Total long-term assets** | **15,148,019** | 11,191,024 |
| **Total assets** | **$ 23,068,899** | $ 17,589,656 |

(continued)

**The Upper Valley Haven, Inc.**

**Statements of Financial Position (continued)**
**March 31, 2026 and 2025**

| | 2026 | 2025 |
|---|---|---|
| **Liabilities and Net Assets** | | |
| Current liabilities: | | |
| Accounts payable | **$ 546,642** | $ 123,971 |
| Accrued expenses and other current liabilities | **224,614** | 225,143 |
| Retainage payable | **279,484** | - |
| Current maturities of finance lease liability | **21,385** | 19,169 |
| **Total current liabilities** | **1,072,125** | 368,283 |
| Finance lease liability, less current maturities | **56,876** | 79,298 |
| **Total liabilities** | **1,129,001** | 447,581 |
| Net assets: | | |
| Without donor restrictions: | | |
| Available for general operations | **8,066,646** | 7,775,441 |
| Board-designated | **3,812,750** | 3,467,733 |
| **Total without donor restrictions** | **11,879,396** | 11,243,174 |
| With donor restrictions: | | |
| Time or purpose | **8,766,224** | 4,604,623 |
| Perpetual | **1,294,278** | 1,294,278 |
| **Total with donor restrictions** | **10,060,502** | 5,898,901 |
| **Total net assets** | **21,939,898** | 17,142,075 |
| **Total liabilities and net assets** | **$ 23,068,899** | $ 17,589,656 |

**The Upper Valley Haven, Inc.**

**Statement of Activities**
**Year Ended March 31, 2026**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Operating revenues: | | | |
| Contributions | $ 3,318,686 | $ 1,132,196 | $ 4,450,882 |
| Contributions of nonfinancial assets | 1,217,791 | - | 1,217,791 |
| Grants | 1,268,766 | - | 1,268,766 |
| Investment return allocated to support operations | 98,839 | 50,826 | 149,665 |
| Net assets released from restrictions | 1,096,597 | (1,096,597) | - |
| **Total operating revenues** | 7,000,679 | 86,425 | 7,087,104 |
| Operating expenses: | | | |
| Program expenses: | | | |
| Food service | 2,088,736 | - | 2,088,736 |
| Service coordination | 1,513,326 | - | 1,513,326 |
| Shelter services | 1,109,451 | - | 1,109,451 |
| Children's program | 243,094 | - | 243,094 |
| Volunteer services | 108,970 | - | 108,970 |
| **Total program expenses** | 5,063,577 | - | 5,063,577 |
| Supporting expenses: | | | |
| General administration | 1,329,436 | - | 1,329,436 |
| Fundraising and development | 639,090 | - | 639,090 |
| **Total supporting expenses** | 1,968,526 | - | 1,968,526 |
| **Total expenses** | 7,032,103 | - | 7,032,103 |
| **Increase (decrease) in net assets from operations** | (31,424) | 86,425 | 55,001 |
| Nonoperating activities: | | | |
| Contributions | - | 1,832,720 | 1,832,720 |
| Contributions of investment securities | - | 135,647 | 135,647 |
| Grants | - | 1,929,392 | 1,929,392 |
| Other income | 308,837 | - | 308,837 |
| Investment return, net of amounts allocated to support operations | 358,809 | 177,417 | 536,226 |
| **Increase in net assets from nonoperating activities** | 667,646 | 4,075,176 | 4,742,822 |
| **Increase in net assets** | 636,222 | 4,161,601 | 4,797,823 |
| Net assets, beginning of year | 11,243,174 | 5,898,901 | 17,142,075 |
| Net assets, end of year | $ 11,879,396 | $ 10,060,502 | $ 21,939,898 |

The accompanying notes are an integral part of these statements.

**The Upper Valley Haven, Inc.**

**Statement of Activities**
**Year Ended March 31, 2025**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Operating revenues: | | | |
| Contributions | $ 2,556,937 | $ 1,304,502 | $ 3,861,439 |
| Contributions of nonfinancial assets | 1,222,272 | - | 1,222,272 |
| Grants | 1,498,478 | - | 1,498,478 |
| Investment return allocated to support operations | 71,194 | 77,126 | 148,320 |
| Net assets released from restrictions | 1,080,671 | (1,080,671) | - |
| **Total operating revenues** | 6,429,552 | 300,957 | 6,730,509 |
| Operating expenses: | | | |
| Program expenses: | | | |
| Food service | 1,976,517 | - | 1,976,517 |
| Service coordination | 1,346,849 | - | 1,346,849 |
| Shelter services | 1,109,402 | - | 1,109,402 |
| Children's program | 241,710 | - | 241,710 |
| Volunteer services | 84,738 | - | 84,738 |
| **Total program expenses** | 4,759,216 | - | 4,759,216 |
| Supporting expenses: | | | |
| General administration | 1,049,896 | - | 1,049,896 |
| Fundraising and development | 612,322 | - | 612,322 |
| **Total supporting expenses** | 1,662,218 | - | 1,662,218 |
| **Total expenses** | 6,421,434 | - | 6,421,434 |
| **Increase in net assets from operations** | 8,118 | 300,957 | 309,075 |
| Nonoperating activities: | | | |
| Contributions | - | 2,052,849 | 2,052,849 |
| Contributions of investment securities | - | 1,524,091 | 1,524,091 |
| Net assets released from restrictions | 423,919 | (423,919) | - |
| Other income | 103,028 | - | 103,028 |
| Investment return, net of amounts allocated to support operations | 159,041 | 58,024 | -<br>217,065 |
| **Increase in net assets from nonoperating activities** | 685,988 | 3,211,045 | 3,897,033 |
| **Increase in net assets** | 694,106 | 3,512,002 | 4,206,108 |
| Net assets, beginning of year | 10,549,068 | 2,386,899 | 12,935,967 |
| Net assets, end of year | $ 11,243,174 | $ 5,898,901 | $ 17,142,075 |

The accompanying notes are an integral part of these statements.

**The Upper Valley Haven, Inc.**

## Statement of Functional Expenses
## Year Ended March 31, 2026

| | Program Expenses | | | | | | Supporting Expenses | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Food Service | Service Coordination | Shelter Services | Children's Program | Volunteer Services | Total Program | General Administration | Fundraising and Development | Total Supporting | Total Expenses |
| Salaries and wages | $ 308,087 | $ 846,343 | $ 556,421 | $ 143,607 | $ 83,332 | $ 1,937,790 | $ 687,069 | $ 351,644 | $ 1,038,713 | $ 2,976,503 |
| Payroll taxes | 24,280 | 68,508 | 44,179 | 11,299 | 6,574 | 154,840 | 53,463 | 27,715 | 81,178 | 236,018 |
| Employee benefits | 77,084 | 144,924 | 147,036 | 17,474 | 12,787 | 399,305 | 67,255 | 67,474 | 134,729 | 534,034 |
| **Total personnel** | 409,451 | 1,059,775 | 747,636 | 172,380 | 102,693 | 2,491,935 | 807,787 | 446,833 | 1,254,620 | 3,746,555 |
| Food and commodities: | | | | | | | | | | |
| In-kind | 1,088,519 | - | - | - | - | 1,088,519 | - | - | - | 1,088,519 |
| Purchased | 468,530 | 13,048 | 21,856 | 3,867 | 352 | 507,653 | 588 | - | 588 | 508,241 |
| Direct assistance | 1,085 | 321,121 | 5,671 | - | - | 327,877 | - | - | - | 327,877 |
| Other expenses | 30,140 | 17,146 | 29,030 | 15,269 | 276 | 91,861 | 148,730 | 55,264 | 203,994 | 295,855 |
| Depreciation and amortization | 32,207 | 46,355 | 150,360 | 20,350 | 3,164 | 252,436 | 30,682 | 10,202 | 40,884 | 293,320 |
| Professional services | 7,197 | 11,691 | 16,001 | 4,650 | - | 39,539 | 206,297 | 32,899 | 239,196 | 278,735 |
| Occupancy | 39,834 | 29,791 | 109,104 | 21,191 | 1,677 | 201,597 | 27,390 | 5,408 | 32,798 | 234,395 |
| Information technology | 1,200 | 4,965 | 650 | - | - | 6,815 | 89,497 | 24,282 | 113,779 | 120,594 |
| Office expenses | 115 | 37 | 346 | - | 218 | 716 | 12,743 | 62,299 | 75,042 | 75,758 |
| Insurance | 10,458 | 9,397 | 28,797 | 5,387 | 590 | 54,629 | 5,722 | 1,903 | 7,625 | 62,254 |
| **Total** | $ 2,088,736 | $ 1,513,326 | $ 1,109,451 | $ 243,094 | $ 108,970 | $ 5,063,577 | $ 1,329,436 | $ 639,090 | $ 1,968,526 | $ 7,032,103 |

The accompanying notes are an integral part of these statements.

**The Upper Valley Haven, Inc.**

## Statement of Functional Expenses
## Year Ended March 31, 2025

| | Program Expenses | | | | | | Supporting Expenses | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Food Service | Service Coordination | Shelter Services | Children's Program | Volunteer Services | Total Program | General Administration | Fundraising and Development | Total Supporting | Total Expenses |
| Salaries and wages | $ 277,417 | $ 611,442 | $ 578,663 | $ 123,278 | $ 64,919 | $ 1,655,719 | $ 528,915 | $ 287,161 | $ 816,076 | $ 2,471,795 |
| Payroll taxes | 21,405 | 49,167 | 47,158 | 9,470 | 5,141 | 132,341 | 40,353 | 21,076 | 61,429 | 193,770 |
| Employee benefits | 71,234 | 76,973 | 120,933 | 26,746 | 9,367 | 305,253 | 81,355 | 49,819 | 131,174 | 436,427 |
| **Total personnel** | 370,056 | 737,582 | 746,754 | 159,494 | 79,427 | 2,093,313 | 650,623 | 358,056 | 1,008,679 | 3,101,992 |
| Food and commodities: | | | | | | | | | | |
| In-kind | 1,103,762 | - | - | - | - | 1,103,762 | - | - | - | 1,103,762 |
| Purchased | 374,754 | 13,052 | 17,076 | 3,849 | - | 408,731 | 278 | 13 | 291 | 409,022 |
| Direct assistance | 894 | 485,380 | 8,722 | - | - | 494,996 | 100 | - | 100 | 495,096 |
| Other expenses | 34,595 | 11,581 | 27,855 | 13,355 | 76 | 87,462 | 58,550 | 73,542 | 132,092 | 219,554 |
| Depreciation and amortization | 29,625 | 42,638 | 138,305 | 18,718 | 2,911 | 232,197 | 28,222 | 9,384 | 37,606 | 269,803 |
| Professional services | 16,629 | 11,928 | 24,198 | 18,560 | - | 71,315 | 203,906 | 67,108 | 271,014 | 342,329 |
| Occupancy | 35,176 | 32,288 | 117,404 | 22,365 | 1,750 | 208,983 | 27,503 | 5,644 | 33,147 | 242,130 |
| Information technology | 1,200 | 3,176 | 650 | - | - | 5,026 | 65,635 | 24,015 | 89,650 | 94,676 |
| Office expenses | 55 | 66 | 417 | 87 | - | 625 | 9,514 | 72,710 | 82,224 | 82,849 |
| Insurance | 9,771 | 9,158 | 28,021 | 5,282 | 574 | 52,806 | 5,565 | 1,850 | 7,415 | 60,221 |
| **Total** | $ 1,976,517 | $ 1,346,849 | $ 1,109,402 | $ 241,710 | $ 84,738 | $ 4,759,216 | $ 1,049,896 | $ 612,322 | $ 1,662,218 | $ 6,421,434 |

The accompanying notes are an integral part of these statements.

**The Upper Valley Haven, Inc.**

**Statements of Cash Flows**
**Years Ended March 31, 2026 and 2025**

| | 2026 | 2025 |
|---|---|---|
| Cash flows from operating activities: | | |
| Increase in net assets | **$ 4,797,823** | $ 4,206,108 |
| Noncash items included in net assets: | | |
| Depreciation and amortization | **293,320** | 269,803 |
| Total investment return | **(685,891)** | (365,385) |
| Contributions of investment securities | **(235,316)** | (1,598,199) |
| Contributions of nonfinancial assets | **(1,217,791)** | (1,222,272) |
| Program expenses - in-kind | **1,088,519** | 1,103,762 |
| Loss (gain) on disposal of property and equipment | **(1,000)** | 27,145 |
| Cash contributions for long-term purposes | **(4,142,534)** | (1,089,140) |
| Changes in assets and liabilities: | | |
| Receivables | **558,012** | (1,139,533) |
| Inventory | **139,275** | 113,974 |
| Prepaid expenses and other assets | **1,135** | (2,194) |
| Accounts payable | **422,671** | (73,859) |
| Accrued expenses and other current liabilities | **(529)** | (28,965) |
| Retainage payable | **279,484** | - |
| **Net cash provided by operating activities** | **1,297,178** | 201,245 |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | **(3,753,102)** | (1,444,888) |
| Purchases of investments | **-** | (101,616) |
| Withdrawals from investments | **196,117** | 1,748,320 |
| **Net cash provided by (used in) investing activities** | **(3,556,985)** | 201,816 |
| Cash flows from financing activities: | | |
| Cash contributions restricted for long-term purposes | **4,142,534** | 1,089,140 |
| Principal payments on finance lease liability | **(20,206)** | (18,326) |
| **Net cash provided by financing activities** | **4,122,328** | 1,070,814 |
| **Net increase in cash and cash equivalents** | **1,862,521** | 1,473,875 |
| Cash and cash equivalents, beginning of year | **5,065,389** | 3,591,514 |
| Cash and cash equivalents, end of year | **$ 6,927,910** | $ 5,065,389 |

The accompanying notes are an integral part of these statements.

## Note 1. Operations

The Upper Valley Haven, Inc. (the Organization) was incorporated in 1980 under the laws of the State of Vermont as a nonprofit corporation. The Organization is located in White River Junction, Vermont, serving the Upper Valley of Vermont and New Hampshire. Its primary purpose is to assist those who are experiencing poverty to be free from hunger, to be securely housed, and to pursue a self-directed life. The Organization employs many programs to achieve this purpose, including the Food Shelf, community food programs, adult and family shelters, supportive housing, community outreach, case management, and children's after-school and summer camp programs.

## Note 2. Summary of Significant Accounting Policies

A summary of the Organization's significant accounting policies applied in the preparation of the accompanying financial statements follows:

**Basis of accounting:** The Organization's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

***Net assets without donor restrictions:*** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the Board of Directors (the Board) and include Board-designated funds that may be expended with the approval of the Board.

***Net assets with donor restrictions:*** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Net assets restricted for use in funding property and equipment assets are released from restriction when the related assets are placed in service.

**Revenue recognition:**

***Contribution and grant revenues:*** Contributions consist of public support from individuals, private organizations, foundations and other tax-exempt organizations. Grants primarily consist of amounts awarded by the State of Vermont to support specific services and are considered contributions for accounting purposes.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions of investment securities to the Organization are recognized at their fair value on the date received.

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

Unconditional contributions with donor restrictions that are used in the manner specified by the donor in the same year that the contribution is received are recognized as contributions with donor restrictions and are reclassified as net assets released from restrictions in the same year. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. This includes contributions that must be used to acquire or construct property or equipment and property or equipment donated with specific restrictions regarding their use, which are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the related assets are placed in service.

Conditional contributions received, including grants and promises to give, are not recorded as revenues until the conditions are substantially met, which, for grants, is generally as reimbursable costs are incurred or, for promises to give, as other conditions as defined by the donor are satisfied.

***Contributed nonfinancial assets:*** Substantially all of the Organization's gifts in kind (nonfinancial assets) consist of donated commodities for redistribution.

The Organization recognizes the fair value of donated commodities (including food and other household goods received for redistribution) over which it has control as contributions of nonfinancial assets and, when distributed shortly thereafter, as in-kind food and commodities program expenses. The Organization values donated goods using a product valuation study performed by Feeding America, which is an industry-recognized benchmark. Estimated information regarding commodities received and distributed is as follows for the years ended March 31:

| | **2026** | 2025 |
|---|---|---|
| Pounds received | **547,000** | 565,000 |
| Pounds distributed | **553,000** | 562,000 |
| Average wholesale value per pound | **$ 1.97** | $ 1.97 |
| Value of pounds received | **$ 1,078,000** | $ 1,112,000 |
| Value of pounds distributed | **$ 1,089,000** | $ 1,104,000 |

Contributions of qualified services are recorded as revenues and offsetting expenses at fair value in the period received. Contributed services must either create or enhance nonfinancial assets of the Organization and require a specialized skill that the Organization would otherwise need to purchase in order to be recorded in accordance with GAAP. Revenues recognized in connection with contributed services were not significant in 2026 or 2025.

**Cash and cash equivalents:** The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash balances related to long-term investments are accounted for as investments.

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

**Pledges, grants and other receivables:** Receivables that are expected to be collected within one year are recorded at their net realizable value; receivables that are expected to be collected thereafter are recorded at the net present value of their estimated future cash flows. As of March 31, 2026 and 2025, the estimated discount on pledges receivable after one year is immaterial.

The Organization maintains allowances for uncollectible receivables for estimated losses resulting from the inability to make required payments. Management considers individual circumstances when determining the collectability of receivables. Based on management's assessment, the Organization records estimated uncollectible amounts through a charge to operating expenses and a credit to a valuation allowance. Balances that remain outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. Allowances for uncollectible receivables are not significant at March 31, 2026 or 2025.

**Inventory:** Donated inventory is valued at the estimated average wholesale value per pound, as previously defined in the contributed nonfinancial assets policy. Purchased inventory is stated at the lower of cost or net realizable value.

**Investments:** Investments are recorded at fair value. The Financial Accounting Standards Board's authoritative guidance on fair value measurements establishes a framework for measuring fair value and expands the disclosure about fair value measurements. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Under this guidance, assets and liabilities carried at fair value must be classified and disclosed in one of the following three categories:

***Level 1:*** Quoted market prices in active markets for identical assets or liabilities.

***Level 2:*** Observable market-based inputs or observable inputs that are corroborated by market data.

***Level 3:*** Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities that are measured and reported at fair value. The fair values of exchange-traded funds are based on quoted market rates for identical assets.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. It is reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the financial statements. The method described may produce fair value calculations that may not be indicative of the net realizable value or reflective of future fair values.

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

Furthermore, although the Organization believes that its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Purchases and sales of investment securities are recorded on a trade-date basis. Interest is recorded when earned, and dividends are accrued as of the ex-dividend date. The Organization considers transfers into and from the investment portfolio to be cash transactions as additional investments and withdrawals from investments, respectively. Within the investment portfolio, net proceeds from sales of investments approximated $277,000 in 2026 and $2,152,000 in 2025 and purchases of investments approximated $263,000 in 2026 and $2,024,000 in 2025.

The Organization has determined that invested cash balances are intended for the purpose of investment and not for operations; therefore, invested cash is included in investments. The Organization manages its investments through an investment manager in accordance with its investment policy. Management's intention is to maintain these funds within the portfolio for investment on a long-term basis; therefore, they are reported as a long-term asset.

**Property and equipment:** Purchased property and equipment are recorded at cost; contributions of property and equipment are recorded at their estimated fair value as of the contribution date.

The Organization depreciates these assets on a straight-line basis over their estimated useful lives, which are generally as follows:

| | |
|---|---|
| Buildings | 39 years |
| Building improvements | 10-20 years |
| Equipment, furniture and fixtures | 5-10 years |
| Website and vehicles | 5 years |

**Leases:** The Organization determines if an arrangement is a lease or contains a lease and assesses lease classification at its inception. Lease classification is re-evaluated upon the occurrence of certain events requiring a lease modification. The Organization has elected to account for lease and non-lease components separately.

Right-of-use assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of fixed lease payments over the lease terms, subject to remeasurement in the event of modification. Right-of-use assets also include any lease payments made to the lessor at or before the commencement or modification date and initial direct costs less lease incentives received. The lease term commences on the date the lessor makes the asset available to the Organization and includes any renewal periods the Organization is reasonably certain to exercise. The Organization has elected to (1) apply the risk-free discount rate for leases in which there is no implicit rate and (2) not recognize short-term leases (with terms of one year or less) as lease liabilities and right-of-use assets; related expenses are recognized on a straight-line basis over the lease term.

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

For finance leases, right-of-use assets are amortized on a straight-line basis over the lesser of the useful life of the leased asset or the lease term. Interest on finance lease liabilities is determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability. The Organization does not have any material operating leases.

**Impairment of long-lived assets:** Long-lived assets, such as property and equipment and right-of-use assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows. An impairment charge is recognized in the amount by which the carrying amount of the asset exceeds its fair value.

**Endowment:** The Organization's endowment consists of individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

***Interpretation of relevant law:*** The Organization is subject to the State Uniform Prudent Management of Institutional Funds Act (SUPMIFA) and, therefore, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time-restricted until the Board appropriates such amounts for expenditure. Certain of those net assets are also subject to purpose restrictions that must be met before reclassifying to net assets without donor restrictions. The Board has interpreted SUPMIFA as requiring the maintenance of purchasing power of the original gift amount contributed to a donor-restricted endowment fund, absent explicit donor stipulations to the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gifts donated to the fund and (b) any accumulations to the fund that are required to be made in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted SUPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The purposes of the Organization and the fund;
2. The duration and preservation of the fund;
3. The Organization's investment policies;
4. Other resources of the Organization; and
5. General economic conditions.

***Underwater endowment funds:*** From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SUPMIFA requires the Organization to retain as a fund of perpetual duration. These deficiencies may occur from unfavorable market fluctuations that occur after the receipt of contributions of investments with donor restrictions.

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

Deficiencies of this nature would be reported as net assets with donor restrictions. Underwater endowments and appropriations from underwater funds were not significant as of and for the years ended March 31, 2026 or 2025.

***Return objectives and risk parameters:*** The Organization has adopted investment and spending policies for endowment and other investment funds to create a diversified portfolio of growth- and income-producing investments consistent with the needs and circumstances of the Organization. The investment goal of the portfolio is to exceed the average annual return of the Lipper Balanced Funds Index over a three- to five-year time frame.

***Strategies employed for achieving objectives:*** To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a weighted ratio on equity-based and fixed-income investments to achieve its long-term return objectives within prudent risk constraints.

***Spending policy and how the investment objective relates to the spending policy:*** As permitted by individual fund restrictions (if any) and operative legal restrictions, the long-term investment fund may provide to the operating fund of the Organization an ongoing contribution of up to 4.5% of assets per year as determined by the market value as of the last business day of the preceding calendar year. The spending percentage is applied to the three-year average of the December market value. The Organization's investment objective for short-term investment funds is to maintain principal stability, with income to be earned consistent with this objective; the investment objective for long-term investments is to produce a total rate of return over time sufficient to provide for the reasonable spending needs of the Organization while also seeking to protect the purchasing power of the assets after inflation.

**Retainage payable:** Retainage represents amounts withheld under construction contracts and is generally payable upon the completion of the related projects and the satisfaction of contractual requirements.

**Functional expenses and allocation of shared costs:** Expenses are charged to program and supporting functions based on direct expenses incurred and allocations of common costs. Common costs are allocated based on related utilization. Specifically, depreciation, occupancy and insurance expenses are allocated based on square footage. Personnel costs are allocated based on budgeted employee time incurred by functional area. Substantially all other expenses are directly identifiable and charged to a specific function.

**Income taxes:** The Organization is a not-for-profit organization, as described in Section 501(c)(3) of the Internal Revenue Code (the Code), and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. However, income from certain activities not directly related to the Organization's tax-exempt purposes would be subject to taxation as unrelated business income, if applicable. Accordingly, the Organization has not provided for income taxes in these financial statements.

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

Each year, management considers whether any material tax position that the Organization has taken is more likely than not to be sustained upon examination by the applicable tax authority. Management believes that any positions that the Organization has taken are supported by substantial authority and, therefore, do not need to be measured or disclosed in the financial statements. Tax returns for the most recent three years are subject to examination by tax authorities.

**Measure of operations:** The statements of activities report all changes in net assets, including those related to programs, supporting activities, and nonoperating activities. Nonoperating activities are limited to contributions, grants, investment returns, and other resources, including those that are Board-designated or restricted by donors for long-term investment, and the related releases of those designations and restrictions.

**Use of estimates:** In preparing financial statements in accordance with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Evaluation of subsequent events:** In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 21, 2026, the date the financial statements were available to be issued.

### Note 3. Availability and Liquidity

The following reflects the Organization's approximated financial assets that are available to meet general expenditure needs within one year as of March 31:

| | **2026** | 2025 |
|---|---|---|
| Cash and cash equivalents | **$ 6,928,000** | $ 5,065,000 |
| Pledges and grants receivable due within one year | **542,000** | 1,359,000 |
| | **7,470,000** | 6,424,000 |
| Less those unavailable for general expenditures within one year due to: | | |
| Restrictions by donors with time or purpose restrictions | **(2,901,000)** | (3,044,000) |
| | **$ 4,569,000** | $ 3,380,000 |

As part of its liquidity management process, the Organization structures its financial assets to be available as general and program expenditures, liabilities, and other obligations become due. The Organization's investments include management-directed funds and Board-designated funds that are not subject to donor restrictions. Should an unforeseen need arise, the Organization could draw on approximately $4,132,000 of Board-designated funds with Board approval.

### Note 4. Uncertainties, Risks and Concentrations

**Major donor:** One grantor or donor provided approximately 12% of the Organization's total revenues in 2026 and 15% of the Organization's total revenues in 2025, excluding investment returns and other income.

**Concentrations of credit risk:** Financial instruments that potentially subject the Organization to concentrations of credit and market risks consist principally of cash and cash equivalents and investments. The Organization has an insured cash sweep account for its operating bank account. The investment accounts at Charles Schwab are insured up to $500,000 by the Securities Investor Protection Corporation (SIPC). At times, the investment balances may be in excess of the SIPC limit. In addition to SIPC insurance, Charles Schwab also carries excess liability insurance for up to $600 million in assets. Management believes that the Organization is not exposed to any significant credit risk on cash and cash equivalents or investments.

### Note 5. Investments

A summary of the Organization's investments at fair value (all Level 1) are as follows at March 31:

| | **2026** | 2025 |
|---|---|---|
| Cash and cash equivalents | **$ 722,807** | $ 692,027 |
| Exchange-traded funds: | | |
| Common stocks - domestic | **3,563,863** | 3,065,457 |
| Common stocks - international | **467,530** | 225,959 |
| Corporate bonds - domestic, international and U.S. government | **1,338,535** | 1,384,202 |
| | **$ 6,092,735** | $ 5,367,645 |

**Note 5. Investments (continued)**

The following tables summarize the composition of investment returns and their classifications in the statements of activities for the years ended March 31:

| | 2026 | | |
|---|---|---|---|
| | **Without Donor Restrictions** | **With Donor Restrictions** | **Total** |
| Interest and dividend income | **$ 85,524** | **$ 42,477** | **$ 128,001** |
| Net realized and unrealized gains | **372,124** | **185,766** | **557,890** |
| **Total investment return** | **457,648** | **228,243** | **685,891** |
| Amounts allocated to operations | **98,839** | **50,826** | **149,665** |
| **Total investment return - nonoperating** | **$ 358,809** | **$ 177,417** | **$ 536,226** |

| | 2025 | | |
|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Interest and dividend income | $ 85,849 | $ 42,388 | $ 128,237 |
| Net realized and unrealized gains | 144,386 | 92,762 | 237,148 |
| **Total investment return** | 230,235 | 135,150 | 365,385 |
| Amounts allocated to operations | 71,194 | 77,126 | 148,320 |
| **Total investment return - nonoperating** | $ 159,041 | $ 58,024 | $ 217,065 |

## Note 6. Property and Equipment

Property and equipment consist of the following at March 31:

| | **2026** | 2025 |
|---|---|---|
| Land | **$ 453,490** | $ 453,490 |
| Buildings and improvements | **5,853,514** | 5,800,650 |
| Furniture and fixtures | **66,227** | 64,417 |
| Equipment | **201,643** | 144,970 |
| Website | **59,091** | 59,091 |
| Vehicles | **174,829** | 185,206 |
| Construction in progress | **4,487,965** | 845,211 |
| | **11,296,759** | 7,553,035 |
| Less accumulated depreciation and amortization | **2,563,853** | 2,301,389 |
| | **$ 8,732,906** | $ 5,251,646 |

Construction in progress at March 31, 2026 and 2025 primarily consists of costs incurred and capitalized for the 608 North Main Street Emergency Shelter and Resource Center project (see Note 11).

## Note 7. Finance Lease

The Organization has a lease agreement for the use of a truck to transport food donations through June 2029. The finance lease liability was recognized using the implicit rate in the lease of 11%. Finance lease cost approximates $29,000 in 2026 and $32,000 in 2025, of which the portion attributable to interest is not significant.

### Note 7. Finance Lease (continued)

As of March 31, 2026, future lease payments required for the lease included in the measurement of the lease liability are as follows:

| | | |
|---|---|---|
| Years ending March 31: | | |
| 2027 | $ | 28,745 |
| 2028 | | 28,745 |
| 2029 | | 28,745 |
| 2030 | | 7,186 |
| **Total minimum lease payments** | | 93,421 |
| Less amount representing interest | | 15,160 |
| **Present value of lease payments** | | 78,261 |
| Less current maturities of finance lease liability | | 21,385 |
| **Total finance lease liability, less current maturities** | $ | 56,876 |

### Note 8. Related-Party Transactions

Contributions from Board members approximated $122,000 in 2026 and $276,000 in 2025.

### Note 9. Retirement Plan

The Organization sponsors a defined contribution retirement plan in the form of a tax-sheltered annuity pursuant to Section 403(b) of the Code, whereby employees may contribute a portion of their pay. Under the terms of the plan, the Organization makes a matching contribution of up to 3% of employees' compensation to match elective employee contributions for eligible employees. The Organization's contributions to the plan were approximately $49,000 in 2026 and $43,000 in 2025.

## Note 10. Net Assets

Net assets with donor restrictions consist of the following at March 31:

| | **2026** | 2025 |
|---|---|---|
| Endowment funds: | | |
| Amounts required to be held in perpetuity: | | |
| Capital improvements, operations and food | **$ 997,778** | $ 997,778 |
| Food services | **126,000** | 126,000 |
| Unrestricted | **170,500** | 170,500 |
| | **1,294,278** | 1,294,278 |
| Accumulated unexpended earnings, subject to donor restrictions and spending policy for the following purposes: | | |
| Capital improvements, operations and food | **452,283** | 321,067 |
| Food services | **85,354** | 66,229 |
| Unrestricted | **128,711** | 101,635 |
| | **666,348** | 488,931 |
| **Total endowment funds** | **1,960,626** | 1,783,209 |
| Non-endowment net assets restricted by donors for use for the following purposes: | | |
| Capital Campaign | **7,389,309** | 3,491,940 |
| New shelter operations | **250,620** | 250,230 |
| Time restricted for future uses | **248,333** | 195,732 |
| Other specified programs | **211,614** | 177,790 |
| | **8,099,876** | 4,115,692 |
| **Total net assets with donor restrictions** | **$ 10,060,502** | $ 5,898,901 |

A portion of the Organization's net assets without donor restrictions has been designated by the Board as a quasi-endowment, the earnings of which are to be used to support operations.

**Note 10. Net Assets (continued)**

Changes in endowment-related net assets are as follows for the years ended March 31, 2026 and 2025:

| | Board-Designated: Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Balance, March 31, 2024 | $ 1,618,320 | $ 1,725,185 | $ 3,343,505 |
| Total investment return | 96,989 | 135,150 | 232,139 |
| Designation of unrestricted net assets by Board | 1,823,618 | - | 1,823,618 |
| Appropriation of endowment assets for expenditure | (71,194) | (77,126) | (148,320) |
| Balance, March 31, 2025 | 3,467,733 | 1,783,209 | 5,250,942 |
| Total investment return | 443,856 | 228,243 | 672,099 |
| Appropriation of endowment assets for expenditure | (98,839) | (50,826) | (149,665) |
| **Balance, March 31, 2026** | **$ 3,812,750** | **$ 1,960,626** | **$ 5,773,376** |

**Note 11. Shelter Expansion and Capital Campaign**

In 2023, the Board approved a plan to construct a new emergency shelter facility to meet the community's growing demands for interim housing, which consists of a 20-bed emergency shelter and resource center in Hartford, Vermont.

In 2024 and 2025, the Organization purchased land and completed its permitting, design and site work. In June 2025, the Organization signed an agreement to begin Phase 2 of construction. The total budgeted costs for the project were approximately $7,723,000. At March 31, 2026, outstanding purchase commitments in connection with the project were approximately $2,486,000.

In connection with the project, the Organization commenced a capital campaign to raise approximately $10,000,000 in order to fund construction of the facility and two years of operational activity at the shelter. As of March 31, 2026, the Organization has recognized approximately $7,640,000 of contribution and grant revenue and has been notified of conditional funding of approximately $2,650,000 related to the campaign.

## Note 12. Commitments and Contingencies

Grants and contracts require the fulfillment of certain conditions, as set forth in the agreements. Failure to fulfill the conditions could result in the return of the funds to grantors. Management deems this contingency remote since, by accepting the awards and their terms, the Organization has accommodated the objectives of the provisions of the grants.