

VOLUNTEER CENTER OF LUBBOCK, INC.

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2024**

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
LUBBOCK, TEXAS

VOLUNTEER CENTER OF LUBBOCK, INC.

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TABLE OF CONTENTS

	<u>Statement Identification</u>	<u>Page No.</u>
Independent Auditor's Report		1
<u>Financial Section</u>		
Statement of Financial Position	Exhibit A	4
Statement of Activities	Exhibit B	5
Statement of Cash Flows	Exhibit C	6
Statement of Functional Expenses	Exhibit D	7
Notes to Financial Statements		8

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Board of Directors
Volunteer Center of Lubbock, Inc.
Lubbock, Texas

Opinion

We have audited the accompanying financial statements of Volunteer Center of Lubbock, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, cash flows, and functional expense, for the year 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 Volunteer Center of Lubbock, Inc. as of December 31, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Volunteer Center of Lubbock, Inc. (the Center) and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center'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 the Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Volunteer Center of Lubbock, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 20, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

February 26, 2026

VOLUNTEER CENTER OF LUBBOCK, INC.

Exhibit A

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2024

	ASSETS			
	Without Donor Restrictions	With Donor Restrictions	December 31,	
			2025	2024
Current Assets				
Cash in Bank	\$ (21,898)	\$ 148,591	\$ 126,693	\$ 150,416
Cash in Bank - Endowment		166,809	166,809	161,868
Certificates of Deposit - Current	175,161		175,161	226,223
Accounts Receivable				51,000
Other Current Assets	27,201		27,201	843
Total Current Assets	\$ 180,464	\$ 315,400	\$ 495,864	\$ 590,350
Non-Current Assets				
Fixed Assets				
Furniture and Equipment	\$ 35,067	\$	\$ 35,067	\$ 40,817
Work in Progress - Building Renovation	380,463		380,463	
Land and Building	244,132		244,132	244,132
Less: Accumulated Depreciation	36,827		36,827	32,204
Total Fixed Assets	\$ 622,835	\$ 0	\$ 622,835	\$ 252,745
Certificates of Deposit - Non-Current	\$ 134,518	\$	\$ 134,518	\$ 128,129
Right-of-Use Asset	13,486		13,486	2,378
Endowment Fund - Long-Term Investments		1,266,815	1,266,815	1,168,559
Total Non-Current Assets	\$ 770,839	\$ 1,266,815	\$ 2,037,654	\$ 1,551,811
Total Assets	\$ 951,303	\$ 1,582,215	\$ 2,533,518	\$ 2,142,161
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts Payable and Other Accrued Liabilities	\$ 29,397	\$	\$ 29,397	\$ 13,381
Lease Liability - Current	3,165		3,165	2,378
Deferred Revenue	7,018		7,018	11,842
Notes Payable	272,246		272,246	
Total Current Liabilities	\$ 311,826	\$ 0	\$ 311,826	\$ 27,601
Lease Liability - Non-Current	\$ 10,321	\$ 0	\$ 10,321	\$ 0
Net Assets				
Without Donor Restrictions				
Undesignated	\$ 278,567	\$	\$ 278,567	\$ 250,944
Board Designated				81,148
Net Investment in Fixed Assets	350,589		350,589	252,745
With Donor Restrictions		1,582,215	1,582,215	1,529,723
Total Net Assets	\$ 629,156	\$ 1,582,215	\$ 2,211,371	\$ 2,114,560
Total Liabilities and Net Assets	\$ 951,303	\$ 1,582,215	\$ 2,533,518	\$ 2,142,161

The accompanying notes are an integral part of these financial statements.

VOLUNTEER CENTER OF LUBBOCK, INC.

Exhibit B

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>December 31,</u>	
			<u>2025</u>	<u>2024</u>
PUBLIC SUPPORT AND REVENUE				
Public Support				
Received Indirectly				
United Way of Lubbock	\$ 165,448	\$	\$ 165,448	\$ 177,725
Received Directly				
Fundraising	36,756		36,756	44,427
Donations	15,126		15,126	46,970
In-Kind Revenue	4,725		4,725	640
	<u>\$ 222,055</u>	<u>\$ 0</u>	<u>\$ 222,055</u>	<u>\$ 269,762</u>
GRANTS				
CH Foundation	\$	\$ 130,000	\$ 130,000	\$ 144,550
Community Foundation of West Texas		15,000	15,000	
Helen Jones Foundation				51,000
HYPE Program	10,000	3,591	13,591	13,300
	<u>\$ 10,000</u>	<u>\$ 148,591</u>	<u>\$ 158,591</u>	<u>\$ 208,850</u>
FEES AND OTHER REVENUE				
Activity - Seminars/Workshops	\$ 11,614	\$	\$ 11,614	\$ 16,286
Interest Earned	15,060		15,060	18,796
Endowment Income		165,513	165,513	120,046
Other	11,602		11,602	23,969
	<u>\$ 38,276</u>	<u>\$ 165,513</u>	<u>\$ 203,789</u>	<u>\$ 179,097</u>
Net Assets Released from Restrictions				
CH Foundation Grant	\$ 144,996	\$ (144,996)	\$	\$
Helen Jones Foundation	51,000	(51,000)		
HYPE Program	3,300	(3,300)		
Endowment Fund	62,316	(62,316)		
	<u>\$ 261,612</u>	<u>\$ (261,612)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Support and Revenue	<u>\$ 531,943</u>	<u>\$ 52,492</u>	<u>\$ 584,435</u>	<u>\$ 657,709</u>
EXPENSES				
Program Services	\$ 426,089	\$	\$ 426,089	\$ 563,628
Management and General	33,108		33,108	37,035
Fund Raising	28,427		28,427	10,019
Total Expenses	<u>\$ 487,624</u>	<u>\$ 0</u>	<u>\$ 487,624</u>	<u>\$ 610,682</u>
CHANGE IN NET ASSETS	\$ 44,319	\$ 52,492	\$ 96,811	\$ 47,027
NET ASSETS - BEGINNING OF YEAR	<u>584,837</u>	<u>1,529,723</u>	<u>2,114,560</u>	<u>2,067,533</u>
NET ASSETS - END OF YEAR	<u>\$ 629,156</u>	<u>\$ 1,582,215</u>	<u>\$ 2,211,371</u>	<u>\$ 2,114,560</u>

The accompanying notes are an integral part of these financial statements.

VOLUNTEER CENTER OF LUBBOCK, INC.

Exhibit C

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024

	December 31,	
	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 96,811	\$ 47,027
Adjustments to Reconcile Change in Net Assets to Net Cash		
From Operating Activities		
Depreciation	10,373	3,402
Changes in Operating Assets and Liabilities		
Accounts Receivable - Restricted	51,000	
Endowment Income	(165,513)	(120,046)
Other Assets	(26,358)	82
Accounts Payable and Accrued Expenses	16,016	(17,322)
Deferred Revenue	(4,824)	381
Net Cash From Operating Activities	<u>\$ (22,495)</u>	<u>\$ (86,476)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	\$ (380,463)	\$ (247,743)
Interest Reinvested in Certificates of Deposit	(14,814)	(10,304)
Redemption of Certificates of Deposit	159,645	
Purchase of Certificates of Deposit	(100,158)	(181,654)
Endowment Distributions	62,316	64,575
Proceeds from Sale of Investments	304,960	491,384
Purchases of Investments	(300,019)	(350,701)
Net Cash From Investing Activities	<u>\$ (268,533)</u>	<u>\$ (234,443)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on Notes Payable	\$ 272,246	\$
Net Cash From Financing Activities	<u>\$ 272,246</u>	<u>\$ 0</u>
NET CHANGE IN CASH	\$ (18,782)	\$ (320,919)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>312,284</u>	<u>633,203</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 293,502</u>	<u>\$ 312,284</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Interest	\$ 468	\$ 0
Income Taxes	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements.

VOLUNTEER CENTER OF LUBBOCK, INC.

Exhibit D

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services	Management and General	Fund Raising	December 31,	
				2025	2024
Salaries and Benefits	\$ 211,184	\$ 16,077	\$	\$ 227,261	\$ 339,198
Payroll Taxes	19,561	1,489		21,050	28,196
Total Salaries and Related Expense	\$ 230,745	\$ 17,566	\$ 0	\$ 248,311	\$ 367,394
Supplies	11,294	76	2,460	13,830	23,605
Volunteer Program Awards	22,584			22,584	41,181
Seminars/Workshops Expense	41,035			41,035	66,700
In-Kind Seminars/Workshops Expense					640
Telephone	3,537	132		3,669	4,143
Postage and Shipping	2,002	50		2,052	2,720
Occupancy	8,177	622		8,799	6,000
Equipment Repairs	1,882	143		2,025	357
Printing and Publications	9,809	206		10,015	12,231
Dues	2,928			2,928	2,111
Conferences and Travel	14,765	76		14,841	13,292
Insurance	6,982	532		7,514	2,160
Contract Services		12,935		12,935	12,166
Youth for Impact Expenses	738			738	3,924
Nonprofit Fellows	6,500			6,500	4,375
Marketing	2,299	175		2,474	4,970
Website Expenses	3,525	269		3,794	3,518
Agency Partner Support	10			10	445
HYPE Expenses	20,621			20,621	28,500
ServeFest Expenses	21,000			21,000	
Other	5,427	182	25,967	31,576	6,848
Total Before Depreciation	\$ 415,860	\$ 32,964	\$ 28,427	\$ 477,251	\$ 607,280
Depreciation of Equipment	10,229	144		10,373	3,402
Total Expenses	\$ 426,089	\$ 33,108	\$ 28,427	\$ 487,624	\$ 610,682

The accompanying notes are an integral part of these financial statements.

VOLUNTEER CENTER OF LUBBOCK, INC.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Nature of Activities

The Volunteer Center of Lubbock, Inc. (the Center) was chartered in March of 1990 for the purpose of identifying and developing resources to meet community needs by linking volunteers with people or groups in need of volunteers and providing management assistance services to other nonprofit organizations. The Center is funded by United Way of Lubbock, Inc., grant income, and fees from workshops.

Income Taxes

The Center is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

Basis of Accounting

The financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Fixed Assets and Depreciation

Expenditures for equipment in excess of \$500 are capitalized. Depreciation is recorded on a straight-line basis at rates of 10% to 33.33% per year. Office furniture and equipment cost at December 31, 2025 is \$35,067 and accumulated depreciation is \$30,859. Depreciation expense for the year is \$4,405. Donated fixed assets are valued at fair market value at the time they are received.

On December 20, 2024, the Center purchased land and building at a cost of \$244,132. The building is depreciated at a rate of 2.56% per year. Depreciation expense for the year is \$5,968.

In addition, during the year ended December 31, 2025, the Center began renovating the building. Work in progress on the building at year end was \$380,463 and will not be depreciated until construction is completed.

Financial Statement Presentation

The Center is required to classify net assets and revenues, expenses, and gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

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 stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Net assets without donor restrictions: Net assets not subject to donor-imposed restrictions. Net assets without donor restrictions are currently available for operating purposes under the direction of the board, designated by the board for specific use, or invested in property and equipment.

VOLUNTEER CENTER OF LUBBOCK, INC.

NOTES TO FINANCIAL STATEMENTS

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

Functional Allocation of Expenses

The costs of providing programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and various conferences, which are based on utilization, as well as salaries and related expenses, supplies, telephone, postage and shipping, occupancy, repairs, printing, insurance, marketing, website expenses, and other expenses which are allocated on estimates of time and effort.

Comparative Totals

The financial information for the year ended December 31, 2024 is presented for comparative purposes only and is not intended to be a complete financial statement presentation.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Statement of Cash Flows

For purposes of the statement of cash flows, the Center considers cash in bank to be cash equivalents.

Contributed Services

Contributed services shall be recognized if the service received (a) creates or enhances nonfinancial assets or (b) requires specialized skills and would typically need to be purchased if not provided by donation. Many volunteers provide services related to the Center's programs and fund raising campaigns throughout the year. Many of these services are not recognized as contributions in the financial statements because the recognition criteria was not met. However, during the year ended December 31, 2025, the Center received donated fixed assets of \$4,725 that met the criteria above. The contributed services are recognized on the statement of activities as in-kind revenue and on the statement of financial position as work in progress – building renovation.

Uncertain Tax Positions

The Center has adopted the "uncertain tax positions" provisions of GAAP. The primary tax position of the Center is its filing status as a tax exempt entity. The Center determined that it is more likely than not that its tax positions will be sustained upon examination by the Internal Revenue Service (IRS) or other State taxing authorities. The Center is no longer subject to examinations by federal taxing authorities for years before 2022.

VOLUNTEER CENTER OF LUBBOCK, INC.

NOTES TO FINANCIAL STATEMENTS

Fair Value Investments

Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. The standard also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels. These levels, defined by the valuation techniques, are described below:

Level 1 – Inputs include quoted prices in active markets for identical assets.

Level 2 – Inputs include available indirect information, such as quoted prices for similar assets in active markets, or quoted prices for identical or similar assets in markets that are not active.

Level 3 – Inputs are subjective and generally based on the entity’s own assumptions on how knowledgeable parties would price assets and are developed using the best information available in the circumstances.

See Note 3 for a detail of Endowment Investments and their fair value.

2. Investments

The Helen Devitt Jones Education Endowment consists of long-term investments in mutual funds. Values in these investments and accumulated unrealized gains or losses are shown below:

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gain</u>	<u>Investment Level</u>
Helen Devitt Jones Education Endowment				
Mutual Funds	\$ <u>907,333</u>	\$ <u>1,266,815</u>	\$ <u>359,482</u>	1

See Note 1 regarding a discussion on fair value investments. For the year ended December 31, 2025, unrealized gains of \$113,034 were recorded on the statement of activities. Expenses related to management of the funds were \$10,874 for the year ended December 31, 2025.

VOLUNTEER CENTER OF LUBBOCK, INC.

NOTES TO FINANCIAL STATEMENTS

3. Endowment Fund

The Center's endowment includes donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Donor-restricted endowments are classified as net assets with donor restrictions.

Balance as of 1/1/2025	\$	1,330,427
Released from Restriction		(62,316)
Investment Income		23,373
Realized Gains		39,980
Unrealized Gains		113,034
Investment Fees		<u>(10,874)</u>
Balance as of 12/31/2025	\$	<u><u>1,433,624</u></u>

Endowment funds are currently invested as follows as of December 31, 2025:

Cash in Bank - Endowment	\$	166,809
Long Term Investments		<u>1,266,815</u>
	\$	<u><u>1,433,624</u></u>

Interpretation of Relevant Law

The Center's management has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) The duration and preservation of the fund, (2) The purposes of the organization and the donor-restricted endowment fund, (3) General economic conditions, (4) The possible effect of inflation and deflation, and (5) The expected total return from income and the appreciation of investments.

VOLUNTEER CENTER OF LUBBOCK, INC.

NOTES TO FINANCIAL STATEMENTS

4. Endowment Investment Objectives and Distribution Policy

The Volunteer Center of Lubbock, Inc. Helen Devitt Jones Education Endowment was established in January 2013, with a grant, in trust, from the Helen Jones Foundation in the amount of \$600,000. An additional \$250,000 was granted in November 2013, an additional \$75,000 was granted in December 2016, an additional \$250,000 was granted in August 2017, and an additional \$11,000 was granted in December 2017. During the years ended December 31, 2020 and 2021, unused grant proceeds from the Helen Jones Foundation of \$20,973 were approved to be transferred to the endowment. As of December 31, 2025, \$1,433,624 is invested in various restricted investments.

The objective is to preserve real purchasing power by seeking long-term returns that either match or exceed the distribution rate plus inflation. The trust views the Center's endowment as permanent. The Trust therefore places greater significance on projections of long-term market performance than on short-term market reversals. The general policy diversifies investments within both equity and fixed-income securities to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class of investment category.

The current policy is to annually distribute five percent of the Helen Devitt Jones Education Endowment based on the trailing 36 month average of the endowment's investment portfolio balance, with the expectation that, over time, the total real return (return net of inflation) from investments will exceed the endowment's pay-out rate, thus allowing for real growth of endowment assets. The percentage of distribution is determined by the Board of Trustees and will be reviewed annually for appropriateness in the then-current economic conditions.

The distribution amount is \$64,753 based on the year ended December 31, 2025 value to be used for restricted purposes beginning on January 1, 2026. The trust is governed by its own Board of Trustees comprised of seven members consisting of the Center's President and Treasurer, two members appointed by the Center, two at-large members, and one member of the Helen Jones Foundation Board of Directors.

5. Notes Payable

The Center obtained a line of credit with Western Bank during the year ended December 31, 2025. The purpose of this note was to obtain funds to complete the renovations of the new building while awaiting donations and grants. This note bears a fixed interest rate of 5.60% and is secured by certificates of deposit at Western Bank. The note matures on October 24, 2026. The outstanding balance as of December 31, 2025 is \$172,131.

The Center obtained a note payable with Western Bank during the year ended December 31, 2025. The purpose of this note was to obtain funds to complete the renovations of the new building while awaiting donations and grants. This note bears a variable interest rate that was 7.75% at December 31, 2025 and is unsecured. The note matures on March 19, 2026. The outstanding balance as of December 31, 2025 is \$100,115.

VOLUNTEER CENTER OF LUBBOCK, INC.

NOTES TO FINANCIAL STATEMENTS

6. Revenue from Contracts with Customers

The Center receives revenue from partnerships with various community agencies. Partners receive benefits such as a free account on the Center’s online volunteer community, Get Connected, promotion in the Center’s Guide to Volunteering in Lubbock and eNewsletters, discounted fees on workshops and consultations, and opportunities to connect with the community at the Center’s agency fairs and events. Partners pay an annual fee of \$125. Performance obligations related to the sale of memberships to agency partners are satisfied on a calendar year basis. The Center recognizes revenues that correspond to the price of membership delivered to the agency partner on an annual basis. All 2025 partnership agreements have been satisfied as of December 31, 2025 other than the deferred agency fees listed below that were paid in advance for 2026.

The Center recognizes revenue from fundraising events at the time of the event. Revenue for any events or sponsorships that have not occurred prior to December 31, 2025 are included in deferred revenues below. All other performance obligations have been met as of December 31, 2025.

Deferred revenues consisted of the following at December 31, 2025:

Deferred Agency Fees	\$	4,297
Deferred Seminar Fees		<u>2,721</u>
	\$	<u><u>7,018</u></u>

Outstanding performance obligations which were shown as deferred revenues at December 31, 2024 were satisfied during the year ended December 31, 2025.

7. Net Assets with Donor Restrictions

At December 31, 2025, net assets with donor restrictions consisted of the following:

	<u>Balance 1/1/25</u>	<u>Proceeds/ Allocation Received</u>	<u>Released From Restrictions</u>	<u>Balance 12/31/25</u>
Subject to expenditure for specified purpose:				
Helen Jones Foundation	\$ 51,000	\$	\$ (51,000)	\$
CH Foundation - Youth	144,996	130,000	(144,996)	130,000
Community Foundation of West Texas		15,000		15,000
HYPE Income	<u>3,300</u>	<u>3,591</u>	<u>(3,300)</u>	<u>3,591</u>
	<u>\$ 199,296</u>	<u>\$ 148,591</u>	<u>\$ (199,296)</u>	<u>\$ 148,591</u>
Subject to the Center's spending policy and appropriation:				
Helen Jones Endowment Restricted in Perpetuity	<u>\$ 1,330,427</u>	<u>\$ 165,513</u>	<u>\$ (62,316)</u>	<u>\$ 1,433,624</u>
	<u><u>\$ 1,529,723</u></u>	<u><u>\$ 314,104</u></u>	<u><u>\$ (261,612)</u></u>	<u><u>\$ 1,582,215</u></u>

VOLUNTEER CENTER OF LUBBOCK, INC.

NOTES TO FINANCIAL STATEMENTS

8. Net Assets without Donor Restrictions – Board Designated

During the year ended December 31, 2014, the Board designated \$17,190 to be spent on marketing funds. \$14,910 was spent on marketing and released from board designated net assets as of December 31, 2024. The remaining balance of the Board designated funds of \$2,280 were spent on marketing during the year ended December 31, 2025.

During the year ended December 31, 2022, the Board designated \$323,000 for future building funds. \$244,132 was spent during the year ended December 31, 2024 to purchase land and a building. The remaining balance of the Board designated funds were spent on building renovations in the amount of \$78,868 during the year ended December 31, 2025.

There are no net assets without donor restrictions – board designated remaining as of December 31, 2025.

9. Liquidity and Availability of Financial Assets

The following reflects the Center’s financial assets as of December 31, 2025, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations.

Cash in Bank	\$	126,693
Cash in Bank - Endowment		166,809
Certificates of Deposit		309,679
Other Current Assets		27,201
Fixed Assets		622,835
Right-of-Use Asset		13,486
Endowment Fund - Long Term Investments		<u>1,266,815</u>
Total Financial Assets	\$	<u>2,533,518</u>
Less contractual or donor-imposed restrictions:		
Cash Restricted		(148,591)
Other Current Assets		(27,201)
Right-of-Use Asset		(13,486)
Endowment Fund Investments		(1,433,624)
Net Investment in Fixed Assets		<u>(350,589)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$	<u>560,027</u>

The Center is supported by contributions and grants. Some funds have donor restriction requirements to be used in a particular manner or in a future period. The Center must maintain sufficient resources to meet those responsibilities to its donors. Thus, some financial assets may not be available for general expenditure within one year. As part of the Center’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Center invests cash in certificates of deposit and interest-bearing accounts with rates similar to certificates of deposit.

VOLUNTEER CENTER OF LUBBOCK, INC.

NOTES TO FINANCIAL STATEMENTS

10. Right-of-Use Asset and Lease Liability

The Center is leasing photocopying equipment through an operating lease. The terms of the lease call for monthly payments of \$264 over 60 months. Lease expense for the year ended December 31, 2025, totaled \$5,832. The lease expense amount reported includes additional charges incurred for usage. The following represents the present value of cash flows, discounted at a rate of 5.00%, for future minimum lease payments:

2026	\$	3,165
2027		3,165
2028		3,165
2029		3,165
2030		2,376
Total Lease Payments	\$	15,036
Less: Imputed Interest		(1,550)
Present Value of Lease Liability	\$	13,486
Less: Current Maturities		(3,165)
Lease Liability - Non-Current	\$	<u>10,321</u>

11. Litigation

At December 31, 2025, management represents that there were no lawsuits pending against the Center which would materially affect the financial statements.

12. Subsequent Events

The Center has evaluated subsequent events through February 26, 2026, the date which the financial statements were available to be issued.