NEIGHBORHOOD HOUSE ASSOCIATION AND EMMA MCVICKER FOUNDATION

AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OTHER REPORTS

Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Neighborhood House Association and Emma McVicker Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Neighborhood House Association and of Emma McVicker Foundation (nonprofit organizations), which comprise the consolidated statement of financial position as of December 31, 2025, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Neighborhood House Association and of Emma McVicker Foundation as of December 31, 2025 and the changes in their net assets and their 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Neighborhood House Association and of Emma McVicker Foundation 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Neighborhood House Association's and Emma McVicker Foundation's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 and *Government 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Neighborhood House Association's and of Emma McVicker Foundation'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Neighborhood House Association's and Emma McVicker Foundation'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information is presented for purposes of additional analysis. The Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is also presented for purposes of additional analysis. All schedules are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Neighborhood House Association's and Emma McVicker Foundation's 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 7, 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 consolidated financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2026, on our consideration of Neighborhood House Association's and Emma McVicker Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Neighborhood House Association's and Emma McVicker Foundation's internal control over financial reporting and compliance.

Squire & Company, PC

Orem, Utah
July 28, 2026

NEIGHBORHOOD HOUSE ASSOCIATION AND EMMA MCVICKER FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2025 with Summarized Comparative Totals for 2024

	2025	2024
ASSETS		
Cash	$ 837,975	$ 834,141
Investments	9,704,803	9,617,715
Accounts and grants receivable, net	299,199	314,724
Prepaid expenses	55,299	42,032
Restricted cash	-	598,477
Note receivable	-	9,475,680
Operating lease right-of-use asset	17,555	23,475
Net fixed assets	15,558,572	16,177,690
Total assets	$ 26,473,403	$ 37,083,934
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 88,728	$ 30,366
Accrued expenses	243,273	236,808
Deferred revenue	-	8,469
Operating lease liability	17,555	23,475
Notes payable, net of unamortized loan fees	-	14,612,971
Total liabilities	349,556	14,912,089
Net Assets:		
Without donor restrictions:		
Undesignated	2,575,119	3,578,673
Designated for quasi-endowment	6,869,822	6,208,094
Designated for fixed assets, net of related debt	15,558,572	11,004,895
With donor restrictions	1,120,334	1,380,183
Total net assets	26,123,847	22,171,845
Total liabilities and net assets	$ 26,473,403	$ 37,083,934

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

NEIGHBORHOOD HOUSE ASSOCIATION AND EMMA MCVICKER FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended December 31, 2025 with Summarized Comparative Totals for 2024

	2025	2024
Net Assets Without Donor Restrictions:		
Revenues and support:		
Contributions	$ 1,811,748	$ 1,765,398
In-kind contributions	87,772	286,694
Grants	1,654,876	1,732,211
Program service fees	1,364,508	1,168,977
Investment income	1,008,402	898,825
Special events revenue, net of related costs	532,394	561,300
Other	20,884	4,706
Net assets released from restrictions	400,351	94,582
Total revenues and support	6,880,935	6,512,693
Net gain on settlement of NMTC	4,650,600	-
Loss on disposal of fixed assets	-	(9,150)
Total revenues, support, and gains (losses)	11,531,535	6,503,543
Expenses:		
Program services:		
Children's day care	4,667,716	4,430,186
Adult day services	1,430,398	1,293,330
Management and general	944,322	1,064,395
Fundraising	277,248	266,157
Total expenses	7,319,684	7,054,068
Change in net assets without donor restrictions	4,211,851	(550,525)
Net Assets With Donor Restrictions:		
Contributions	140,502	516,099
Net assets released from restrictions	(400,351)	(94,582)
Change in net assets with donor restrictions	(259,849)	421,517
Change in Net Assets	3,952,002	(129,008)
Net Assets at Beginning of Year	22,171,845	22,300,853
Net Assets at End of Year	$ 26,123,847	$ 22,171,845

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

NEIGHBORHOOD HOUSE ASSOCIATION AND EMMA MCVICKER FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2025 with Summarized Comparative Totals for 2024

	Program Services		Support Services		Totals	
	Children's Day Care	Adult Day Services	Management and General	Fundraising	2025	2024
Wages and benefits	$ 3,160,196	$ 989,963	$ 445,262	$ 196,855	$ 4,792,276	$ 4,554,306
Professional fees	81,220	19,138	288,890	54,398	443,646	365,315
Occupancy	260,660	71,228	36,244	-	368,132	325,879
Interest	58,789	16,797	8,399	-	83,985	171,576
Depreciation	458,705	174,245	104,594	-	737,544	748,608
Insurance	71,880	20,893	5,493	-	98,266	71,433
Advertising	1,822	3,678	3,529	6,974	16,003	33,426
Conferences and meetings	5,587	2,248	2,580	295	10,710	17,462
Repairs and maintenance	38,500	24,422	3,401	-	66,323	69,707
Supplies	215,760	35,885	4,334	-	255,979	295,236
Food	247,893	44,939	602	-	293,434	269,257
Travel	15,780	11,563	1,104	99	28,546	39,645
Office	29,838	6,432	15,930	11,756	63,956	38,489
Other	21,086	8,967	23,960	6,871	60,884	53,729
Total	$ 4,667,716	$ 1,430,398	$ 944,322	$ 277,248	$ 7,319,684	$ 7,054,068

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

NEIGHBORHOOD HOUSE ASSOCIATION AND EMMA MCVICKER FOUNDATION
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2025 with Summarized Comparative Totals for 2024

	2025	2024
Cash Flows from Operating Activities:		
Change in net assets	$ 3,952,002	$ (129,008)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	749,573	773,934
Loss on disposal of fixed assets	-	9,150
Net gain on settlement of NMTC	(4,650,600)	-
Net gain on investments	(758,707)	(485,105)
In-kind donations	-	(191,584)
Bad debt expense	7,129	2,512
Amortization of operating lease right-of-use asset	5,920	5,689
Changes in operating assets and liabilities:		
Accounts and grants receivable	8,396	(250,533)
Contributions receivable	-	4,579
Prepaid expenses	(13,267)	(16,914)
Accounts payable	58,362	9,722
Accrued expenses	6,465	129,094
Deferred revenue	(8,469)	5,196
Operating lease liability	(5,920)	(5,689)
Total adjustments	(4,601,118)	(9,949)
Net cash used by operating activities	(649,116)	(138,957)
Cash Flows from Investing Activities:		
Purchases of investments	(1,681,719)	(309,441)
Proceeds from sales of investments	2,353,338	956,377
Purchases of fixed assets	(118,426)	(57,075)
Net cash provided by investing activities	553,193	589,861
Cash Flows from Financing Activities:		
Principal payments on notes payable	(498,720)	-
Net Change in Cash	(594,643)	450,904
Cash at Beginning of Year	1,432,618	981,714
Cash at End of Year	$ 837,975	$ 1,432,618
Displayed on the statement of financial position as:		
Cash	$ 837,975	$ 834,141
Restricted cash	-	598,477
	$ 837,975	$ 1,432,618

Supplementary Data:

The Organization paid $71,948 in interest and no income taxes during the year ended December 31, 2025.

The Organization's note receivable and notes payable and accrued interest were forgiven as part of the settlement of its new market tax credit during the year ended December 31, 2025.

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

NEIGHBORHOOD HOUSE ASSOCIATION AND EMMA MCVICKER FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of Neighborhood House Association and of Emma McVicker Foundation (the Organization) have been prepared on the accrual basis of accounting following the accounting principles generally accepted for voluntary health and welfare organizations. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

Organization

Neighborhood House Association was incorporated August 21, 1986 for the purpose of, but not limited to, providing child and adult day care services in the Salt Lake City area. Emma McVicker Foundation was incorporated January 24, 2018 for the purpose of constructing and leasing buildings to Neighborhood House Association.

Principles of Consolidation

The financial statements present Neighborhood House Association (NHA) and Emma McVicker Foundation (EMF). EMF's board is controlled by NHA and NHA controls EMF's activities. All significant intercompany accounts and transactions have been eliminated.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors.

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

A designation of net assets without donor restrictions shows the funds set aside by the Organization as a quasi-endowment. The intent of this quasi-endowment is to provide investment returns sufficient to supplement the Organization's operations.

In addition, a designation of net assets without donor restrictions shows the Organization's investment in fixed assets, net of related debt. Although these net assets are not restricted, they are not readily convertible to liquid assets due to their long-term nature and use.

Net assets with donor restrictions – Net assets that are restricted by a donor for use for a particular purpose or in a particular future period. The Organization's unspent contributions are classified in this class if the donor limited their use. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from with donor restrictions to net assets without donor restrictions.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the use of the related resources is subject to donor-imposed restrictions. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as contributions without donor restrictions.

Accounts Receivable and Credit Losses

Accounts receivable are primarily unsecured amounts due from childcare participants. Amounts received in advance of services being rendered are recorded as deferred revenue.

The allowance for credit loss is the Organization's best estimate of the amount of probable credit losses in the Organization's existing accounts receivable. The Organization determines the allowance based on historical write-off experience, the age of accounts receivable balances, current economic conditions and other factors that may affect a participant's ability to pay. The allowance for credit losses was $0 at December 31, 2025.

Investments

Investments are reported at their fair values in the consolidated statement of financial position. Net investment gains (losses) in the consolidated statement of activities include realized and unrealized gains and losses, interest and dividends, net of investment management fees.

Fixed Assets

Fixed assets are recorded at cost (or, if donated, at fair value at the date of donation) and are depreciated over their estimated useful lives using the straight-line method (see Note 5).

Revenue Recognition

Operating funds for the Organization are derived from federal, state, and local funds and from fees for services provided.

When both restricted and unrestricted resources are available for use, it is the Organization's policy to use restricted funds first, then unrestricted resources as they are needed.

Federal and state grants are subject to review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions in future grant funds. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not significantly affect the financial position of the Organization.

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the consolidated statement of activities and consolidated statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions (such as facilities and personnel costs and depreciation) have been allocated ratably among the various functions benefited based on direct wages and benefits costs or total direct costs attributed to each function.

General expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Additionally, advertising costs are charged to expense as incurred.

Donated Services and Materials

Members of the community provide voluntary services directly to program participants; while such services are of worth, the value of these contributed services is not measured and recorded in the financial statements. Donations of supplies are recorded as revenue at their estimated fair value.

Estimates

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

Tax Status

Both Neighborhood House Association and Emma McVicker Foundation are incorporated exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the Organization are tax deductible to donors under Section 170 of the IRC. The Organization is not classified as a private foundation.

Settlement of New Markets Tax Credit Financing Structure

The Organization participated in a New Markets Tax Credit (NMTC) financing arrangement used to finance construction of its facilities.

During 2025, the NMTC transaction reached the end of its compliance period and the related financing structure was settled in accordance with the governing transaction agreements. As part of the settlement, the Organization’s NMTC-related obligations and rights were settled and terminated.

The transaction resulted in the forgiveness of notes payable held by Emma McVicker Foundation with a carrying value of $14,126,280 and the extinguishment of a related note receivable held by Neighborhood House Association with a carrying value of $9,475,680. Restricted cash previously maintained under the NMTC structure was utilized and released in connection with the transaction.

As a result of the settlement, the Organization recognized a net gain of $4,650,600 during the year ended December 31, 2025, which is included in the accompanying consolidated statement of activities.

At December 31, 2025, the Organization had no remaining notes payable, note receivable, restricted cash, or other obligations associated with the NMTC financing structure.

Summarized Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2024, from which the summarized information was derived. Certain prior year amounts have been reclassified to conform to current year presentation.

Subsequent Events

The Organization evaluated subsequent events through July 28, 2026, the date the consolidated financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the consolidated financial statements would be required.

NOTE 2 – AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2025:

Financial assets at year end:	
Cash	$ 837,975
Investments	9,704,803
Accounts and grants receivable	299,199
Total financial assets	10,841,977
Less amounts not available to be used within one year:	
Quasi-endowment established by board	(6,869,822)
Net assets with donor restrictions	(1,120,334)
Financial assets available to meet general expenditures over the next twelve months	$ 2,851,821

The Organization's goal is generally to maintain financial assets to meet two months of operating expenses (approximately $1,200,000). Operating expenses are defined by the Organization as total expenses less depreciation.

NOTE 3 – INVESTMENTS

Investments consisted of the following at December 31, 2025:

Equity securities	$ 5,920,703
Debt securities	1,364,616
Mutual funds	70,208
Real estate investment trusts	252,723
Cash and accrued dividends	2,096,553
Total investments	$ 9,704,803

NOTE 4 – FAIR VALUE MEASUREMENTS

The Organization uses various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3 inputs are unobservable inputs for the asset or liability.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

A description of the valuation techniques applied to the Organization's major categories of assets and liabilities measured at fair value on a recurring basis follows:

Equity securities – Valued at the closing price reported on the active market on which the individual securities are traded.

Debt securities – Valued at the last reported bid or evaluation price provided by broker-dealers.

Mutual Funds – Valued at the net asset value (NAV) of shares held by the Organization at year end.

Real estate investment trusts – Valued at the net asset value reported on the active market on which the individual securities are traded.

The following presents the Organization's fair value hierarchy for those assets measured at fair value on a recurring basis at December 31, 2025:

	Total	Level 1	Level 2	Level 3
Equity securities	$ 5,920,703	$ 5,920,703	$ -	$ -
Debt securities	1,364,616	-	1,364,616	-
Mutual funds	70,208	70,208	-	-
Real estate investment trusts	252,723	-	252,723	-
	$ 7,608,250	$ 5,990,911	$ 1,617,339	$ -

NOTE 5 – FIXED ASSETS

The Organization's policy is to capitalize costs for fixed assets of $2,000 or more. Fixed assets held by the Organization at December 31, 2025 are summarized as follows:

		Depreciable Lives (Years)
Land	$ 123,454	
Buildings	16,208,718	5 to 40
Improvements	22,581	15
Furniture and equipment	2,857,552	3 to 20
Playground equipment	944,473	10
	20,156,778	
Accumulated depreciation	(4,598,206)	
Net fixed assets	$ 15,558,572	

Depreciation expense of $737,544 for the year ended December 31, 2025 was allocated to program and support services.

NOTE 6 – LEASES

The Organization has entered into a lease for equipment. Lease maturity was calculated as the initial lease term and all options to extend management estimated to be reasonably certain to exercise at lease commencement. The Organization's lease matures in 45 months with an interest rate of 4 percent. The required monthly lease payment is $563.

The Organization's lease provides the right to use equipment for a period of time. Operating lease expense was $1,688 for the year ended December 31, 2025. The operating lease weighted-average remaining lease term was 2.75 years and weighted-average discount rate was 4 percent at December 31, 2025.

Future minimum lease payments are as follows:

Year Ending December 31,	
2026	$ 6,752
2027	6,752
2028	5,064
Total minimum lease payments	18,568
Amount representing interest	(1,013)
Present value of minimum lease payments	$ 17,555
	17,555

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

The Organization receives donations that are specifically restricted by the donor. Restricted donations held at December 31, 2025 are for the following purposes:

Purpose restrictions:	
Children's scholarships	$ 157,524
Strategic plan	26,672
Programs	48,429
Preschool satellite location	55,291
General operations	222,418
Total purpose restrictions	510,334
Endowment:	
Children's scholarships	110,000
General operations	500,000
Total endowment	610,000
Total net assets with donor restrictions	$ 1,120,334

Donor-Restricted Endowments

The Organization's endowment consists of two individual donations (totaling $610,000) established for the purpose of providing investment returns sufficient to supplement the Organization's operations.

The Organization's Board of Trustees has interpreted the State of Utah's 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 Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent 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 Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

The Organization's endowment consisted of the following net asset composition at December 31, 2025:

	Without Donor Restrictions	With Donor Restrictions
Board designated quasi-endowment	$ 6,869,822	$ -
Donor-restricted endowment	-	610,000
Accumulated investment return	-	367,744
Total	$ 6,869,822	$ 977,744

Changes to the Organization's endowed net assets are as follows for the year ended December 31, 2025:

	Without Donor Restrictions	With Donor Restrictions
Balance at December 31, 2024	$ 6,208,094	$ 889,671
Contributions/Board designations	47,157	-
Amounts appropriated for expenditure	-	-
Net investment return	614,571	88,073
Total	$ 6,869,822	$ 977,744

NOTE 8 – RETIREMENT PLAN

A defined contribution plan is provided to all full-time employees. The Organization matches employee contributions. The Organization's matching contributions were $19,281 for the year ended December 31, 2025.

NOTE 9 – CONCENTRATIONS OF RISK

Cash Deposits – At December 31, 2025, the carrying amount of cash deposits was $837,975 and the bank balance was $813,400, of which $569,821 was covered by federal depository insurance. The Organization also had $2,096,553 of cash deposits (included in "investments" on the consolidated statement of financial position) deposited with a broker, of which $500,000 was covered by federal depository or securities investor insurance.

Revenue and Support – The Organization received a significant portion (14 percent) of its revenues and support from federal and state grants.

NOTE 10 – LAND LEASE

The Organization owns land in Duchesne, Utah which it leases under an agreement that provides the Organization a portion of the revenue from the gas extracted from the property by the lessee. The Organization received $47,157 for the year ended December 31, 2025 and designated those funds to the board's quasi-endowment.

SUPPLEMENTARY INFORMATION
AND OTHER REPORTS

NEIGHBORHOOD HOUSE ASSOCIATION AND EMMA MCVICKER FOUNDATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2025

	Neighborhood House Association	Emma McVicker Foundation	Eliminations	Total
ASSETS				
Cash	$ 475,812	$ 362,163	$ -	$ 837,975
Investments	9,704,803	-	-	9,704,803
Accounts and grants receivable	299,199	-	-	299,199
Prepaid expenses	55,299	-	-	55,299
Operating lease right-of-use asset	17,555	-	-	17,555
Net fixed assets	969,842	14,588,730	-	15,558,572
Due from related party	-	98,406	(98,406)	-
Total assets	$ 11,522,510	$ 15,049,299	$ (98,406)	$ 26,473,403
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	$ 88,728	$ -	$ -	$ 88,728
Accrued expenses	243,273	-	-	243,273
Operating lease liability	17,555	-	-	17,555
Due to related party	98,406	-	(98,406)	-
Total liabilities	447,962	-	(98,406)	349,556
Net Assets:				
Without donor restrictions:				
Undesignated	2,114,550	460,569	-	2,575,119
Designated for quasi-endowment	6,869,822	-	-	6,869,822
Designated for fixed assets, net of related debt	969,842	14,588,730	-	15,558,572
With donor restrictions	1,120,334	-	-	1,120,334
Total net assets	11,074,548	15,049,299	-	26,123,847
Total liabilities and net assets	$ 11,522,510	$ 15,049,299	$ (98,406)	$ 26,473,403

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

NEIGHBORHOOD HOUSE ASSOCIATION AND EMMA MCVICKER FOUNDATION
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

	Neighborhood House Association	Emma McVicker Foundation	Eliminations	Total
Net Assets Without Donor Restrictions:				
Revenues and Support:				
Contributions	$ 1,811,748	$ -	$ -	$ 1,811,748
In-kind contributions	87,772	-	-	87,772
Grants	1,654,876	-	-	1,654,876
Program service fees	1,364,508	-	-	1,364,508
Investment income	1,008,365	37	-	1,008,402
Rental income	-	620,000	(620,000)	-
Special events revenue, net of related costs	532,394	-	-	532,394
Other	20,884	-	-	20,884
Net assets released from restrictions	400,351	-	-	400,351
Total revenues and support	6,880,898	620,037	(620,000)	6,880,935
Net gain (loss) on settlement of NMTC	(9,475,680)	14,126,280	-	4,650,600
Total revenues, support, and gains (losses)	(2,594,782)	14,746,317	(620,000)	11,531,535
Expenses:				
Wages and benefits	4,792,276	-	-	4,792,276
Professional fees	386,748	56,898	-	443,646
Occupancy	988,132	-	(620,000)	368,132
Interest	-	83,985	-	83,985
Depreciation	117,933	619,611	-	737,544
Insurance	96,300	1,966	-	98,266
Advertising	16,003	-	-	16,003
Conferences and meetings	10,710	-	-	10,710
Repairs and maintenance	66,323	-	-	66,323
Supplies	255,979	-	-	255,979
Food	293,434	-	-	293,434
Travel	28,546	-	-	28,546
Office	63,956	-	-	63,956
Other	58,387	2,497	-	60,884
Total expenses	7,174,727	764,957	(620,000)	7,319,684
Change in net assets without donor restrictions	(9,769,509)	13,981,360	-	4,211,851
Net Assets With Donor Restrictions:				
Contributions	140,502	-	-	140,502
Net assets released from restrictions	(400,351)	-	-	(400,351)
Change in net assets with donor restrictions	(259,849)	-	-	(259,849)
Change in Net Assets	(10,029,358)	13,981,360	-	3,952,002
Net Assets at Beginning of Year	21,103,906	1,067,939	-	22,171,845
Net Assets at End of Year	$ 11,074,548	$ 15,049,299	$ -	$ 26,123,847

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

NEIGHBORHOOD HOUSE ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2025

Department/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Receivable (Unearned) 12/31/2024	Received	Expended	Receivable (Unearned) 12/31/2025
U.S. Department of Agriculture:						
Passed through the Utah State Board of Education:						
Child and Adult Care Food Program	CAM	10.558	$ 16,064	$ 225,435	$ 248,650	$ 39,279
U.S. Department of Transporation:						
Transit Services Programs Cluster:						
Passed through Utah Transit Authority:						
Enhanced Mobility of Seniors and Individuals with Disabilitites	20-03365	20.513	-	227,687	289,910	62,223
U.S. Department of Health and Human Services:						
Passed through Utah State University:						
Child Care and Development Block Grant	n/a	93.575	-	10,200	10,200	-
Passed through State of Utah Department of Workforce Services:						
Temporary Assistance for Needy Families	25DWS0011	93.558	229,357	991,693	905,813	143,477
Total U.S. Department of Health and Human Services			229,357	1,001,893	916,013	143,477
Total federal awards			$ 245,421	$ 1,455,015	$ 1,454,573	$ 244,979

The accompanying notes are an integral part of this schedule.

NEIGHBORHOOD HOUSE ASSOCIATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – GENERAL

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal award programs of Neighborhood House Association (the Organization) for the year ended December 31, 2025. All federal financial awards received directly from federal agencies as well as federal financial awards passed through from other government agencies are included on the schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended and does not present the financial position, changes in net assets or cash flows of the Organization.

NOTE B – BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C – SUBRECIPIENTS OF FEDERAL AWARDS

The Organization did not provide Federal award funding to any subrecipients during the year ended December 31, 2025.

Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards*

Board of Trustees
Neighborhood House Association and Emma McVicker Foundation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Neighborhood House Association and of Emma McVicker Foundation (nonprofit organizations), which comprise the consolidated statement of financial position as of December 31, 2025, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated July 28, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Neighborhood House Association's and Emma McVicker Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Neighborhood House Association's and Emma McVicker Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of Neighborhood House Association's or of Emma McVicker Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Neighborhood House Association's and Emma McVicker Foundation's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entities' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entities' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Squire & Company, PC

Orem, Utah
July 28, 2026

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance

Board of Trustees
Neighborhood House Association

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited Neighborhood House Association's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Neighborhood House Association's major federal programs for the year ended December 31, 2025. Neighborhood House Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Neighborhood House Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Neighborhood House Association and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Neighborhood House Association's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Neighborhood House Association's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether the noncompliance with compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Neighborhood House Association's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material, if there is substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Neighborhood House Association's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Neighborhood House Association's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Neighborhood House Association's internal control over compliance. Accordingly, no such opinion is expressed.

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 Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Squire & Company, PC

Orem, Utah
July 28, 2026

NEIGHBORHOOD HOUSE ASSOCIATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters were reported in the prior year audit.

NEIGHBORHOOD HOUSE ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2025

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiency identified	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weakness identified	No
Significant deficiency identified	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	No

Identification of Major Federal Programs

Name of Federal Program (Assistance Listing Number)

Temporary Assistance for Needy Families (93.558)

Dollar threshold used to distinguish between type A and type B programs:	$1,000,000
Auditee qualified as low-risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.