Consolidated Financial Statements

THE ABILITY CENTER OF GREATER TOLEDO

The Ability Center

AND
SUPPORTING ORGANIZATION

Years Ended September 30, 2025 and 2024
with Independent Auditor's Report

The Ability Center of Greater Toledo and Supporting Organization

Consolidated Financial Statements

Years Ended September 30, 2025 and 2024

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MIRA+KOLENA

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Ability Center of Greater Toledo and Supporting Organization

Opinion

We have audited the accompanying consolidated financial statements of The Ability Center of Greater Toledo and Supporting Organization (a not-for-profit organization), which comprise the consolidated statements of financial position as of September 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Ability Center of Greater Toledo and Supporting Organization as of September 30, 2025 and 2024, and the changes in its net position 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. 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 Ability Center of Greater Toledo and Supporting Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Ability Center of Greater Toledo and Supporting Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Ability Center of Greater Toledo and Supporting Organization’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Ability Center of Greater Toledo and Supporting Organization’s ability to continue as a going concern for a reasonable period of time.

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

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental information as listed is in the table of contents is presented for purposes of additional analysis and is 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. Such information has been subjected to the auditing procedures applied in the audits 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 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 financial statements as a whole.

Mira + Kolena, Ltd.

Toledo, Ohio
February 25, 2026

The Ability Center of Greater Toledo and Supporting Organization

Consolidated Statements of Financial Position

September 30, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash	$ 4,844,585	$ 1,319,809
Investments	58,120,177	58,645,115
Receivables:		
Grant and other	632,646	917,421
Pledge	18,500	45,250
	651,146	962,671
Inventory	7,747	10,783
Deposits	10,000	60,000
Prepaid expenses	16,936	24,956
Total current assets	63,650,591	61,023,334
Net property and equipment	2,944,236	3,162,452
Other assets:		
Beneficial interests in perpetual trusts	1,018,195	963,771
Pledge and notes receivable	27,900	10,400
Intangible property held for investment	35,350	12,545
Total other assets	1,081,445	986,716
Total assets	$ 67,676,272	$ 65,172,502
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 68,662	$ 120,712
Current portion of finance lease liabilities	25,788	24,532
Accrued liabilities:		
Paid time off	558,971	489,010
Payroll	151,536	142,749
Other	901	2,122
	711,408	633,881
Total current liabilities	805,858	779,125
Finance lease liabilities, net of current portion	53,856	79,644
Deferred revenue:		
Grant	2,944,695	2,902,500
Deferred oil and gas lease	44,343	60,971
	2,989,038	2,963,471
Total liabilities	3,848,752	3,822,240
Net assets:		
Without donor restrictions:		
Undesignated	62,400,402	59,957,963
Board-designated	226,308	228,739
	62,626,710	60,186,702
With donor restrictions	1,200,810	1,163,560
Total net assets	63,827,520	61,350,262
Total liabilities and net assets	$ 67,676,272	$ 65,172,502

See accompanying notes to financial statements.

The Ability Center of Greater Toledo and Supporting Organization

Consolidated Statements of Activities

Years Ended September 30, 2025 and 2024

	2025			2024		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	**Total Net Assets**	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	**Total Net Assets**
Revenues and support:						
Contributions and support:						
Grants	$ 1,329,602	$ 96,000	**$ 1,425,602**	$ 1,743,503	$ 93,725	**$ 1,837,228**
Bequests	700,000	-	**700,000**	150,070	-	**150,070**
Contributions	591,903	17,515	**609,418**	341,958	98,637	**440,595**
	2,621,505	113,515	**2,735,020**	2,235,531	192,362	**2,427,893**
Program service fees	144,962	-	**144,962**	99,433	-	**99,433**
Equipment sales	20,905	-	**20,905**	17,759	-	**17,759**
Miscellaneous	25,104	-	**25,104**	13,331	-	**13,331**
Interest income	91,261	-	**91,261**	18,041	-	**18,041**
	2,903,737	113,515	**3,017,252**	2,384,095	192,362	**2,576,457**
Net assets released from restrictions	130,689	(130,689)	**-**	137,000	(137,000)	-
Total revenues and other support	3,034,426	(17,174)	**3,017,252**	2,521,095	55,362	**2,576,457**
Expenses:						
Program	4,802,106	-	**4,802,106**	5,020,778	-	**5,020,778**
Fund raising	249,686	-	**249,686**	250,758	-	**250,758**
Management and general	1,336,226	-	**1,336,226**	1,146,456	-	**1,146,456**
Total expenses	6,388,018	-	**6,388,018**	6,417,992	-	**6,417,992**
Excess expenses over revenues and support before non-operating revenue (expense)	(3,353,592)	(17,174)	**(3,370,766)**	(3,896,897)	55,362	**(3,841,535)**
Non-operating revenue (expense):						
Net investment income	5,752,874	-	**5,752,874**	11,582,326	-	**11,582,326**
Distributions from trusts	40,799	-	**40,799**	62,300	-	**62,300**
Change in value in perpetual trusts	-	54,424	**54,424**	-	132,319	**132,319**
Gain (loss) on disposal of property and equipment	(73)	-	**(73)**	150	-	**150**
Total non-operating revenue	5,793,600	54,424	**5,848,024**	11,644,776	132,319	**11,777,095**
Change in net assets	2,440,008	37,250	**2,477,258**	7,747,879	187,681	**7,935,560**
Net assets at beginning of year	60,186,702	1,163,560	**61,350,262**	52,438,823	975,879	**53,414,702**
Net assets at end of year	$ 62,626,710	$ 1,200,810	**$ 63,827,520**	$ 60,186,702	$ 1,163,560	**$ 61,350,262**

See accompanying notes to financial statements.

The Ability Center of Greater Toledo and Supporting Organization

Statement of Functional Expenses

Year Ended September 30, 2025

	2025								
	Program Services				Supporting Services				
						Management and General			
	Housing and Advocacy Services	Youth and Transition Services	Assistance Dogs	Total Program	Fund Raising	ACT	SO	Total Management and General	Totals
Salaries	$ 1,303,960	$ 436,880	$ 628,872	$ 2,369,712	$ 176,715	$ 656,065	$ -	$ 656,065	$ 3,202,492
Payroll taxes	110,244	34,420	51,936	196,600	14,225	49,796	-	49,796	260,621
Fringe benefits	241,461	114,287	112,155	467,903	12,832	202,346	-	202,346	683,081
	1,655,665	585,587	792,963	3,034,215	203,772	908,207	-	908,207	4,146,194
Program	575,361	78,420	192,823	846,604	904	9,547	-	9,547	857,055
Professional fees	130,498	61,210	59,586	251,294	11,242	232,148	15,628	247,776	510,312
Depreciation and amortization	106,090	15,109	92,172	213,371	-	30,337	-	30,337	243,708
Occupancy	73,038	42,942	54,232	170,212	-	35,714	-	35,714	205,926
Travel and transportation	39,033	10,121	27,290	76,444	4,403	9,257	-	9,257	90,104
Supplies	16,537	4,644	21,497	42,678	596	39,105	-	39,105	82,379
Advertising and printing	37,392	-	446	37,838	11,000	1,014	-	1,014	49,852
Scholarship	-	35,387	-	35,387	-	10,623	-	10,623	46,010
Miscellaneous	3,050	1,937	11,650	16,637	1,473	26,465	284	26,749	44,859
Specific assistance	29,234	-	-	29,234	-	-	-	-	29,234
Development and training	5,434	2,702	7,982	16,118	1,669	10,165	-	10,165	27,952
Bad debt	22,092	250	-	22,342	-	-		-	22,342
Special events	-	-	-	-	11,617	-	-	-	11,617
Telephone	6,515	1,423	943	8,881	-	2,314	-	2,314	11,195
Postage and shipping	269	39	543	851	3,010	5,418	-	5,418	9,279
Total expenses	$ 2,700,208	$ 839,771	$ 1,262,127	$ 4,802,106	$ 249,686	$ 1,320,314	$ 15,912	$ 1,336,226	$ 6,388,018

See accompanying notes to financial statements.

The Ability Center of Greater Toledo and Supporting Organization

Statement of Functional Expenses

Year Ended September 30, 2024

	2024								
	Program Services				Supporting Services				
	Housing and Advocacy Services	Youth and Transition Services	Assistance Dogs	Total Program	Fund Raising	Management and General ACT	Management and General SO	Total Management and General	Totals
Salaries	$ 1,246,368	$ 414,675	$ 615,387	$ 2,276,430	$ 180,672	$ 557,035	$ -	$ 557,035	$ 3,014,137
Payroll taxes	112,194	35,585	51,554	199,333	14,790	45,684	-	45,684	259,807
Fringe benefits	206,910	115,779	110,002	432,691	12,375	203,228	-	203,228	648,294
	1,565,472	566,039	776,943	2,908,454	207,837	805,947	-	805,947	3,922,238
Program	908,634	67,842	254,692	1,231,168	-	8,847	-	8,847	1,240,015
Professional fees	107,526	51,611	51,611	210,748	9,642	134,833	15,428	150,261	370,651
Depreciation and amortization	94,347	16,352	85,315	196,014	-	29,489	-	29,489	225,503
Occupancy	73,732	42,452	53,759	169,943	-	35,790	-	35,790	205,733
Supplies	23,202	7,765	28,467	59,434	3,433	46,182	-	46,182	109,049
Travel and transportation	33,021	6,749	30,720	70,490	1,935	8,720	-	8,720	81,145
Advertising and printing	51,085	-	5,783	56,868	11,053	9,774	-	9,774	77,695
Miscellaneous	9,250	7,610	16,410	33,270	943	19,685	459	20,144	54,357
Scholarship	-	39,040	-	39,040	-	11,138	-	11,138	50,178
Telephone	5,497	7,179	4,228	16,904	-	5,057	-	5,057	21,961
Development and training	3,471	1,515	6,609	11,595	275	8,859	-	8,859	20,729
Specific assistance	15,916	-	-	15,916	-	-	-	-	15,916
Special events	-	-	-	-	13,629	-	-	-	13,629
Postage and shipping	63	123	748	934	2,011	6,248	-	6,248	9,193
Total expenses	$ 2,891,216	$ 814,277	$ 1,315,285	$ 5,020,778	$ 250,758	$ 1,130,569	$ 15,887	$ 1,146,456	$ 6,417,992

See accompanying notes to financial statements.

The Ability Center of Greater Toledo and Supporting Organization

Statements of Cash Flows

Years Ended September 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 2,477,258	$ 7,935,560
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	243,708	225,504
Change in value in beneficial interests in perpetual trusts	(54,424)	(132,319)
Net realized and unrealized gains on investments	(4,229,095)	(9,773,101)
Loss (gain) on sale of property and equipment	73	(150)
Changes in assets and liabilities:		
Receivables	294,025	(437,100)
Inventory	3,036	1,341
Deposits	50,000	(60,000)
Prepaid expenses	8,020	(2,218)
Other assets	(22,805)	(5)
Accounts payable	(52,050)	28,439
Accrued liabilities	77,527	89,958
Deferred revenue	25,567	2,884,650
Net cash provided by (used in) operating activities	(1,179,160)	760,559
Cash flows from investing activities:		
Capital expenditures	(25,565)	(247,990)
Purchase of investments	(3,896,314)	(4,787,060)
Proceeds from sale of investments	8,650,347	4,455,017
Net cash provided by (used in) investing activities	4,728,468	(580,033)
Cash flows from financing activities:		
Payments on finance lease obligation	(24,532)	(23,426)
Net cash used in financing activities	(24,532)	(23,426)
Increase in cash	3,524,776	157,100
Cash at beginning of year	1,319,809	1,162,709
Cash at end of year	$ 4,844,585	$ 1,319,809
Supplemental cash flow information:		
Cash paid for interest	$ 4,652	$ 5,758
Non-cash financing activities:		
Equipment acquired through finance lease	$ -	$ 83,028

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

Organization and Nature of Activities

The Ability Center of Greater Toledo (the "Center") was founded in 1920 and has evolved through the years to meet the changing needs of people with disabilities. Today, as an Independent Living Center, the Center's resources are committed to providing services, advocacy and opportunities that enable people with disabilities to achieve and maintain the highest possible level of self-sufficiency and control over their own lives. Services include Independent Living Skills Training, Peer Support, Information and Referral, Advocacy, Accessible Housing Coordination and Training Assistance Dogs.

The Center is a not-for-profit corporation which serves eighteen counties in Ohio. The main office is located in Sylvania, Ohio with an outreach office in Bryan, Ohio. The Center receives a majority of its funding from endowments, bequests, contributions, and grants from public and private entities.

In 2001, The Ability Center of Greater Toledo Supporting Organization (the "Supporting Organization") was established as a separate not-for-profit supporting organization. The Supporting Organization was established principally to hold certain investments of the Center. The Supporting Organization has engaged the Toledo Community Foundation to provide administrative services to Supporting Organization (see Note 10).

Basis of Presentation

The consolidated financial statements include the accounts of the Center and the Supporting Organization (collectively, referred to as the "Organization") as required by generally accepted accounting principles and have been prepared on the accrual basis of accounting. All account balances and activity between the Center and the Supporting Organization have been eliminated in consolidation. The accompanying financial statement presentation follows Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") *Not-For-Profit Entities (Topic 958)*: *Presentation of Financial Statements for Not-for-Profit Entities*.

Net Asset Classifications

Resources for accounting and financial reporting purposes into net asset categories established according to their nature and purpose as follows:

- Net assets without donor restrictions - Net assets without donor restrictions represent funds which are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize in any of its programs or supporting services. At September 30, 2025 and 2024, the Organization has board-designated net assets of $226,308 and $228,739, respectively, for the support of education of individuals with disabilities.

- Net assets with donor restrictions – Net assets with donor restrictions are comprised of funds which are restricted by donors for specific purposes (see Note 8). This includes net assets that are subject to time or purpose restrictions and donor-restricted endowments. Net assets with time or purpose restrictions are satisfied either by the passage of time or by actions of the Organization. Funds which are restricted by donors for specific purposes for which the donor-imposed conditions and restrictions are met in the same reporting period are reported as revenue without

1. Summary of Significant Accounting Policies - continued

Net Asset Classifications - continued

- donor restrictions on the statement of activities. Donor-restricted endowments include donor-imposed restrictions which require the assets to be maintained in perpetuity but permit the Organization to expend all or part of the income derived from the donated assets.

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 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 revenues and expenses during the reporting period. Actual results could vary from the estimates that were used as a basis for these financial statements.

Cash

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Money market funds managed by investment advisors are classified as investment securities.

Concentrations of Credit Risk and Revenue

The Center maintains cash deposits in financial institutions which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation ("FDIC") up to $250,000. The Center has enrolled their cash account into IntraFi Cash Service which allows the Center to access additional FDIC coverage for cash deposits that exceed the $250,000 limit.

The Center has approximately 52% and 63% of its accounts receivable from two and three government agencies as of September 30, 2025 and 2024, respectively.

Receivables

Pledges receivable are recorded at their net realizable value at the time the promises are received (see Note 2). The Center considers the fact that all receivables may not be fully collectible; accordingly, an allowance for doubtful accounts is reflected in the accompanying financial statements, when appropriate. It is the Center's policy to charge-off uncollectible accounts receivable when management determines the receivable will not be collected.

Investments

Investments in marketable securities with readily determinable fair values are reported at fair value in the statements of financial position. Investment income and unrealized gains/losses are reported in the statement of activities. Investment management and administrative fees are netted with realized and unrealized gains.

1. Summary of Significant Accounting Policies - continued

Beneficial Interests in Perpetual Trusts

Beneficial interests in three trusts provide for payments to the Center based on the income earned on the related investment. Assets held under these arrangements are reported at fair value in the accompanying consolidated statement of financial position. The distributions from these trusts can be used to support the Organization's general activities and are reported as unrestricted revenue. The change in value of these assets is reported as donor restricted gains or losses from perpetual trusts in the consolidated statements of activities.

Property and Equipment

Property and equipment are carried at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. The Center provides for depreciation and amortization using the straight-line method over the estimated useful lives of the depreciable assets. The Center capitalizes all expenditures for property and equipment in excess of $2,500 and having a useful life of three years or greater.

Income Taxes

The Center and Supporting Organization qualify as charitable organizations under Internal Revenue Code Section 50l(c)(3) and, accordingly, are exempt from federal income taxes and are not classified as a private foundation. The Organization has evaluated the guidelines related to uncertain tax positions and has concluded that the Organization has no significant financial statement exposure to uncertain tax positions at September 30, 2025 and 2024. The Center and Supporting Organization's federal tax returns for the years after 2021 remain subject to examination by the Internal Revenue Service.

Risks and Uncertainties

The Organization holds funds in various investments. Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

Revenue Recognition

<u>Grants</u>

The Center receives financial assistance from governmental agencies in the form of grants. Grants are awarded on an annual basis and there is no assurance as to their future continuance or the amounts to be awarded. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Center. However, in the opinion of management, disallowed claims, if any, will not have a material adverse effect on the overall financial position of the Center at September 30, 2025 and 2024. Revenue is recognized as conditions are satisfied, primarily as expenses are incurred.

1. Summary of Significant Accounting Policies – continued

Revenue Recognition - continued

Grants - continued

In August 2024, the Center entered into a grant agreement with Ohio Office of Budget and Management for $2,900,000 to build a new Inclusive Multigenerational Community and Recreation Center ("IMCRC"). The IMCRC will become a community hub to expand and provide additional inclusivity in all programs and facilities as well as provide opportunities for private partnerships. The Center received $2,900,000 in August 2024 and the funds must be used by June 30, 2026. The grant is classified as conditional and $2,900,000 is recognized as deferred revenue on the 2025 and 2024 statements of financial position. Revenues will be recognized as the conditions on which the grant depends have been satisfied, primarily as the funds are spent.

Program Service Fees

Revenue from contracts with customers is recorded based on the accrual basis of accounting and is derived primarily from program and service fees. The Center has contracts with third parties that stipulate the charges for services. Program service fee revenue is recognized when the Center satisfies a performance obligation under a contract with a customer. Thus, revenue is recognized in the period that the services are performed. Prices are specific to distinct performance obligations stipulated by a contract and do not consist of multiple transactions. The Center records program service fees under these contracts at the estimated net realizable value of such charges. Depending on the program or service, revenue is recognized at the point in time that the services are delivered. Payment is typically due prior to the date that the assistance dog is received.

Contributions

Contributions are recorded as revenue when received or promised unconditionally at their fair value. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a donor time restriction ends or purpose or other restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional contributions, such as bequests, are recognized as revenue when all conditions on which they depend have been satisfied. There were no conditional promises to give at September 30, 2025 and 2024. Distributions received from the Supporting Organization are recorded as revenue upon final approval by the Supporting Organization (see Note 10).

Donated Assets and Services

Donated assets and services, when received, are recorded as contributions in the accompanying financial statements at the estimated fair value at the date of receipt. For the years ended September 30, contributed nonfinancial assets recognized within the statement of activities included:

1. Summary of Significant Accounting Policies - continued

Revenue Recognition – continued

Donated Assets and Services - continued

	2025	2024
Equipment	$ 895	$ 35,618
Other	1,425	60
	$ 2,320	$ 35,678

Unless otherwise noted, contributed nonfinancial assets do not have donor-imposed restrictions. A portion of the Center's functions, such as fundraising and special events, is conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition.

Functional Expenses

The costs of providing the program services and activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Directly identifiable costs are charged to programs and supporting services. Certain costs not directly attributable to specific program services or functions have been allocated to program services and supporting services using various allocation methods. These expenses include employee wages and other payroll-related expenses which are primarily directly or partially allocated based on estimates of time spent within each function. Occupancy and depreciation expenses are allocated based on payroll that is allocated to the program or function. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising

The Center uses advertising to promote its programs. Advertising costs are expensed as incurred. Advertising expense for the years ended September 30, 2025 and 2024 was $21,433 and $47,898, respectively.

Accrued Personal Time Off

Employees are entitled to paid vacation and personal days depending on their length of service. The Center has recorded a liability of $558,971 and $489,010 for future compensated absences as of September 30, 2025 and 2024, respectively.

Subsequent Events

The Organization has evaluated all subsequent events for potential recognition and/or disclosure in the September 30, 2025 financial statements through February 25, 2026, the date these financial statements are available to be issued, and has determined there are no subsequent events requiring disclosure under FASB ASC 855, *Subsequent Events*.

2. Pledges Receivable

At September 30, 2025 and 2024, there are total pledges receivable of $46,400 and $55,650, respectively. At September 30, 2025 and 2024, the Organization had pledges receivable of $44,500 and $54,500, respectively, restricted to the assistance dogs program and construction of a new facility. Pledges receivable at September 30, 2025 are due as follows: 2026 – $18,500; 2027 - $17,000; 2028 - $5,500; and 2029 - $5,400. Unconditional promises are recorded at net realizable value. A discount of unconditional promises to give in future years has not been reflected as it is not significant to the financial statements.

3. Property and Equipment

Property and equipment consists of the following at September 30, 2025 and 2024:

	2025	2024
Land and land improvements	$ 689,150	$ 689,150
Building and building improvements	4,425,308	4,387,444
Equipment and software	777,246	787,509
Equipment for loan	14,083	13,188
Vehicles	290,917	290,917
Construction in process	48,750	78,362
	6,245,454	6,246,570
Less accumulated depreciation and amortization	3,301,218	3,084,118
Net property and equipment	$ 2,944,236	$ 3,162,452

4. Beneficial Interests in Perpetual Trusts

The Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) provides classification and disclosure guidelines for endowment fund net assets for states (such as Ohio) that have enacted a version of UPMIFA. The Center has interpreted 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. The Center classifies as permanently restricted net assets (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. The remaining portion of the donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA.

4. Beneficial Interests in Perpetual Trusts - continued

Beneficial interests in charitable trusts at September 30, 2025 and 2024 and distributions received for the years then ended are as follows:

	Investments		Distributions	
	2025	2024	2025	2024
10.1626% beneficial interest in the Arthur S. Hickok Trust	$ 202	$ 202	$ 5,736	$ 8,890
25% beneficial interest in the Allie Ritter Memorial Trust	506,253	476,222	8,349	32,891
33.33% beneficial interest in the Eleanor A. Bainbridge Trust	511,740	487,347	26,714	20,519
	$1,018,195	$ 963,771	$ 40,799	$ 62,300

All beneficial interests in charitable trusts are classified as donor-restricted net assets at September 30, 2025 and 2024. The following table identifies the changes in endowment net assets for the years ended September 30, 2025 and 2024:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	$ 228,739	$ 963,771	$1,192,510
Investment return	(2,431)	89,747	87,316
Distributions from trusts	-	(35,323)	(35,323)
Endowment net assets at end of year	$ 226,308	$1,018,195	$1,244,503

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	$ 219,122	$ 831,452	$1,050,574
Investment return	9,617	161,728	171,345
Distributions from trusts	-	(29,409)	(29,409)
Endowment net assets at end of year	$ 228,739	$ 963,771	$1,192,510

5. Investments and Fair Value Information

Accounting principles generally accepted in the United States define fair value, establishes a framework for measuring fair value using a three-tier hierarchy, and requires certain fair value disclosures. The following is a list of the different levels in the fair value hierarchy based on the data and/or methods used to determine fair value:

5. Investments and Fair Value Information – continued

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data for substantially the full terms of the asset or liability.
- Level 3: Unobservable inputs that may be supported by little or no market activity and reflects management's assumptions that are significant to the measurement of fair value

The asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The methods 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 methods are appropriate and consistent with other market participants, the use of different methodologies and assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following is a description of the valuation methodologies used for other financial assets measured at fair value:

- *Corporate stocks* – Valued at the closing price reported in the active market value where the securities are traded.

- *Mutual funds* – Valued at the closing price reported in the active market where securities are traded at year end.

- *Money market funds* – Valued at closing price reported in the active market.

- *Corporate bonds, government agency and mortgage-backed securities* – Valued based on recent trade activity, market quotations and new issuances.

- *Certificates of deposit* – Valued at the account value plus accrued interest, if any.

- *Beneficial interest in perpetual trusts* – Valued based on the Organization's pro rata share of the underlying assets within the trust.

5. Investments and Fair Value Information – continued

The following tables set forth, by level, within the fair value hierarchy, the Organization's assets carried at fair value at September 30, 2025 and 2024:

	2025			
	Level 1	Level 2	Level 3	Total
Investment securities:				
Corporate stocks	$ 412,724	$ -	$ -	$ 412,724
Mutual funds:				
Equity funds	42,176,097	-	-	42,176,097
International equity fund	870,999	-	-	870,999
Bond funds	9,462,773	-	-	9,462,773
Specialty funds	4,484,196	-	-	4,484,196
Government agency and mortgage-backed securities	-	66,111	-	66,111
Corporate bonds	-	49,188	-	49,188
Money market funds	598,089	-	-	598,089
	58,004,878	115,299	-	58,120,177
Beneficial interests in perpetual trusts	-	-	1,018,195	1,018,195
	$ 58,004,878	$ 115,299	$ 1,018,195	$ 59,138,372

	2024			
	Level 1	Level 2	Level 3	Total
Investment securities:				
Corporate stocks	$ 1,387,755	$ -	$ -	$ 1,387,755
Mutual funds:				
Equity funds	39,711,156	-	-	39,711,156
International equity fund	1,049,951	-	-	1,049,951
Bond funds	8,701,609	-	-	8,701,609
Specialty funds	5,026,696	-	-	5,026,696
Certificate of deposit	2,400,000	-	-	2,400,000
Government agency and mortgage-backed securities	-	68,179	-	68,179
Corporate bonds	-	48,496	-	48,496
Money market funds	251,273	-	-	251,273
	58,528,440	116,675	-	58,645,115
Beneficial interests in perpetual trusts	-	-	963,771	963,771
	$ 58,528,440	$ 116,675	$ 963,771	$ 59,608,886

5. Investments and Fair Value Information – continued

The following tables present a reconciliation of beginning and ending balances of investments classified as Level 3 as of September 30, 2025 and 2024:

	2025	2024
Balance at beginning of year	$ 963,771	$ 831,452
Net gain from perpetual trusts	54,424	132,319
Balance at end of year	$ 1,018,195	$ 963,771

Total investment income consists of the following at September 30, 2025 and 2024:

	2025	2024
Interest and dividends	$ 1,573,533	$ 1,858,098
Management fees	(49,754)	(48,873)
Unrealized gain on investments	2,143,133	8,019,689
Realized gain on investments	2,085,962	1,753,412
Total investment income	$ 5,752,874	$ 11,582,326

6. Intangible Property Held for Investment

In 2017, the Center received a 25% ownership interest in mineral rights valued at $11,463 located on property in Ohio which has been reflected as a contribution and intangible property held for investment. In May 2018, the Center entered into a lease for the mineral rights in exchange for a lease bonus payment of $83,142 and the right to receive a 17.5% royalty from all oil and/or gas revenue received from the property which is recorded as a contribution. In May 2023, the lease was renewed for an additional five years and the Center received a bonus payment of $83,142. The lease bonus payments received are being amortized over the term of the lease renewal.

7. 401(k) Retirement Plan

The Center has a 401(k) retirement plan for eligible employees. Employees must complete one year of service and work at least 975 hours a year to receive the Center’s contribution. The Center contributes 2% of employee compensation and a safe harbor match of 100% of the first 4% contributed by the employee. To be eligible for the safe harbor match, the employee must complete 90 days of service. The Center's 401(k) retirement plan expense for the fiscal years ended September 30, 2025 and 2024 was $160,544 and $161,888, respectively.

8. Net Assets with Donor Restrictions

Net assets with donor restrictions at September 30, 2025 and 2024 are as follows:

	2025	2024
Pledges and notes receivable	$ 46,400	$ 55,650
Assistance dogs	104,026	100,752
Veterans funds	32,189	43,387
Beneficial interests in perpetual trusts	1,018,195	963,771
	$1,200,810	$ 1,163,560

9. Lease Commitments

The Center leases certain equipment under finance leases which are classified in property and equipment. Costs expensed on the consolidated statements of activities related to the Center's right-of-use finance leases are $30,302 and $31,408 at September 30, 2025 and 2024, respectively. A lease discount rate of 5% was used for recording the lease transactions. Right-of-use assets related to finance leases includes the following at September 30, 2025 and 2024:

	2025	2024
Financing lease right-of-use assets	$ 133,742	$133,742
Less accumulated amortization	58,123	32,473
	$ 75,619	$101,269

Annual minimum lease payments for the subsequent years under the finance lease obligations at September 30, 2025 are as follows:

2026	$ 29,184
2027	27,325
2028	25,366
2029	4,185
Total payments	86,060
Less amount representing interest	(6,416)
Present value of lease obligation	$ 79,644

10. Related Party Transactions

<u>The Ability Center of Greater Toledo Supporting Organization</u>

The Supporting Organization was established principally to hold certain assets of trusts, bequests, or other funds that are received by the Center. During the years ended September 30, 2025 and 2024, the Center

10. Related Party Transactions – continued

The Ability Center of Greater Toledo Supporting Organization – continued

received distributions of $3,538,789 and $3,639,185, respectively, from the Ability Center of Greater Toledo Supporting Organization. These distributions are eliminated in consolidation. In addition, certain individuals are board members of both organizations.

The Auxiliary of The Ability Center of Greater Toledo

The Center receives periodic contributions from The Auxiliary of The Ability Center of Greater Toledo ("Auxiliary"), a fundraising organization under the control of a separate Board of Directors which exists for the sole benefit of the Organization. The Center received $44,350 and $45,461 of contributions from the Auxiliary in the years ended September 30, 2025 and 2024, respectively. The Auxiliary has net assets of $16,295 and $64,321 as of September 30, 2025 and 2024, respectively. As the Center is the sole beneficiary of Auxiliary activities, a beneficial interest in these net assets should be reflected in the accompanying financial statements. However, an asset has not been reflected in these financial statements as the amount is not significant to the accompanying financial statements.

11. Liquidity and Availability of Financial Assets

The Organization has $63,206,985 of financial assets available at September 30, 2025 for use within one year of the balance sheet date, which consists of cash, receivables, and investments to meet cash needs for general expenditures. Financial assets that are subject to donor or other contractual restrictions include $1,018,195 in perpetual trusts, $104,026 for the assistance dogs program, $32,189 for veterans funds, and $46,400 in pledges and notes receivable. The following table reflects the Organization's financial assets as of September 30, 2025 and 2024, reduced by amounts not available for general use within one year of the balance sheet date because of donor-imposed restrictions:

	2025	2024
Cash and cash equivalents	$ 4,844,585	$ 1,319,809
Accounts receivable	651,146	962,671
Investments	59,138,372	59,608,886
Board-designated funds	(226,308)	(228,739)
Donor-imposed restrictions	(1,200,810)	(1,163,560)
Financial assets available to meet cash needs for general expenditures within one year	$ 63,206,985	$ 60,499,067

SUPPLEMENTAL INFORMATION

The Ability Center of Greater Toledo and Supporting Organization

Consolidating Statements of Financial Position

September 30, 2025

(See Independent Auditor's Report)

	The Ability Center of Greater Toledo	The Ability Center of Greater Toledo Supporting Organization	Eliminations	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 4,843,198	$ 1,387	$ -	$ 4,844,585
Investments	5,054,208	53,065,969	-	58,120,177
Receivables:				
Grant and other	632,646	-	-	632,646
Pledges	18,500	-	-	18,500
	651,146	-	-	651,146
Inventory	7,747	-	-	7,747
Deposits	10,000	-	-	10,000
Prepaid expenses	16,936	-	-	16,936
Total current assets	10,583,235	53,067,356	-	63,650,591
Property and equipment - net	2,944,236	-	-	2,944,236
Other assets:				
Beneficial interest in perpetual trusts	1,018,195	-	-	1,018,195
Intangible property held for investment	35,350	-	-	35,350
Pledge and notes receivable	27,900	-	-	27,900
Total other assets	1,081,445	-	-	1,081,445
Total assets	$ 14,608,916	$ 53,067,356	$ -	$ 67,676,272
Liabilities and Net Assets				
Current liabilities:				
Accounts payable	$ 68,662	$ -	$ -	$ 68,662
Current portion of finance lease liabilities	25,788	-	-	25,788
Accrued liabilities:				
Paid time off	558,971	-	-	558,971
Payroll	151,536	-	-	151,536
Other	901	-	-	901
Total current liabilities	711,408	-	-	711,408
Finance lease liabilities, net of current portion	53,856	-	-	53,856
Deferred revenue:				
Grant	2,944,695	-	-	2,944,695
Deferred oil and gas lease	44,343	-	-	44,343
	2,989,038	-	-	2,989,038
Total liabilities	3,848,752	-	-	3,848,752
Net assets:				
Without donor restrictions:				
Undesignated	9,333,046	53,067,356	-	62,400,402
Board-designated	226,308	-	-	226,308
	9,559,354	53,067,356	-	62,626,710
With donor restrictions	1,200,810	-	-	1,200,810
Total net assets	10,760,164	53,067,356	-	63,827,520
Total liabilities and net assets	$ 14,608,916	$ 53,067,356	$ -	$ 67,676,272

The Ability Center of Greater Toledo and Supporting Organization

Consolidating Statements of Activities

Year Ended September 30, 2025

(See Independent Auditor's Report)

	The Ability Center of Greater Toledo	The Ability Center of Greater Toledo Supporting Organization	Eliminations	Total
Revenues and support:				
Contributions and support:				
Contributions from Supporting Organization	$ 3,538,789	$ -	$ (3,538,789)	$ -
Contributions - other	588,536	-	-	588,536
Grants	1,425,602	-	-	1,425,602
Bequests	700,000	-	-	700,000
	6,252,927	-	(3,538,789)	2,714,138
Program service fees	144,962	-	-	144,962
Royalties and mineral rights	20,882	-	-	20,882
Interest and dividends	91,261	-	-	91,261
Equipment sales	20,905	-	-	20,905
Miscellaneous	25,104	-	-	25,104
Total revenue and support	6,556,041	-	(3,538,789)	3,017,252
Expenses and transfers:				
Program	4,802,106	-	-	4,802,106
Fund raising	249,686	-	-	249,686
Management and general	1,320,314	15,912	-	1,336,226
Contributions to Ability Center of Greater Toledo	-	3,538,789	(3,538,789)	-
Total expenses	6,372,106	3,554,701	(3,538,789)	6,388,018
Excess expenses and transfers over revenue and support	183,935	(3,554,701)	-	(3,370,766)
Non-operating revenue (expense):				
Net investment gain	486,617	5,266,257	-	5,752,874
Loss on disposal of property and equipment	(73)	-	-	(73)
Distributions from trusts	40,799	-	-	40,799
Change in value in perpetual trusts	54,424	-	-	54,424
Total non-operating revenue	581,767	5,266,257	-	5,848,024
Change in net assets	765,702	1,711,556	-	2,477,258
Net assets at beginning of year	9,994,462	51,355,800	-	61,350,262
Net assets at end of year	$ 10,760,164	$ 53,067,356	$ -	$ 63,827,520