Christian Community Service Center, Inc.
and
Christian Community Service Center
Memorial Endowment

Consolidated Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2025 and 2024

Christian Community Service Center, Inc. and
Christian Community Service Center Memorial Endowment

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Independent Auditors' Report

To the Board of Directors of
Christian Community Service Center, Inc. and
Christian Community Service Center Memorial Endowment:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Christian Community Service Center, Inc. (the Center) and Christian Community Service Center Memorial Endowment (the Endowment), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, of functional expenses, and of cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Center and the Endowment as of December 31, 2025 and 2024, and the changes in their net assets and their 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Center and the Endowment 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 Center's and the Endowment's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Blazek & Vetterling

May 21, 2026

Christian Community Service Center, Inc. and
Christian Community Service Center Memorial Endowment

Consolidated Statements of Financial Position as of December 31, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents *(Notes 3 and 5)*	$ 3,917,609	$ 2,914,665
Prepaid expenses and other assets	221,843	149,828
Contributions receivable *(Note 4)*	252,134	377,134
Investments *(Note 5)*:		
2030 Strategic Vision	3,055,799	
Endowment	10,191,283	9,277,780
Operating lease right-of-use assets *(Note 10)*	20,526	25,215
Property, net *(Note 6)*	9,379,494	9,604,005
TOTAL ASSETS	$ 27,038,688	$ 22,348,627
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 95,967	$ 92,704
Operating lease liabilities *(Note 10)*	20,526	25,215
Refundable advance from future fundraising event	313,635	16,000
Total liabilities	430,128	133,919
Net assets *(Note 8)*:		
Without donor restrictions *(Note 2)*	18,558,656	17,477,068
With donor restrictions *(Note 7)*	8,049,904	4,737,640
Total net assets	26,608,560	22,214,708
TOTAL LIABILITIES AND NET ASSETS	$ 27,038,688	$ 22,348,627

See accompanying notes to consolidated financial statements.

Christian Community Service Center, Inc. and
Christian Community Service Center Memorial Endowment

Consolidated Statement of Activities for the year ended December 31, 2025

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
OPERATING REVENUE:			
Contributions:			
Cash and other financial assets	$ 2,785,731	$ 925,925	$ 3,711,656
Nonfinancial assets *(Note 9)*	1,227,780		1,227,780
Special events:			
Cash and other financial assets	892,316		892,316
Nonfinancial assets *(Note 9)*	87,080		87,080
Direct donor benefit costs	(190,999)		(190,999)
Operating investment return	112,331		112,331
Endowment return distributed for operations *(Note 8)*	157,859	138,254	296,113
Other income	3,069		3,069
Total operating revenue	5,075,167	1,064,179	6,139,346
Net assets released from restrictions:			
Program expenditures	1,222,093	(1,222,093)	
Total	6,297,260	(157,914)	6,139,346
OPERATING EXPENSES:			
Program services:			
Basic Needs	3,047,234		3,047,234
Workforce Development	966,446		966,446
Youth Services	676,230		676,230
Total program services	4,689,910		4,689,910
Supporting services:			
Management and general	507,871		507,871
Fundraising	515,037		515,037
Total operating expenses	5,712,818		5,712,818
OPERATING CHANGES IN NET ASSETS	584,442	(157,914)	426,528
OTHER CHANGES IN NET ASSETS:			
Contributions to *2030 Strategic Vision*		3,000,000	3,000,000
Investment return on *2030 Strategic Vision*		55,799	55,799
Contributions to Endowment *(Note 8)*	43,712	11,825	55,537
Endowment investment return *(Note 8)*	611,294	540,807	1,152,101
Endowment return distributed for operations *(Note 8)*	(157,860)	(138,253)	(296,113)
CHANGES IN NET ASSETS	1,081,588	3,312,264	4,393,852
Net assets, beginning of year	17,477,068	4,737,640	22,214,708
Net assets, end of year	$ 18,558,656	$ 8,049,904	$ 26,608,560

See accompanying notes to consolidated financial statements.

Christian Community Service Center, Inc. and
Christian Community Service Center Memorial Endowment

Consolidated Statement of Activities for the year ended December 31, 2024

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
OPERATING REVENUE:			
Contributions:			
Cash and other financial assets	$ 2,295,439	$ 977,001	$ 3,272,440
Nonfinancial assets *(Note 9)*	1,175,604		1,175,604
Special events:			
Cash and other financial assets	908,440		908,440
Nonfinancial assets *(Note 9)*	78,924		78,924
Direct donor benefit costs	(188,894)		(188,894)
Operating investment return	99,983		99,983
Endowment return distributed for operations *(Note 8)*	134,014	127,292	261,306
Other income	4,361		4,361
Total operating revenue	4,507,871	1,104,293	5,612,164
Net assets released from restrictions:			
Program expenditures	1,384,514	(1,384,514)	
Total	5,892,385	(280,221)	5,612,164
OPERATING EXPENSES:			
Program services:			
Basic Needs	2,894,971		2,894,971
Workforce Development	906,100		906,100
Youth Services	646,882		646,882
Total program services	4,447,953		4,447,953
Supporting services:			
Management and general	400,194		400,194
Fundraising	496,515		496,515
Total operating expenses	5,344,662		5,344,662
OPERATING CHANGES IN NET ASSETS	547,723	(280,221)	267,502
OTHER CHANGES IN NET ASSETS:			
Contributions to Endowment *(Note 8)*	11,198	4,510	15,708
Endowment investment return *(Note 8)*	519,631	486,519	1,006,150
Endowment return distributed for operations *(Note 8)*	(134,014)	(127,292)	(261,306)
CHANGES IN NET ASSETS	944,538	83,516	1,028,054
Net assets, beginning of year	16,532,530	4,654,124	21,186,654
Net assets, end of year	$ 17,477,068	$ 4,737,640	$ 22,214,708

See accompanying notes to consolidated financial statements.

Christian Community Service Center, Inc. and
Christian Community Service Center Memorial Endowment

Consolidated Statement of Functional Expenses for the year ended December 31, 2025

	BASIC NEEDS	WORKFORCE DEVELOPMENT	YOUTH SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Direct assistance	$ 1,837,740	$ 39,408	$ 448,647			$ 2,325,795
Salaries and related costs	641,367	673,506	157,588	$ 377,843	$ 401,450	2,251,754
Depreciation and amortization	141,512	78,002	15,627	10,232	12,765	258,138
Computer supplies and maintenance	80,279	52,269	13,196	12,106	15,316	173,166
Repairs and maintenance	72,115	38,253	8,442	5,124	6,400	130,334
Professional and contract services	59,899		4,475	48,459	10,475	123,308
Fees and licenses	24,423	19,853	3,548	39,705	14,006	101,535
Insurance	52,928	15,713	5,775	4,551	4,812	83,779
Printing and postage	9,915	8,177	3,792	2,043	40,667	64,594
Occupancy	33,606	18,330	3,666	2,444	3,055	61,101
Supplies	36,996	8,360	1,919	2,015	2,154	51,444
Telephone	18,471	8,689	6,380	1,246	1,279	36,065
Transportation	1,832	1,158	335		465	3,790
Other	36,151	4,728	2,840	2,103	2,193	48,015
Total operating expenses	$ 3,047,234	$ 966,446	$ 676,230	$ 507,871	$ 515,037	5,712,818
Direct donor benefit costs						190,999
Total						$ 5,903,817

See accompanying notes to consolidated financial statements.

Christian Community Service Center, Inc. and
Christian Community Service Center Memorial Endowment

Consolidated Statement of Functional Expenses for the year ended December 31, 2024

	BASIC NEEDS	WORKFORCE DEVELOPMENT	YOUTH SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Direct assistance	$ 1,800,526	$ 23,586	$ 422,179			$ 2,246,291
Salaries and related costs	608,128	600,846	155,530	$ 303,001	$ 386,841	2,054,346
Depreciation and amortization	140,540	77,092	15,432	10,186	12,722	255,972
Computer supplies and maintenance	81,242	82,709	15,984	10,582	17,621	208,138
Repairs and maintenance	75,420	40,377	8,810	5,386	6,462	136,455
Professional and contract services	47,196	4,480	4,120	23,400	8,370	87,566
Fees and licenses	15,675	10,414	2,773	34,296	6,464	69,622
Insurance	48,673	26,549	5,310	4,248	4,425	89,205
Printing and postage	8,641	7,657	5,009	2,837	41,216	65,360
Occupancy	28,088	15,321	3,064	2,260	2,553	51,286
Supplies	14,781	3,867	3,229	1,000	5,663	28,540
Telephone	19,721	9,705	3,550	1,247	1,340	35,563
Transportation	2,922	1,189	360		572	5,043
Other	3,418	2,308	1,532	1,751	2,266	11,275
Total operating expenses	$ 2,894,971	$ 906,100	$ 646,882	$ 400,194	$ 496,515	5,344,662
Direct donor benefit costs						188,894
Total						$ 5,533,556

See accompanying notes to consolidated financial statements.

Christian Community Service Center, Inc. and Christian Community Service Center Memorial Endowment

Consolidated Statements of Cash Flows for the years ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 4,393,852	$ 1,028,054
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Contributions restricted for *2030 Strategic Vision*	(3,000,000)	
Contributions restricted for endowment	(55,537)	(15,708)
Net realized and unrealized gain on investments	(946,843)	(840,302)
Depreciation and amortization	229,200	255,972
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(72,015)	(37,268)
Contributions receivable	125,000	105,000
Accounts payable, accrued expenses, and lease liabilities	(1,426)	21,104
Refundable advance	297,635	16,000
Net cash provided by operating activities	969,866	532,852
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(774,623)	(3,189,425)
Proceeds from sales of investments	953,297	2,257,317
Net change in money market mutual funds held for investment	(3,201,133)	689,396
Net cash used by investing activities	(3,022,459)	(242,712)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted for *2030 Strategic Vision*	3,000,000	
Proceeds from contributions for capital improvements		321,658
Proceeds from contributions restricted for endowment	55,537	15,708
Net cash provided by financing activities	3,055,537	337,366
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,002,944	627,506
Cash and cash equivalents, beginning of year	2,914,665	2,287,159
Cash and cash equivalents, end of year	$ 3,917,609	$ 2,914,665

Noncash investing and financing activities:

Right-of-use operating asset obtained in exchange for lease liability		$27,739

See accompanying notes to consolidated financial statements.

Christian Community Service Center, Inc. and
Christian Community Service Center Memorial Endowment

Notes to Consolidated Financial Statements for the years ended December 31, 2025 and 2024

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Christian Community Service Center, Inc. (the Center) is an ecumenical, nonprofit corporation organized by member churches in the Houston area to provide food and services to people in need in the central and southwest Houston community. The Center provides services to the community through the following programs:

Basic Needs

Emergency Services operates at two locations in central and southwest Houston. The program addresses the community's basic needs by providing food, clothing, financial assistance, and referrals to people in crisis. This effort includes helping families avoid homelessness or substandard living conditions through rent and utility bill assistance, and providing some medical assistance for eyeglasses, dental services, and prescription medications.

Workforce Development

JobNet helps job seekers through skill-building workshops, computer training, job leads, resume development, career coaching, and access to office equipment. The program's individualized design increases clients' skills and confidence, especially those who face employment barriers including limited education, lack of computer skills, and transportation challenges.

Martha's Way is a 42-hour residential housekeeping training program designed to teach men and women to become entrepreneurs in the field of housekeeping. Job leads are shared with graduates, helping them to launch their businesses.

Home Caregiver Training Program equips people for a career assisting older adults and other populations with activities of daily living. The 45+ hour nonmedical training covers a variety of topics including technical skills, dementia education, relationship-building, and more. The Center supports participants after graduation through job leads, continuing education, and coaching.

Youth Services

Back To School provides underserved students (pre-K through Grade 12) with comprehensive school supplies, a backpack, and a voucher or gift card for new school attire to prepare them to achieve academic success.

Jingle Bell Express provides children from low-income families with new toys and books for their Christmas celebrations. Each of the families also receive a grocery gift card for this special time of year. This uniquely designed program addresses play, literacy, and hunger.

Louise J. Moran Vision Care Program partners with local schools and the Houston Eye Institute at the University of Houston to provide vision-screening services and prescription eyeglasses to pre-K through Grade 8 students in need.

Christian Community Service Center Memorial Endowment (the Endowment) was created in 1998 to provide financial support for the programs of the Center. The majority of the Endowment's Board of Directors are appointed by the Board of Directors of the Center.

Basis of consolidation – These financial statements include the assets, liabilities, net assets, and activities of the Center and the Endowment (collectively CCSC). Balances and transactions between the consolidated entities have been eliminated.

Federal income tax status – The Center and the Endowment are exempt from federal income taxes under §501(c)(3) of the Internal Revenue Code. The Center is classified as a public charity under §509(a)(1) and §170(b)(1)(A)(vi). The Endowment is classified as a Type I supporting organization under §509(a)(3).

Cash equivalents include highly liquid financial instruments with original maturities of three months or less except that cash equivalents held for investment or other long-term purposes are grouped with investments and excluded from cash and cash equivalents in the statement of cash flows.

Contributions receivable that are expected to be collected within one year are reported at net realizable value. Amounts due in more than one year are discounted, if material, to estimate the present value of future cash flows. An allowance for uncollectible contributions receivable is provided when it is believed balances may not be collectible in full. Contributions receivable are written off against the allowance when management determines a receivable will not be collected.

Investments are reported at fair value. Net investment return consists of interest and dividends, realized and unrealized gains and losses, net of external and direct internal investment expenses.

Property is reported at cost if purchased or at fair value at the date of gift if donated. CCSC capitalizes property in excess of $5,000. Depreciation is provided using the straight-line method over estimated useful lives of 3 to 40 years.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both. Contributions of long-lived assets and of assets restricted for acquisition of long-lived assets are released when those assets are placed in service. Donor-restricted endowment earnings are released when those earnings are appropriated in accordance with spending policies and are used for the stipulated purpose.

Operating revenue and expenses – CCSC reports activities related to the *2030 Strategic Vision* initiatives and its endowment, including bequest contributions that are transferred to the Endowment from the Center, as non-operating revenue and expenses. Endowment investment return approved by the Endowment Board of Directors for Center operations is reported as operating revenue. Revenue and expenses, except those related to the Endowment, are reported as operating.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as *with donor restrictions*. Conditional contributions are subject to one or more barriers that must be overcome before the organization is entitled to receive or retain funding. Conditional contributions are recognized as revenue at fair value when the conditions have been met.

Donated materials, use of facilities and services are recognized at fair value as contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Special events revenue represents amounts paid by donors, sponsors, and attendees of a fundraising event and includes elements of both contributions and exchange transactions. Special events revenue is recognized when an event occurs. Amounts received in advance are reported as deferred revenue until earned. Direct donor benefit costs represent the costs of goods and services provided in exchange for the amount paid by event attendees.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Management and general activities are not directly identifiable with specific programs or fundraising activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Salaries and related costs are allocated on the basis of estimated time and effort expended. Depreciation and occupancy costs are allocated based on square footage.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts reported as revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31 comprise the following:

	2025	2024
Financial assets:		
Cash and cash equivalents	$ 3,917,609	$ 2,914,665
Contributions receivable	252,134	377,134
Investments	13,247,082	9,277,780
Total financial assets	17,416,825	12,569,579
Less:		
Endowment investments	(10,191,283)	(9,277,780)
Donor-restricted financial assets subject to satisfaction of restriction	(3,300,800)	(453,484)
Board-designated financial assets	(884,453)	(453,464)
Add:		
Endowment investments appropriated for use in following year	341,381	289,213
Donor-restricted financial assets expected to be used in following year	1,650,000	190,569
Board-designated financial assets approved for use in upcoming year	50,000	50,000
Total financial assets available for general expenditure	$ 5,081,670	$ 2,914,633

CCSC is supported by a coalition of 42 Christian congregations and by individuals, foundations, and corporations. CCSC manages its financial assets to be available as its general expenditures, liabilities, and other obligations become due. CCSC considers all expenditures related to its ongoing activities of Emergency Services, Back To School, Louise J. Moran Vision Care, Jingle Bell Express, JobNet, Martha's Way, and Home Caregiver Training, as well as services undertaken to support these activities, to be general expenditures.

During 2025, CCSC began implementing a new, 5-year strategic plan calling for growth in the Basic Needs and Workforce Development areas. CCSC's vision is to serve 50% more clients by 2030, its 50th anniversary year, with the same or better quality, attention and results while maintaining its Christian DNA. In addition to making strategic changes to serve more clients at the two existing locations, CCSC will open a third service center on the East End. CCSC recognized contributions of $3 million which are restricted for expansion.

CCSC has the following board-designated funds, which may be drawn upon in the event of an unanticipated financial need from events outside the typical business cycle:

	2025	2024
Board-designated endowment	$ 5,442,179	$ 4,945,033
Board-designated for special projects	494,307	453,464
Board-designated strategic reserve	412,606	
Total	$ 6,349,092	$ 5,398,497

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	2025	2024
Bank deposits	$ 848,442	$ 700,256
Money market mutual funds	3,069,167	2,214,409
Total cash and cash equivalents	$ 3,917,609	$ 2,914,665

Bank deposits exceed the federally insured limit per depositor per institution, which is a decision made by the Board of Directors. CCSC places its cash with high credit quality financial institutions and evaluates the credit quality of the financial institutions on a periodic basis.

NOTE 4 – CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, 2025 are expected to be collected as follows:

2026	$ 157,134
2027	95,000
Total contributions receivable	$ 252,134

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All of CCSC's investments are measured at fair value using Level 2 inputs, which although not quoted prices in active markets for identical assets or liabilities, are either directly observable or can be derived from or corroborated by observable market data at the reporting date.

Assets measured at fair value at December 31 using Level 2 inputs are as follows:

	2025	2024
Investments:		
Money market mutual funds	$ 3,409,072	$ 207,939
Fixed-Income Fund	3,167,475	3,168,636
Large-Cap Equity Fund	2,603,805	2,680,847
International Equity Fund	1,418,535	904,237
Small-Cap Equity Fund	1,268,041	1,135,158
Emerging Markets Equity Fund	771,053	638,919
Real Assets Pooled Fund	400,078	355,542
Balanced Pool Fund	209,023	186,502
Total investments measured at fair value	13,247,082	9,277,780
Cash equivalents:		
Money market mutual funds	3,069,167	2,214,409
Total assets measured at fair value	$ 16,316,249	$ 11,492,189

Investments and cash equivalents consist of CCSC's share of pooled investment portfolios managed by the Texas Presbyterian Foundation (TPF). TPF was established in 1925 and is a public charity qualified under Section 501(c)(3) of the Code. TPF is governed by a Board of Trustees comprised of twenty-four persons, whose election is subject to approval of the Synod of the Sun, Presbyterian Church (U.S.A.), or its agencies.

TPF Pooled Funds are administered according to investment policies with the objective of meeting the investment objectives of each fund within reasonable risk levels and obtaining a high total return on assets consistent with safety of principal. Specific investment objectives and strategies are subject to change from time to time. TPF Pooled Funds include only assets of charitable trusts, general endowment funds and other specified types of assets authorized by law to be jointly invested by a charity. Funds are exempt from registration requirements of the federal securities laws pursuant to the exemption for collective investment funds and similar funds maintained by charitable organizations under the Philanthropy Protection Act of 1995. Assets of TPF's funds are held by third-party custodians.

TPF provides an accounting of its transactions with respect to each account invested in its funds on a periodic basis, no less often than annually. Withdrawals are allowed on the last business day of each month with three-days' written notice at the calculated net asset value.

TPF Pooled Funds are valued at net asset values provided by fund management and supported by the audited financial statements of TPF. This valuation method may produce a fair value that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while CCSC believes its valuation method is appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

Investments are exposed to various risks such as interest rate, market, and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

NOTE 6 – PROPERTY

Property consists of the following:

	2025	2024
Land	$ 1,030,130	$ 1,030,130
Buildings and improvements	9,406,256	9,406,256
Equipment	247,402	247,402
Vehicles	39,910	39,910
Construction in progress	28,937	
Total property, at cost	10,752,635	10,723,698
Accumulated depreciation	(1,373,141)	(1,119,693)
Property, net	$ 9,379,494	$ 9,604,005

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	2025	2024
Subject to expenditure for specified purpose:		
Expansion	$ 3,055,800	
Vision Care	190,000	$ 312,915
Back To School	55,000	90,000
Total subject to expenditure for specified purpose	3,300,800	402,915
Subject to spending policy and appropriation:		
General Endowment	4,534,362	4,143,304
Freeman Fund – provides warm items for clients in need	173,448	155,904
Emily Fund – supports Emergency Services	41,294	35,517
Total endowments	4,749,104	4,334,725
Total net assets with donor restrictions	$ 8,049,904	$ 4,737,640

NOTE 8 – ENDOWMENT

The Endowment was established to assist the Center in meeting its operating needs and includes donor-restricted endowments and a board-designated endowment created by the Center. The Board of Directors of the Endowment has interpreted the Texas Uniform Prudent Management of Institutional Funds Act

(TUPMIFA) 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 Endowment classifies the original value of gifts donated to the perpetual endowment as *net assets with donor restrictions* not subject to appropriation or expenditure. The remaining portion of the donor-restricted endowment fund is classified as *net assets with donor restrictions* until those amounts are appropriated for expenditure by the Endowment in a manner consistent with the standards of prudence prescribed by TUPMIFA. In accordance with TUPMIFA, the Endowment considers the following factors in deciding to appropriate accumulated donor-restricted endowment funds:

- The duration and preservation of the funds
- The purposes of the Center and the donor-restricted endowment funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Center
- The investment policies of the Endowment

Changes in endowment net assets are as follows:

		WITH DONOR RESTRICTIONS		
	BOARD-DESIGNATED ENDOWMENT	ACCUMULATED NET INVESTMENT RETURN	REQUIRED TO BE MAINTAINED IN PERPETUITY	TOTAL
Endowment net assets, December 31, 2023	$ 4,222,896	$ 572,603	$ 3,398,385	$ 8,193,884
Contributions	11,198		4,510	15,708
Transfers	325,322			325,322
Net investment return	519,631	486,519		1,006,150
Distributions	(134,014)	(127,292)		(261,306)
Endowment net assets, December 31, 2024	4,945,033	931,830	3,402,895	9,279,758
Contributions	43,712		11,825	55,537
Net investment return	611,294	540,807		1,152,101
Distributions	(157,860)	(138,253)		(296,113)
Endowment net assets, December 31, 2025	$ 5,442,179	$ 1,334,384	$ 3,414,720	$10,191,283

Endowment net asset composition as of December 31, 2025:

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Donor-restricted endowment funds:			
Original donor-restricted gift and amounts required to be maintained in perpetuity		$ 3,414,720	$ 3,414,720
Accumulated net investment return		1,334,384	1,334,384
Board-designated endowment funds	$ 5,442,179		5,442,179
Endowment net assets	$ 5,442,179	$ 4,749,104	$10,191,283

Endowment net asset composition as of December 31, 2024:

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Donor-restricted endowment funds:			
Original donor-restricted gift and amounts required to be maintained in perpetuity		$ 3,402,895	$ 3,402,895
Accumulated net investment return		931,830	931,830
Board-designated endowment funds	$ 4,945,033		4,945,033
Endowment net assets	$ 4,945,033	$ 4,334,725	$ 9,279,758

Investment Policies and Strategy

The purpose of the Endowment is to provide long-term financial support to the Center. Accordingly, the Endowment's strategic asset allocation is based on this long-term perspective. The Endowment Board of Directors recognizes the difficulty of achieving the Endowment's investment objectives in light of the uncertainties and complexities of investment markets. It also recognizes that some risks must be assumed to achieve long-term investment objectives. The target performance objective is that, over a complete market cycle, the overall annualized total return should outperform its relevant benchmarks. Performance objectives have been based upon the assumption that future rates of return will approximate historical rates of return experienced for various asset classes. The Endowment Board of Directors realizes that market performance varies and that a real rate of return may not be achievable during short-term periods.

Spending Policy

Annually, the Endowment distributes 4% of the average market value of the Endowment's funds under management for the preceding twelve quarters. The annual distribution is disbursed over four quarters. Excluded from funds under management are any restricted funds that do not qualify as distributable for the upcoming year. The Freeman Fund distributes income on a quarterly basis to provide warm clothing for the needy. In conjunction with the authorization of the annual distribution, the Endowment Board of Directors reviews this policy in light of current and expected market conditions and the rate of inflation. Other distributions may be made from time to time at the discretion of the Endowment Board of Directors. These policies are consistent with CCSC's objectives to preserve the corpus of the Endowment, grow the total value of the Endowment through investments and gifts, and financially support the mission and activities of the Center.

NOTE 9 – CONTRIBUTED NONFINANCIAL ASSETS

A substantial number of volunteers have contributed significant amounts of time in connection with programs, administration, and clerical support for which no amount has been recognized in the financial statements because the donated services did not meet the criteria for recognition under generally accepted accounting principles. Volunteers contributed approximately 32,900 hours during 2025 and 30,600 hours during 2024, which although not recognized in the financial statements, are invaluable to CCSC's programs and operations.

Contributed nonfinancial assets, none of which had donor restrictions, were recognized as follows:

CONTRIBUTED NONFINANCIAL ASSETS	MONETIZED OR UTILIZED IN PROGRAMS/ACTIVITIES	VALUATION TECHNIQUES AND INPUTS	2025	2024
Food commodities	Program	Houston Food Bank donations based on price per pound from Feeding America. Food drive donations based on average local food prices.	$ 984,773	$ 977,360
Clothing	Program	Average local thrift store prices.	187,207	154,944
Auction items	Sold at fundraising event	Amount paid by purchasers at auction.	87,080	78,924
HEB gift cards	Program	Face value of gift card.	55,800	43,300
Total			$ 1,314,860	$ 1,254,528

NOTE 10 – OPERATING LEASE

The Center leases equipment under non-cancelable operating leases. Right-of-use assets are recognized at the present value of the lease payments at the inception of the lease adjusted, as appropriate, for certain other payments and allowances related to obtaining the lease and placing the asset in service. Operating lease right-of-use assets are amortized so that lease costs remain constant over the lease term.

During 2025 and 2024, lease costs associated with operating leases were $5,557 and $2,524, respectively. Cash paid for amounts included in the measurement of operating lease liabilities was $5,557 and $2,778 during 2025 and 2024, respectively. As of December 31, 2025, the weighted-average remaining lease term is 45 months, and the weighted-average discount rate is 1.91%.

Undiscounted cash flows related to operating leases as of December 31, 2025 are as follows:

2026	$ 5,557
2027	5,557
2028	5,557
2029	4,170
Total undiscounted cash flows	20,841
Less discount to present value	(315)
Total discount present value of lease liabilities	$ 20,526

NOTE 11 – EMPLOYEE BENEFIT PLAN

The Center maintains a §403(b) defined contribution plan. After one year of service, the Center contributes 3% of each qualified employee’s salary to the plan and also matches 50% of employee contributions up to 2% of compensation. Employees are immediately fully vested in the Center’s contributions. The Center contributed approximately $65,000 to the plan during 2025 and $66,000 during 2024.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 21, 2026, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.