

**ALL HANDS AND HEARTS  
SMART RESPONSE, INC.**

Financial Statements  
For the Years Ended  
August 31, 2025 and 2024  
with  
Independent Auditors' Report

**ALL HANDS AND HEARTS SMART RESPONSE, INC.**

**TABLE OF CONTENTS**

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	<b>Page</b>
INDEPENDENT AUDITORS' REPORT	1 – 2
FINANCIAL STATEMENTS:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7 – 13



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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
All Hands and Hearts Smart Response, Inc.  
Mattapoisett, Massachusetts

### **Opinion**

We have audited the financial statements of All Hands and Hearts Smart Response, Inc., which comprise the statements of financial position as of August 31, 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 All Hands and Hearts Smart Response, Inc. as of August 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of All Hands and Hearts Smart Response, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about All Hands and Hearts Smart Response, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

## **Auditors' 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 auditors' 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 All Hands and Hearts Smart Response, Inc.'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 All Hands and Hearts Smart Response, Inc.'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.

*Champion Travis Besan & Karl LLP*

December 18, 2025

**ALL HANDS AND HEARTS SMART RESPONSE, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**AUGUST 31, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,640,685	\$ 728,694
Investments	7,096,713	4,589,056
Accounts receivable	11,557	7,698
Prepaid expenses	224,168	219,417
Total current assets	<u>9,973,123</u>	<u>5,544,865</u>
PROPERTY AND EQUIPMENT, NET	-	1,530
INTANGIBLE ASSET	107,760	28,570
OTHER ASSETS	13,820	6,954
RIGHT-OF-USE ASSETS	<u>53,740</u>	<u>12,521</u>
	<u>\$ 10,148,443</u>	<u>\$ 5,594,440</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 644,920	\$ 511,184
Deferred revenue	1,474,555	-
Operating lease liabilities	53,740	12,521
Total current liabilities	<u>2,173,215</u>	<u>523,705</u>
<b>NET ASSETS:</b>		
Without donor restriction	6,494,114	4,507,516
With donor restriction	1,481,114	563,219
	<u>7,975,228</u>	<u>5,070,735</u>
	<u>\$ 10,148,443</u>	<u>\$ 5,594,440</u>

See notes to financial statements.

ALL HANDS AND HEARTS SMART RESPONSE, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

	2025			2024		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND OTHER SUPPORT:						
Contributions	\$ 3,558,697	\$ 6,260,335	\$ 9,819,032	\$ 1,883,029	\$ 1,755,914	\$ 3,638,943
Grants	809,143	3,909,313	4,718,456	670,313	3,452,578	4,122,891
Contributions of nonfinancial assets	670,062	966,300	1,636,362	370,059	576,689	946,748
Other income, net	8,179	-	8,179	187,750	-	187,750
Net investment income	410,744	-	410,744	643,725	-	643,725
Net assets released from restrictions	10,218,053	(10,218,053)	-	7,301,411	(7,301,411)	-
TOTAL REVENUE AND OTHER SUPPORT	15,674,878	917,895	16,592,773	11,056,287	(1,516,230)	9,540,057
EXPENSES:						
Program expenses	12,794,832	-	12,794,832	11,615,427	-	11,615,427
Management and general expenses	634,524	-	634,524	556,830	-	556,830
Fundraising expenses	258,924	-	258,924	215,883	-	215,883
TOTAL EXPENSES	13,688,280	-	13,688,280	12,388,140	-	12,388,140
CHANGES IN NET ASSETS	1,986,598	917,895	2,904,493	(1,331,853)	(1,516,230)	(2,848,083)
NET ASSETS, beginning of year	4,507,516	563,219	5,070,735	5,839,369	2,079,449	7,918,818
NET ASSETS, end of year	\$ 6,494,114	\$ 1,481,114	\$ 7,975,228	\$ 4,507,516	\$ 563,219	\$ 5,070,735

See notes to financial statements.

ALL HANDS AND HEARTS SMART RESPONSE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

	2025				2024			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Outside contracted services	\$ 3,890,270	\$ 160,376	\$ 61,162	\$ 4,111,808	\$ 4,001,019	\$ 170,831	\$ 31,638	\$ 4,203,488
Salaries and benefits	3,056,854	284,717	127,296	3,468,867	2,587,037	270,815	130,009	2,987,861
Disaster relief supplies and expenses	2,145,032	6,008	3,014	2,154,054	1,906,875	2,041	1,451	1,910,367
Rental and occupancy related expenses	745,816	6,583	-	752,399	541,294	568	95	541,957
Payroll taxes and benefits	583,237	50,836	35,356	669,429	489,637	47,241	30,721	567,599
Travel	617,888	11,264	6,642	635,794	564,917	10,666	3,246	578,829
Volunteer support	387,639	542	625	388,806	321,485	327	388	322,200
Insurance	371,399	7,382	4,357	383,138	402,224	10,137	3,884	416,245
Stipends/professional fees	311,522	17,091	3,645	332,258	259,846	13,066	4,355	277,267
Technology services	215,383	29,963	5,141	250,487	198,410	11,049	4,188	213,647
Advertising	189,021	47,753	4,432	241,206	116,950	10,619	2,584	130,153
Bank and credit card fees	127,860	5,018	2,090	134,968	64,651	2,342	980	67,973
Office expense	68,786	4,107	2,678	75,571	60,121	3,478	1,236	64,835
Telephone	41,270	1,803	329	43,402	32,705	1,886	266	34,857
Staff development	22,986	868	70	23,924	36,048	666	41	36,755
Printing	7,501	26	2,026	9,553	5,473	585	579	6,637
Dues and subscriptions	5,208	164	56	5,428	4,917	174	205	5,296
Fundraising	5,185	-	-	5,185	5,761	339	-	6,100
Depreciation and amortization	1,530	-	-	1,530	4,184	-	-	4,184
Miscellaneous	445	23	5	473	11,873	-	17	11,890
	<u>\$ 12,794,832</u>	<u>\$ 634,524</u>	<u>\$ 258,924</u>	<u>\$ 13,688,280</u>	<u>\$ 11,615,427</u>	<u>\$ 556,830</u>	<u>\$ 215,883</u>	<u>\$ 12,388,140</u>

See notes to financial statements.

**ALL HANDS AND HEARTS SMART RESPONSE, INC.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ 2,904,493	\$ (2,848,083)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,530	4,185
Amortization of right-of-use assets	59,217	25,978
Net realized and unrealized gains on investments	(235,898)	(462,516)
Gain on sale of equipment	-	(187,750)
Donated securities	(68,134)	(188,586)
Proceeds from sale of donated securities	94,620	161,742
Changes in operating assets and liabilities:		
Accounts receivable	(3,859)	19,047
Prepaid expenses	(4,751)	22,836
Other assets	(6,866)	(414)
Accounts payable and accrued expenses	148,021	(106,738)
Deferred revenue	1,474,555	(1,124,740)
Operating lease liabilities	(59,217)	(25,978)
Net cash provided by (used in) operating activities	<u>4,303,711</u>	<u>(4,711,017)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investments	4,312,114	4,963,041
Purchases of investments	(6,610,359)	(4,460,338)
Proceeds from sale of equipment	-	187,750
Purchase of intangible asset	(93,475)	(14,285)
Net cash provided by (used in) investing activities	<u>(2,391,720)</u>	<u>676,168</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,911,991</b>	<b>(4,034,849)</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	<u>728,694</u>	<u>4,763,543</u>
End of year	<u>\$ 2,640,685</u>	<u>\$ 728,694</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH OPERATING ACTIVITIES:</b>		
Right-of-use assets obtained in exchange for operating lease obligations	<u>\$ 100,436</u>	<u>\$ 21,050</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING ACTIVITIES:</b>		
Purchase of intangible asset in accounts payable	<u>\$ -</u>	<u>\$ 14,285</u>

See notes to financial statements.

## ALL HANDS AND HEARTS SMART RESPONSE, INC.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

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#### 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

***Nature of Activities*** – All Hands and Hearts Smart Response, Inc. (the “Organization” or “AHAH”) is a non-profit corporation incorporated in the Commonwealth of Massachusetts, whose mission is to provide community-inspired, volunteer-powered disaster relief. The Organization rebuilds safe, resilient schools, homes and other community infrastructure.

***Basis of Accounting*** – The financial statements of the Organization have been prepared on the accrual basis of accounting and according to current accounting standards, which require all nonprofit organizations provide a statement of financial position, a statement of activities and changes in net assets, and a statement of cash flows. A separate presentation of expenses by functional and natural classification is also required. Classification of net assets and revenues, expenses, gains, and losses is based on the existence or absence of donor-imposed restrictions. The standards also require that the amounts for each of the two classes of net assets – net assets with donor restriction and net assets without donor restriction be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities and changes in net assets.

***Cash and Cash Equivalents*** – Cash and cash equivalents represent checking accounts, savings accounts, money market accounts and demand deposits with several financial institutions. For the purpose of the statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization maintains its cash balances at several banks, which, at times, may exceed insured limits, potentially subjecting the Organization to concentrations of credit risk. The Organization’s management believes it is not exposed to any significant credit risk with respect to its cash and cash equivalents.

***Accounts Receivable and Allowance for Estimated Credit Losses*** – Management considers all accounts receivable outstanding for greater than the specified term to be past due, and uses factors such as historical experience, current conditions, and reasonable and supportable forecasts to determine the likelihood of collection and whether to establish an allowance for estimated credit losses. Accordingly, management periodically reviews outstanding accounts and charges operations for amounts deemed uncollectible. AHAH writes off accounts receivable against the allowance when amounts are considered to be uncollectible. At August 31, 2025 and 2024, management has determined that all accounts receivable are collectible and an allowance for estimated credit losses was not considered necessary.

***Investments*** – Investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in changes in net assets. Donated investments are included in contributions at their fair values on the date of receipt.

Generally accepted accounting principles establish a hierarchy for the determination of fair value, as well as disclosure requirements relative to those assets and liabilities. The hierarchy identifies three levels of input. Level 1 inputs are generally quoted market prices for identical assets or liabilities, which are actively traded on an exchange. Level 2 inputs generally consist of market prices for identical assets which are not actively traded or market prices of similar assets or liabilities which are actively traded, on an exchange. Level 3 inputs are referred to as unobservable inputs and consist primarily of information derived by management where Level 1 and Level 2 inputs are not available.

## 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

**Property and Equipment** – Property and equipment, represent a vehicle, stated at cost at the date of acquisition. Depreciation is provided by using the straight-line method over the estimated useful lives of the related assets (3 years) for financial statement purposes. Maintenance and repairs are charged to operations as incurred; significant renewals and betterments that materially extend the life of the assets, are capitalized.

**Intangible Asset** – Intangible asset is comprised of website development costs capitalized under ASC 350-50 (Intangibles-Goodwill and Other-Website Development Costs), carried at cost, and amortized using the straight-line method over three years.

**Revenue Recognition** – The Organization recognizes revenue in accordance with ASU 2014-09, which provides that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

**Contributions and Grants** – The Organization recognizes revenue from contributions and grants in accordance with ASU 2018-08. The Organization evaluates whether a transfer of assets is (i) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (ii) a contribution. If the transfer of assets is determined to be an exchange transaction, the Organization applies guidance under ASU 2014-09. If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (i) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (ii) a right of return of assets is transferred or a right of release of a promisor's obligation to transfer assets.

Contributions received are measured at their fair values and are reported as an increase in net assets in the period received. The Organization reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the contributed assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Net assets with donor restriction represent contributions received for the victims of natural disasters which have not been expended as of August 31, 2025 and 2024.

No one donor contributed more than 10% of contributions and grants revenue for the years ended August 31, 2025 and 2024.

**Contributions of Nonfinancial Assets** – The Organization recognizes donated goods and services in accordance with ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* requiring not-for-profits to present contributed nonfinancial assets as a separate line item in the statement activities and provide additional disclosures about contributions of nonfinancial assets.

The Organization recognizes contributions of nonfinancial assets if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization recognizes contributions of nonfinancial assets as revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation.

## 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

**Advertising** – Advertising costs are expensed in the period in which the advertising takes place. Advertising expense for the years ended August 31, 2025 and 2024, was approximately \$241,000 and \$130,000, respectively.

**Income Taxes** – AHAH qualifies as an organization exempt from income tax as provided under Section 501(c)(3) of the Internal Revenue Code, and therefore, has no provision for income taxes. In addition, AHAH qualifies for the charitable contribution deduction under Section 170(b)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

**Functional Allocation of Expenses** – The Organization’s costs of providing its various programs and activities have been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated to the programs and supporting services based on specific identification, time records or management estimates.

**Subsequent Events** – Management of the Organization has evaluated the effects of all subsequent events through December 18, 2025, the date the financial statements were available to be issued, to determine if events or transactions occurring through that date require potential adjustment or disclosure in the financial statements.

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

**Reclassifications** – Certain reclassifications were made to the 2024 financial statements to conform to the 2025 presentation.

## 2. LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statements of financial position, approximately comprise the following as of August 31:

	2025	2024
Cash and cash equivalents	\$ 2,641,000	\$ 729,000
Investments	7,097,000	4,589,000
Accounts receivable	<u>12,000</u>	<u>8,000</u>
	9,750,000	5,326,000
Less donor restricted cash and investments	<u>1,481,000</u>	<u>563,000</u>
	<u>\$ 8,269,000</u>	<u>\$ 4,763,000</u>

As described further in Note 6, the Organization has available a line of credit through a bank for borrowings up to \$500,000, which could be drawn upon in the event of an unanticipated liquidity need.

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investments of its available funds. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

### 3. RELATED PARTY TRANSACTIONS

The Organization is affiliated via common board members with All Hands entities throughout the world, wherein the Organization does not have a majority economic interest or board control over these affiliates.

Transactions with affiliates are approximately as follows for the years ending August 31:

	<b>2025</b>	<b>2024</b>
Revenue and other support:		
Contributions	<u>\$ 359,000</u>	<u>\$ 321,000</u>

### 4. INVESTMENTS

Investments are stated at fair value and consist of exchange traded funds and US Treasury Bills held by Charles Schwab and J.P. Morgan. The marketable securities are recorded at fair value based on quoted market prices (Level 1). Investments consisted of the following at August 31:

	<b>2025</b>	<b>2024</b>
Exchange traded funds	\$ 1,926,658	\$ 2,089,366
US Treasury Bills	5,170,055	2,487,010
Equities	<u>-</u>	<u>12,680</u>
Total investments at fair value	<u>\$ 7,096,713</u>	<u>\$ 4,589,056</u>

The maturity dates for US Treasury Bills at August 31, 2025, are as follows:

	<u>Cost</u>	<u>Fair Value</u>
Due within one year	\$ 3,712,282	\$ 3,741,077
Due after one year through two years	<u>1,412,170</u>	<u>1,428,978</u>
	<u>\$ 5,124,452</u>	<u>\$ 5,170,055</u>

	<b>2025</b>	<b>2024</b>
Net investment income:		
Interest and dividends	\$ 181,432	\$ 188,624
Net realized and unrealized gains	235,898	462,516
Investment advisory fees	<u>(6,586)</u>	<u>(7,415)</u>
	<u>\$ 410,744</u>	<u>\$ 643,725</u>

Current accounting standards require that impaired investments, that is, investments for which the fair value is less than its cost, be evaluated as to whether such impairment is other than temporary. Since AHAH has the ability and the intent to hold the securities until a recovery in value occurs (or until maturity if necessary), no investments have been deemed impaired as of August 31, 2025.

**5. INTANGIBLE ASSET**

Intangible asset consisted of the following as of August 31:

	2025	2024
Website development costs	\$ 107,760	\$ -
Website design not yet in service	<u>-</u>	<u>28,570</u>
	<u>\$ 107,760</u>	<u>\$ 28,570</u>

The new website design and development was completed at the end of fiscal year 2025 and will commence authorization in the year ended August 31, 2026. Amortization for each of the three years subsequent to August 31, 2025 will be \$21,552 annually.

**6. DEMAND NOTE PAYABLE**

AHAH has an agreement with a bank for a revolving line of credit for working capital purposes, providing for borrowings up to \$500,000 with interest payable at the bank's prime rate plus 1%. Borrowings are secured by substantially all assets of AHAH. Interest on the outstanding principal balance of the loan must be paid monthly. The outstanding principal balance is due on demand and is subject to an annual review by the bank. There were no outstanding amounts under this agreement as of August 31, 2025 and 2024. The Organization is required to meet certain non-financial covenants. The Organization was in compliance with such covenants as of August 31, 2025.

**7. RETIREMENT PLAN**

AHAH sponsors a defined contribution pension plan (the "Plan") in accordance with Internal Revenue Code Section 401(k) for all employees meeting certain age and service requirements. For each participant who contributes under the Plan, AHAH will contribute a matching contribution of 100% of deferrals, not to exceed 4% of compensation. AHAH contributed approximately \$70,000 and \$67,000 to the Plan, for the years ended August 31, 2025 and 2024, respectively, which is reflected in salaries and benefits on the accompanying statements of functional expenses.

**8. LEASES**

AHAH leases office space expiring in March 2026 and a disaster recovery base expiring in January 2026. AHAH also leases office space and vehicles in areas affected by disasters under terms of month to month lease agreements.

The right-of-use assets and lease liabilities are recognized based on the present value of the lease payments over the lease terms, discounted utilizing the incremental borrowing rate at the date of the commencement of the lease. The organization recognizes operating lease expense on a straight-line basis over the lease term.

Rental and occupancy related expenses totaled approximately \$752,000 and \$542,000 for the years ended August 31, 2025 and 2024, respectively.

## 8. LEASES (continued)

Other information related to the Organization's operating leases were as follows:

Weighted-average remaining lease terms (in years):	0.52
Weighted-average discount rate:	8.50%

Future minimum lease payments under the Organization's operating leases as of August 31, 2025, were as follows for the year ended August 31:

2026	\$ 55,133
Less imputed interest	<u>1,393</u>
Total operating lease liabilities	<u>\$ 53,740</u>

## 9. CONTINGENCIES

The Organization is involved in litigation arising in the ordinary course of business. While the ultimate effect of such litigation cannot be determined at this time, the assets or liabilities which may arise from such action would not, in the opinion of management, result in gains or losses which would materially affect the financial position of the Organization or the results of its operations.

## 10. DONATED GOODS AND SERVICES

The Organization's financial statements include the following donated goods and services for the years ended August 31:

	2025	2024
Materials and equipment	\$ 1,060,843	\$ 475,013
Professional fees	273,806	215,286
Transportation	159,475	132,658
Software and web services	127,433	103,014
Rental and occupancy	<u>14,805</u>	<u>20,777</u>
	<u>\$ 1,636,362</u>	<u>\$ 946,748</u>

AHAH partners with other organizations that provide building materials or funds for supplies. AHAH also receives a substantial amount of services donated by their own volunteers and project managers.

Volunteers on deployment for AHAH are unpaid, and are responsible for their own transportation expenses, except as noted in the following paragraph. No amounts have been reflected in the financial statements for these services, since no objective basis is available to measure their value.

Volunteers on deployment for AHAH who are deemed to provide a specific skill set and commit their time for an extended period may be entitled to receive a stipend. These costs are included in volunteer support or stipends/professional fees in the accompanying statements of functional expenses.

**10. DONATED GOODS AND SERVICES (continued)**

Donated goods and services for the years ended August 31, 2025 and 2024, primarily consist of legal services in support of the various programs, donated equipment and materials to support housing and school rebuilding efforts, software and web services, including online advertising platforms, and transportation services for staff and volunteers on the United States and International programs. These donated goods and services are recorded as contributions of nonfinancial assets in the statements of activities and changes in net assets when they are specifically identifiable and can be objectively valued.

Additionally, the Organization received donated stays for volunteers to help defray the costs of rent that would otherwise have been purchased. Donated rental and occupancy is valued and reported at the estimated fair value in the financial statements based on current market rates for similar space.

**11. NET ASSETS WITH DONOR RESTRICTION**

During the year ended August 31, 2025, the Organization received \$11,135,948 in donor restricted contributions, grants and contributions of nonfinancial assets, and \$10,218,053 was released from donor restrictions. During the year ended August 31, 2024, the Organization received \$5,785,181 in donor restricted contributions, grants and contributions of nonfinancial assets, and \$7,301,411 was released from donor restrictions. The total restricted net assets as of August 31, 2025 and 2024, is \$1,481,114 and \$563,219, respectively, and comprised of the following at August 31:

	<b>2025</b>	<b>2024</b>
Hurricanes Helene & Milton Relief	\$ 618,216	\$ -
California Wildfire Relief	481,056	-
Texas Flooding	350,645	-
Puerto Rico Relief	24,525	24,525
Thailand & Myanmar Earthquake Response	3,344	-
Indonesia	3,328	3,132
St Nino Gen Ops	-	316,412
Program Nepal 9	-	94,718
Nico Nuño School Memorial	-	66,185
Hawaii Wildfire Relief	-	58,247
	<u>\$ 1,481,114</u>	<u>\$ 563,219</u>

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