

**A WIDER CIRCLE, INC.**

**Financial Statements Together with  
Report of Independent Public Accountants**

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

**A WIDER CIRCLE, INC.**

**Financial Statements Together with  
Report of Independent Public Accountants**

**SEPTEMBER 30, 2025 AND 2024**

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## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS**

To the Board of Directors of  
A Wider Circle, Inc.

We have audited the statements of financial position of A Wider Circle, Inc. (the Organization) as of September 30, 2025 and 2024, and the related statements of activities and changes in net assets, 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 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 (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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls 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 for one year after the date that the financial statements are available for issuance.

***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 controls. 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 controls 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 controls. 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 for a one year after the date the financial statements are available to be issued.

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 controls-related matters that we identified during the audit.

Owings Mills, Maryland  
March 10, 2026



**A WIDER CIRCLE, INC.**

**Statements of Financial Position  
As of September 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,718,408	\$ 34,261
Investments	316,248	281,525
Contributions and grants receivable, net	418,545	452,190
Furniture, home goods, and clothing inventory for distribution	172,432	215,739
Prepaid expenses and other assets	128,314	86,072
Property and equipment, net	5,691,222	5,949,620
Right-of-use assets - operating	806,329	1,061,417
<b>Total Assets</b>	<b>\$ 9,251,498</b>	<b>\$ 8,080,824</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 236,114	\$ 94,044
Deferred revenue	148,667	189,801
Line of credit	-	38,379
Lease liability - operating	897,254	1,180,546
Mortgage payable	2,102,958	2,186,038
<b>Total Liabilities</b>	<b>3,384,993</b>	<b>3,688,808</b>
<b>Net Assets</b>		
Without donor restrictions	5,192,257	3,804,491
With donor restrictions	674,248	587,525
<b>Total Net Assets</b>	<b>5,866,505</b>	<b>4,392,016</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 9,251,498</b>	<b>\$ 8,080,824</b>

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

**A WIDER CIRCLE, INC.**

**Statements of Activities and Changes in Net Assets  
For the Years Ended September 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>Revenue and Other Support</b>		
Contributions and grants	\$ 4,283,402	\$ 4,118,497
Government grants	1,689,383	1,053,180
Nonfinancial contributions - goods	3,544,142	2,551,992
Nonfinancial contributions - services	34,800	97,145
Other revenue	1,909,260	39,577
Net assets released from restrictions	234,383	361,000
<b>Total Revenue and Other Support</b>	<u>11,695,370</u>	<u>8,221,391</u>
<b>Expenses</b>		
Program services	8,198,110	6,604,497
Management and general	1,562,426	1,131,519
Fundraising	547,068	518,765
<b>Total Expenses</b>	<u>10,307,604</u>	<u>8,254,781</u>
<b>Change in Net Assets Without Donor Restrictions</b>	<u>1,387,766</u>	<u>(33,390)</u>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions and grants	275,000	226,000
Investment income, net	46,106	62,631
Net assets released from restrictions	(234,383)	(361,000)
<b>Change in Net Assets With Donor Restrictions</b>	<u>86,723</u>	<u>(72,369)</u>
Changes in total net assets	1,474,489	(105,759)
Net assets, beginning of year	4,392,016	4,497,775
<b>Net Assets, End of Year</b>	<u>\$ 5,866,505</u>	<u>\$ 4,392,016</u>

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

**A WIDER CIRCLE, INC.**

**Statement of Functional Expenses  
For the Year Ended September 30, 2025, with Comparative Totals for 2024**

	2025					2024
	Program Services	Support Services		Total		
		Management and General	Fundraising			
Salaries	\$ 3,109,837	\$ 427,296	\$ 339,088	\$ 3,876,221	\$ 3,375,119	
Payroll taxes	220,744	30,331	24,069	275,144	246,654	
Benefits	276,336	37,969	30,131	344,436	279,735	
Total payroll and related expenses	<u>3,606,917</u>	<u>495,596</u>	<u>393,288</u>	<u>4,495,801</u>	3,901,508	
Furniture and household supplies	3,587,449	-	-	3,587,449	2,497,793	
Professional fees	208,952	410,052	17,964	636,968	469,225	
Occupancy	346,509	47,611	37,782	431,902	476,399	
Depreciation	-	258,398	-	258,398	251,840	
Building maintenance and renovations	37,201	78,720	-	115,921	112,075	
Property taxes	-	89,734	-	89,734	14,738	
Family assistance	88,890	-	-	88,890	78,248	
Interest	68,471	19,305	-	87,776	95,926	
Telephone	64,566	14,260	8,187	87,013	82,357	
Technology, internet, and web	56,522	16,851	13,631	87,004	-	
Insurance	8,486	70,157	-	78,643	96,551	
Non-capitalized equipment	37,136	8,679	7,971	53,786	10,015	
Printing and reproduction	6,045	2,011	33,978	42,034	33,363	
Community outreach and supplies	18,929	19,937	2,451	41,317	22,005	
Dues and memberships	7,203	16,578	4,686	28,467	17,904	
Fees	18,340	2,520	2,000	22,860	26,267	
Travel	18,509	-	607	19,116	19,494	
Miscellaneous	3,312	702	17,075	21,089	17,535	
Postage and delivery	15	8,115	7,448	15,578	9,620	
Grants	12,600	-	-	12,600	15,439	
Staff development	2,058	3,200	-	5,258	6,479	
<b>Total Expenses</b>	<u><u>\$ 8,198,110</u></u>	<u><u>\$ 1,562,426</u></u>	<u><u>\$ 547,068</u></u>	<u><u>\$ 10,307,604</u></u>	<u><u>\$ 8,254,781</u></u>	

The accompanying notes are an integral part of this financial statement.

**A WIDER CIRCLE, INC.**

**Statement of Functional Expenses  
For the Year Ended September 30, 2024**

	<b>Program Services</b>	<b>Support Services</b>		<b>Total</b>
		<b>Management and General</b>	<b>Fundraising</b>	
Salaries	\$ 2,771,124	\$ 334,924	\$ 269,071	\$ 3,375,119
Payroll taxes	202,138	24,685	19,831	246,654
Benefits	229,249	27,995	22,491	279,735
<b>Total payroll and related expenses</b>	<b>3,202,511</b>	<b>387,604</b>	<b>311,393</b>	<b>3,901,508</b>
Furniture and household supplies	2,497,793	-	-	2,497,793
Professional fees	136,585	202,999	129,641	469,225
Occupancy	383,548	87,349	5,502	476,399
Depreciation	-	251,840	-	251,840
Building maintenance and renovations	107,305	4,720	50	112,075
Insurance	48,455	48,096	-	96,551
Interest	-	95,926	-	95,926
Telephone	61,114	13,496	7,747	82,357
Family assistance	78,248	-	-	78,248
Printing and reproduction	(166)	-	33,529	33,363
Fees	21,526	2,629	2,112	26,267
Community outreach and supplies	8,840	11,921	1,244	22,005
Travel	19,494	-	-	19,494
Dues and memberships	5,768	9,508	2,628	17,904
Miscellaneous	1,581	-	15,954	17,535
Grants	15,439	-	-	15,439
Property taxes	-	14,738	-	14,738
Non-capitalized equipment	10,015	-	-	10,015
Postage and delivery	-	655	8,965	9,620
Staff development	6,441	38	-	6,479
<b>Total Expenses</b>	<b>\$ 6,604,497</b>	<b>\$ 1,131,519</b>	<b>\$ 518,765</b>	<b>\$ 8,254,781</b>

The accompanying notes are an integral part of this financial statement.

## A WIDER CIRCLE, INC.

### Statements of Cash Flows For the Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Cash Flows from Operating Activities</b>		
Changes in net assets	\$ 1,474,489	\$ (105,759)
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	258,398	251,840
Realized/unrealized gain on investments, net	(42,527)	(67,337)
Reinvested earnings	(3,579)	(4,990)
Non cash rent expenses	(28,204)	77,654
Effects of changes in non-cash operating assets and liabilities:		
Contributions and grants receivable, net	33,645	210,206
Furniture, home goods, and clothing inventory for distribution	43,307	(54,199)
Prepaid expenses and other assets	(42,242)	26,400
Accounts payable and accrued liabilities	142,070	(33,847)
Grant payable	-	(70,000)
Deferred revenue	(41,134)	116,302
<b>Net Cash from Operating Activities</b>	<u>1,794,223</u>	<u>346,270</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of investments	11,383	9,696
Purchase of furniture and improvements to buildings	-	(43,843)
<b>Net Cash Flows from Investing Activities</b>	<u>11,383</u>	<u>(34,147)</u>
<b>Cash Flows from Financing Activities</b>		
Payments on mortgage payable	(83,080)	(79,885)
Payments on line of credit, net	(38,379)	(249,244)
<b>Net Cash from Financing Activities</b>	<u>(121,459)</u>	<u>(329,129)</u>
<b>Cash and Cash Equivalents</b>		
Net change in cash and cash equivalents	1,684,147	(17,006)
Cash and cash equivalents, beginning of year	34,261	51,267
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 1,718,408</u>	<u>\$ 34,261</u>
<b>Supplemental Cash Flow Disclosure</b>		
Cash paid for interest	<u>\$ 87,776</u>	<u>\$ 95,926</u>

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

## **A WIDER CIRCLE, INC.**

### **Notes to the Financial Statements September 30, 2025 and 2024**

#### **1. BACKGROUND OF THE ORGANIZATION**

A Wider Circle, Inc. (the Organization) is a 501(c)(3) charitable non-profit organization that was incorporated in the State of Maryland on October 1, 2001. The mission of the Organization is to end poverty using a holistic approach which integrates on-the-ground services for the creation of stable homes, workforce development, and neighborhood revitalization. The Organization also seeks to develop large-scale solutions that incorporate greater awareness and engagement by the community.

Each day, the Organization provides basic need items to families transitioning out of shelters or simply living without life's necessities. The Organization furnishes the homes of approximately 3,000 families each year, all free of charge. The Organization also provides comprehensive workforce readiness programming, including job skills training and the provision of professional attire and accessories to more than 1,000 individuals annually. Additionally, the Organization's Neighborhood Partnerships Program offers individual and community-based programming from within Washington, D.C. neighborhoods. Finally, the Organization serves individuals working towards sustained financial self-sufficiency through the Partnership to Independence, a long-term wraparound supportive initiative.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The accompanying financial statements of the Organization are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

##### **Use of Estimates**

The preparation of the Organization's 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 disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue, support, and expenses during the reporting period. Accordingly, actual results could differ from those estimates and assumptions.

##### **Cash and Cash Equivalents**

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents as of September 30, 2025 and 2024, consisted of money deposited in an interest-bearing account.

## A WIDER CIRCLE, INC.

### Notes to the Financial Statements September 30, 2025 and 2024

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Fair Value Measurements

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under generally accepted accounting principles (GAAP) are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Financial instruments consisted of cash, investments, receivables, and payables. The carrying value of the Organization's financial instruments in the accompanying statements of financial position approximates their respective estimated fair values as of September 30, 2025 and 2024. Fair values are estimates based on current market rates, prices, or liquidation value.

## **A WIDER CIRCLE, INC.**

### **Notes to the Financial Statements September 30, 2025 and 2024**

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **Contributions and Grants Receivable, Net**

The Organization receives grants and contributions from various entities, including foundations and government agencies. Unconditional promises to give that are expected to be collected in one year are recorded and valued at management's estimate of the net realizable value. Management assesses the collectability for each amount based on historic data and economic conditions. Management considers all amounts as of September 30, 2025 and 2024, to be fully collectible when due; accordingly, no allowance for doubtful accounts was recorded. As of September 30, 2025 and 2024, receivables that were expected to be collected greater than one year were discounted at 3.60% and 3.66%, respectively.

##### **Furniture, Home Goods, and Clothing Inventory for Distribution**

Furniture, home goods, and clothing not distributed as of year-end are maintained in inventory and recorded as an asset. Inventory is carried at fair value based on the estimated costs of the item and review of prices at similar retail organizations. Inventory is expense to program expense when distributed to clients.

##### **Property and Equipment, Net**

Property and equipment costing more than \$1,000 are recorded at cost, except for contributions of property and equipment, which are recorded at their fair value when received. The Organization records depreciation expense using the straight-line method over the estimated useful lives of the assets. Repairs and maintenance are expensed as incurred.

##### **Right-of-Use Asset and Lease Liability**

The Organization records the right-of-use asset related to its office and storage space leases. The right-of-use asset is amortized over the term of the leases. The lease liability represents the future commitments for the Organization's office and storage space leases. These liabilities are measured at the present value of future lease payments, discounted using an estimated lease rate of 7.25% as of the lease measurement date.

##### **Deferred Revenue**

Deferred revenue represents amounts collected in advance for event sponsorships and are recorded as deferred revenue in the accompanying statements of financial position.

## **A WIDER CIRCLE, INC.**

### **Notes to the Financial Statements September 30, 2025 and 2024**

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **Net Assets**

Net assets without donor restrictions are assets and contributions that are not restricted by donors or for which restrictions have expired.

Net assets with donor restrictions are those whose use by the Organization has been restricted by donors primarily for a specific time period or purpose. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions. If a donor restriction is met in the same reporting period in which the contribution is received, the contribution (to the extent that the restrictions have been met) is reported as net assets without donor restrictions.

When a donor restriction expires, that is, when some stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities and changes in net assets as net assets released from restrictions.

##### **Revenue and Other Support**

The Organization recognizes grants and contributions when an unconditional promise to give is received. Conditional promises to give, with measurable performance or other barriers and a right of return, are not recognized until the conditions on which they depend have been met.

Grants and contributions received are recorded as net assets with or without donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. Donations for which the Organization may spend the interest earnings, but must maintain the principal in perpetuity, are recorded as net assets with donor restrictions in perpetuity.

Government grants are recognized as revenue when allowable expenses are incurred.

Contributions of furniture, home goods, and clothing are recognized at the value described in the inventory section above, when received. All other revenues are recognized when earned.

Investment gains/losses include both realized and unrealized gains and losses on investments. Realized gains and losses are calculated based on the difference between the cost of the investments and the proceeds received from the sale of the respective investments. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Unrealized and realized gains and losses, dividends, and interest from investing activities in income producing assets are included in the applicable net asset classification depending on donor restrictions.

## **A WIDER CIRCLE, INC.**

### **Notes to the Financial Statements September 30, 2025 and 2024**

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **Revenue and Other Support (continued)**

The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") provides an employee retention credit ("CARES Employee Retention Credit"), which is a refundable tax credit against certain employment taxes of up to \$5,000 per employee for eligible employers. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee. The Organization qualified for the tax credit and received additional tax credits for qualified wages, and recorded \$1,831,171 related to the CARES Employee Retention Credit in other income in the accompanying statement of activities and change in net assets for the year ending September 30, 2025.

##### **Nonfinancial Contributions – Goods and Services**

The Organization recognizes nonfinancial goods and services if they meet any of the following criteria: a) they create or enhance non-financial assets; or b) they require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization's mission is continued through contributions of furniture, home goods, clothing, and other necessities from the public. These are recorded at their fair value at the date of receipt and are recorded as contributed revenue in the accompanying statements of activities and changes in net assets.

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

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets and in the statements of functional expenses. Accordingly, certain costs have been allocated or directly coded among the program and support services that benefit from those costs. Management and general expenses include those expenses not directly identified with any other specific function but provide for the overall support and direction of the Organization. Shared costs were allocated based on time and effort.

##### **Income Taxes**

The Organization is a not-for-profit organization that is exempt from the payment of federal income taxes, other than net unrelated business income taxes, under the provisions of Section 501(c)(3) of the United States Internal Revenue Code and is recognized as such by the Internal Revenue Service.

Accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return.

## A WIDER CIRCLE, INC.

### Notes to the Financial Statements September 30, 2025 and 2024

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Income Taxes (continued)

The Organization performed an evaluation of uncertain tax positions as of September 30, 2025 and 2024, and determined that there were no matters that would require recognition in the financial statements or which may have any effect on its tax-exempt status.

As of September 30, 2025, the statute of limitations for fiscal years 2022 through 2025 remains open for the U.S. federal jurisdiction and the various state and local jurisdictions in which the Organization files tax returns. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense in the statements of activities and changes in net assets.

##### Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of September 30, 2025 and 2024, reduced by amounts not available for general use within one year because of donor-imposed restrictions.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,718,408	\$ 34,261
Investments	316,248	281,525
Contributions and grants receivable, net	418,545	452,190
Financial assets, at year-end	<u>2,453,201</u>	<u>767,976</u>
Less: amounts unavailable for general expenditures within one year, due to:		
Donor restrictions - time	15,000	50,000
Donor restrictions - purpose	255,182	419,025
<b>Financial Assets Available to Meet Cash Needs for General Expenses Within One Year</b>	<u><u>\$ 2,183,019</u></u>	<u><u>\$ 298,951</u></u>

The Organization manages its liquidity following two principles: operating within a prudent range of financial soundness and stability, and maintaining adequate liquid assets to fund near-term operating needs.

Additionally, the Organization maintains a line of credit with a financial institution, as discussed in more detail in Note 9. As of September 30, 2025 and 2024, \$250,000 and \$211,621, respectively, remained available on the Organization's line of credit.

## A WIDER CIRCLE, INC.

### Notes to the Financial Statements September 30, 2025 and 2024

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Subsequent Events

The Organization's management evaluated the accompanying financial statements for subsequent events and transactions through March 10, 2026, the date these financial statements were available for issue, and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

##### Reclassification

Certain reclassifications were made to the 2024 amounts to conform with the 2025 presentation. These reclassifications had no effect on the changes in net assets.

#### 3. INVESTMENTS

The following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodology used as of September 30, 2025 and 2024.

*Exchange traded Funds:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Money Market Funds:* Valued at the closing price of the underlying market value of investments.

*Mutual Funds:* Valued at the daily closing price as reported by the fund. These funds are required to publish their daily value and to transact at that price.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes 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.

## A WIDER CIRCLE, INC.

### Notes to the Financial Statements September 30, 2025 and 2024

#### 3. INVESTMENTS (continued)

The following table, presents by level, the fair value hierarchy of the Organization's investments at fair value as of September 30, 2025 and 2024:

	2025			
	Level 1	Level 2	Level 3	Total Fair Value
Money market funds	\$ 3,831	\$ -	\$ -	\$ 3,831
Exchange traded funds	312,417	-	-	312,417
<b>Total</b>	<b>\$ 316,248</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 316,248</b>

  

	2024			
	Level 1	Level 2	Level 3	Total Fair Value
Money market funds	\$ 8,842	\$ -	\$ -	\$ 8,842
Exchange traded funds	272,683	-	-	272,683
<b>Total</b>	<b>\$ 281,525</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 281,525</b>

For the years ended September 30, 2025 and 2024, investment income consisted of:

	2025	2024
Realized and unrealized gains	\$ 42,811	\$ 57,641
Investment interest income	3,579	5,274
Investment fees	(284)	(284)
<b>Total</b>	<b>\$ 46,106</b>	<b>\$ 62,631</b>

#### 4. CONTRIBUTIONS AND GRANTS RECEIVABLE, NET

Contributions and grants receivable as of September 30, 2025 and 2024, included the following unconditional promises to give:

	2025	2024
Amounts due in less than one year	404,066	\$ 403,955
Amounts due in one to five years	15,000	50,000
	419,066	453,955
Less: discount of 3.60% and 3.66%, respectively	521	1,765
<b>Contributions and Grants receivable, Net</b>	<b>418,545</b>	<b>\$ 452,190</b>

## A WIDER CIRCLE, INC.

### Notes to the Financial Statements September 30, 2025 and 2024

#### 5. PROPERTY AND EQUIPMENT

As of September 30, 2025 and 2024, property and equipment consisted of the following:

	<u>2025</u>	<u>2024</u>	<u>Useful Life</u>
Land	\$ 2,866,701	\$ 2,866,701	N/A
Building	1,409,480	1,512,287	40 years
Leasehold improvements	2,242,006	2,147,712	5 - 40 years
Building improvements	324,881	324,881	5 years
Vehicles	448,553	509,275	7 years
Furniture and fixtures	145,958	146,821	3-10 years
Computers and equipment	47,912	47,912	5 years
	<u>7,485,491</u>	<u>7,555,589</u>	
Less: accumulated depreciation	1,794,269	1,605,969	
<b>Property and Equipment, Net</b>	<u><u>\$ 5,691,222</u></u>	<u><u>\$ 5,949,620</u></u>	

Depreciation expense was \$258,399 and \$251,840, for the years ended September 30, 2025 and 2024, respectively.

#### 6. MORTGAGE PAYABLE

On May 27, 2015, the Organization purchased a building and entered into a mortgage with a financial institution in the amount of \$4,000,000. The mortgage is secured by the property. The note matures on December 1, 2029, and accrues interest at the rate of 3.93% with monthly principal and interest payments of \$14,056. A single balloon payment of the entire unpaid balance of principal and interest will be due on December 1, 2029. Interest expense was \$85,589 and \$88,785, for the years ended September 30, 2025 and 2024, respectively. The balance of the mortgage payable as of September 30, 2025 and 2024, was \$2,102,958 and \$2,186,038, respectively.

The future minimum principal payments as of September 30, 2025 are as follows:

<u>Fiscal Years Ending</u>	<u>Amount</u>
2026	\$ 88,239
2027	91,770
2028	95,443
2029	99,262
2030	1,728,244
<b>Total</b>	<u><u>\$ 2,102,958</u></u>

## A WIDER CIRCLE, INC.

### Notes to the Financial Statements September 30, 2025 and 2024

#### 7. LINE OF CREDIT

On May 12, 2025, the Organization obtained a revolving line of credit with a financial institution, allowing for borrowings up to \$250,000 with a maturity date of May 10, 2026. The line of credit is secured by all current and future acquired business assets of the Organization. The line of credit includes a variable rate of interest based on the Wall Street Journal Prime rate. Interest expense was \$2,187 and \$7,141, for the years ended September 30, 2025 and 2024, respectively.

#### 8. LEASES

The Organization entered into a lease agreement effective June 1, 2023, which expires on May 31, 2028, for office space. This lease escalates 2% annually. The Organization also entered into an annual escalating lease agreement for a storage space effective July 1, 2023, which expires on June 30, 2028. The Organization has an annual lease with the District of Columbia for its Highland location, where the rent is \$1 annually, if requested. for the years. For the year ended September 30, 2025 and 2024, the total occupancy expense was \$329,290 for both years.

The future minimum rental commitments under these lease agreements as of September 30, 2025 are as follows

<u>Fiscal Years Ending</u>	<u>Amount</u>
2026	\$ 361,852
2027	360,681
2028	244,792
<b>Total</b>	<b>967,325</b>
<b>Less: Present value discount</b>	<b>70,071</b>
<b>Total</b>	<b>\$ 897,254</b>

#### 9. NETASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Time restricted	\$ 298,000	\$ 168,500
Neighborhood Partnership Program	-	137,500
Career support program	10,000	-
Essential support (bulk donation program)	50,000	-
Endowment - held in perpetuity	200,462	200,462
Endowment earnings	115,786	81,063
<b>Total</b>	<b>\$ 674,248</b>	<b>\$ 587,525</b>

## **A WIDER CIRCLE, INC.**

### **Notes to the Financial Statements September 30, 2025 and 2024**

#### **10. ENDOWMENT**

The Board of Directors of the Organization 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 donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Organization classifies net assets with donor restrictions to be held in perpetuity as a) the original value of gifts donated to the perpetual endowment, and b) the original value of subsequent gifts to the perpetual endowment.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted and board-designated endowment funds:

- a) The duration and preservation of the fund
- b) The purposes of the Organization's restricted endowment fund
- c) General economic conditions
- d) The possible effects of inflation and deflation
- e) The expected total return from income and the appreciation of investments
- f) The investment policies of the Organization

#### **Spending Policy**

In order to provide a sustainable level of income to support the Organization while preserving the real (inflation adjusted) purchasing power of the endowment, the Organization establishes the following total return spending policy with regard to the use of available funds as follows:

- 1) Up to 5% of the total market value of the available funds may be distributed annually based upon a three-year rolling average. Distributions shall be calculated annually.
- 2) Prior to the completion of three years from the establishment of the endowment, annual distributions from the endowment may not exceed the income-only (interest and dividends).
- 3) The percentage distributed shall be reviewed annually by the Organization and adjusted as appropriate according to the needs of the Organization and the current market climate.
- 4) Should the suggested distribution result in a reduction of the real value of the endowment and reserve funds to a level below the adjusted real value, the Organization shall determine the percent or amount to be withdrawn.

The endowment consists of one fund, the Mitchell E. Davis M.D. Endowment Fund (the Fund). The Fund was designed to create stable and dignified homes for those in need, particularly formerly homeless U.S. veterans, women, and children fleeing domestic violence, and for eviction prevention. The fund may not be used for overhead expenses such as rent, utilities, and salaries.

## A WIDER CIRCLE, INC.

### Notes to the Financial Statements September 30, 2025 and 2024

#### 10. ENDOWMENT (continued)

##### Spending Policy (continued)

For the year ended September 30, 2025, the change in the endowment net assets were as follows:

	<u>Available for Appropriation</u>	<u>To be Held into Perpetuity</u>	<u>Total</u>
Net assets at October 1	\$ 81,063	\$ 200,462	\$ 281,525
Unrealized gains	42,527	-	42,527
Interest and dividends	3,579	-	3,579
Withdrawals	<u>(11,383)</u>	<u>-</u>	<u>(11,383)</u>
<b>Net Assets, September 30</b>	<b><u>\$ 115,786</u></b>	<b><u>\$ 200,462</u></b>	<b><u>\$ 316,248</u></b>

For the year ended September 30, 2024, the change in the endowment net assets were as follows:

	<u>Available for Appropriation</u>	<u>To be Held into Perpetuity</u>	<u>Total</u>
Net assets at October 1	\$ 18,432	\$ 200,462	\$ 218,894
Unrealized gains	67,337	-	67,337
Interest and dividends	4,990	-	4,990
Withdrawals	<u>(9,696)</u>	<u>-</u>	<u>(9,696)</u>
Net assets, September 30	<b><u>\$ 81,063</u></b>	<b><u>\$ 200,462</u></b>	<b><u>\$ 281,525</u></b>

#### 11. NONFINANCIAL CONTRIBUTIONS – GOODS AND SERVICES

##### Contributed Facilities

The Organization receives its Highland facility space in-kind from the District of Columbia. The agreement for facility space expires on September 30, 2026. The Organization is responsible for utilities, janitorial services, security, insurance, and snow removal. The estimated rental value of the facility is based on fair market value of comparable rental facilities in the area and is recognized as contributed facilities in the accompanying statement of activities and changes in net assets and as occupancy in the accompanying statement of functional expenses for the years ended September 30, 2025 and 2024.

##### Contributed Furniture, Home Goods, and Clothing

The Organization's mission is continued through contributions of furniture, home goods, clothing, and other necessities from the public. The Organization was the recipient of various pieces of furniture, home goods and clothes to distribute to various families in need.

## A WIDER CIRCLE, INC.

### Notes to the Financial Statements September 30, 2025 and 2024

#### 10. NONFINANCIAL CONTRIBUTIONS – GOODS AND SERVICES (continued)

##### Contributed Furniture, Home Goods, and Clothing (continued)

The valuation of in-kind donations is based on observable market prices of similar Organization in the area. Management exercises judgment in estimating fair values for items without readily determinable prices. Contributed goods were recorded in the accompanying statements of activities and changes in net assets, and statements of functional expenses for the years ended September 30, 2025 and 2024.

##### Contributed Services

During the year ended September 30, 2025, contributed services received by the Organization related to hours contributed for consulting on the Organization's various projects. During the year ended September 30, 2024, contributed services received by the Organization related to hours contributed for pro bono legal support.

The Organization received invoices with costs from the donor to determine the fair value on contributed services. Contributed services were recorded in the accompanying statements of activities and changes in net assets, and statements of functional expenses for the years ended September 30, 2025 and 2024.

The Organization received contributed goods and services as follows during the years ended September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>	<u>Value</u>
Contributed - goods	\$ 3,544,142	\$ 2,551,992	Fair Value
Facilities - services	34,800	34,800	Fair Value
Consulting - services	-	62,345	Fair Value
	<u>\$ 3,578,942</u>	<u>\$ 2,649,137</u>	

#### 11. COMMITMENTS AND CONTINGENCIES

##### Grants

Some grants received by the Organization may be subject to audit by its donors. Until such audits have been completed or the time frame for the audit to occur has past, there exists a contingency that some funds may need to be refunded. Management is of the opinion that no material liability will result from such audits.

## **A WIDER CIRCLE, INC.**

### **Notes to the Financial Statements September 30, 2025 and 2024**

#### **11. COMMITMENTS AND CONTINGENCIES (continued)**

##### **Litigation**

The Organization may be subject to various claims and legal proceedings covering a wide range of matters that may arise in the ordinary course of its activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Organization.

#### **12. RETIREMENT PLAN**

The Organization maintains a 401k retirement plan for the benefit of its employees. All employees are eligible to participate, and the Organization matches employee contributions up to 7% of each employee's compensation based on each employee's years of service after two years of service. The Organization's matching contribution to the plan for the years ended September 30, 2025 and 2024, was \$62,441 and \$47,308, respectively.