

Downtown
Boxing Gym
Youth Program



Years Ended
September 30,
2025 and 2024

Financial
Statements

Rehmann

DOWNTOWN BOXING GYM YOUTH PROGRAM

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements for the Years Ended September 30, 2025 and 2024	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7

INDEPENDENT AUDITORS' REPORT

February 16, 2026

Board of Directors
Downtown Boxing Gym Youth Program
Detroit, Michigan

Opinion

We have audited the financial statements of ***Downtown Boxing Gym Youth Program*** (the "Organization"), which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements (the "financial statements").

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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.

A handwritten signature in black ink that reads "Rehmann Johnson LLC". The signature is written in a cursive, flowing style.

DOWNTOWN BOXING GYM YOUTH PROGRAM

Statements of Financial Position

	September 30	
	2025	2024
ASSETS		
Current assets		
Cash	\$ 461,763	\$ 673,487
Restricted cash	402	2,367
Promises to give, net	1,344,592	2,018,461
Prepaid expenses and other	153,716	91,010
Total current assets	1,960,473	2,785,325
Property and equipment, net	4,019,222	4,211,058
Investments	6,460,849	2,547,991
Long-term promises to give, net	76,448	60,895
Total assets	\$ 12,516,992	\$ 9,605,269
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 127,939	\$ 114,667
Funds held for others	402	2,367
Accrued expenses	175,092	86,472
Current portion of long-term debt	27,378	26,471
Deferred revenue	-	10,271
Total current liabilities	330,811	240,248
Long-term debt, net of current portion	121,048	148,332
Total liabilities	451,859	388,580
Net assets		
Without donor restrictions	6,671,819	7,527,069
With donor restrictions	5,393,314	1,689,620
Total net assets	12,065,133	9,216,689
Total liabilities and net assets	\$ 12,516,992	\$ 9,605,269

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

DOWNTOWN BOXING GYM YOUTH PROGRAM

Statements of Activities

	Year Ended September 30, 2025			Year Ended September 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support, and gains (losses)						
Contributions	\$ 978,134	\$ 4,264,566	\$ 5,242,700	\$ 3,817,912	\$ 2,383,435	\$ 6,201,347
Strategic expansion - capital contributions	-	3,010,000	3,010,000	-	-	-
Net investment income	258,653	-	258,653	341,506	-	341,506
Contributed nonfinancial assets	178,942	-	178,942	306,369	-	306,369
Other income	53,453	-	53,453	43,539	-	43,539
Special events, net of direct expenses	16,073	-	16,073	(205,931)	-	(205,931)
Net assets released from restrictions	3,570,872	(3,570,872)	-	2,679,646	(2,679,646)	-
Total revenue, support, and gains (losses)	5,056,127	3,703,694	8,759,821	6,983,041	(296,211)	6,686,830
Expenses						
Program services: youth development	4,402,091	-	4,402,091	3,554,841	-	3,554,841
Management and general	345,534	-	345,534	208,404	-	208,404
Fundraising	1,163,752	-	1,163,752	804,895	-	804,895
Total expenses	5,911,377	-	5,911,377	4,568,140	-	4,568,140
Change in net assets	(855,250)	3,703,694	2,848,444	2,414,901	(296,211)	2,118,690
Net assets, beginning of year	7,527,069	1,689,620	9,216,689	5,112,168	1,985,831	7,097,999
Net assets, end of year	\$ 6,671,819	\$ 5,393,314	\$ 12,065,133	\$ 7,527,069	\$ 1,689,620	\$ 9,216,689

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

DOWNTOWN BOXING GYM YOUTH PROGRAM

Statements of Functional Expenses

	Year Ended September 30, 2025				Year Ended September 30, 2024			
	Program	Support		Total	Program	Support		Total
	Youth Development	Management and General	Fundraising		Youth Development	Management and General	Fundraising	
Expenses								
Salaries	\$ 2,868,715	\$ 172,391	\$ 773,422	\$ 3,814,528	\$ 2,143,885	\$ 100,156	\$ 492,026	\$ 2,736,067
Consulting fees	534,641	81,822	252,722	869,185	372,269	76,386	161,435	610,090
Educational supplies	307,742	-	-	307,742	303,181	3,434	3,434	310,049
Depreciation	219,949	5,788	5,788	231,525	216,948	5,709	5,709	228,366
Assistance to individuals	117,557	-	-	117,557	77,451	-	-	77,451
Website and marketing	36,507	36,507	36,507	109,521	113,417	-	113,417	226,834
Office supplies	36,164	4,251	41,360	81,775	87,331	1,697	10,375	99,403
Vehicles	81,598	-	-	81,598	66,607	-	-	66,607
Other	38,666	1,734	38,279	78,679	117,723	48	1,736	119,507
Bank, payroll and filling fees	41,433	9,932	16,875	68,240	30,666	9,153	14,257	54,076
Utilities	44,497	1,171	1,171	46,839	43,675	1,149	1,149	45,973
Travel and meetings	13,889	19,959	10,486	44,334	44,529	2,422	12,415	59,366
Repairs and maintenance	32,945	867	867	34,679	39,881	1,049	1,049	41,979
Professional development	22,206	790	3,589	26,585	4,625	4,625	-	9,250
Insurance	24,384	642	642	25,668	39,158	1,552	5,716	46,426
Dues and subscriptions	3,663	7,594	13,152	24,409	-	-	-	-
Interest	7,954	209	209	8,372	8,956	236	236	9,428
Printing	301	1,877	1,858	4,036	509	509	509	1,527
In-kind food	2,801	-	-	2,801	11,502	-	-	11,502
Postage and shipping	23	-	369	392	-	223	223	446
Event rentals	-	-	-	-	129,872	-	14,430	144,302
Property tax	-	-	-	-	2,147	56	56	2,259
Total expenses	4,435,635	345,534	1,197,296	5,978,465	3,854,332	208,404	838,172	4,900,908
Less special event expenses with revenue, support, and gains (losses) on the statement of activities	(33,544)	-	(33,544)	(67,088)	(299,491)	-	(33,277)	(332,768)
Total expenses included in the expenses section of the statement of activities	\$ 4,402,091	\$ 345,534	\$ 1,163,752	\$ 5,911,377	\$ 3,554,841	\$ 208,404	\$ 804,895	\$ 4,568,140

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

DOWNTOWN BOXING GYM YOUTH PROGRAM

Statements of Cash Flows

	Year Ended September 30	
	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 2,848,444	\$ 2,118,690
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	231,525	228,366
Donated property and equipment	(5,107)	(33,411)
Contributions received for capital expansion	(3,010,000)	-
Net realized and unrealized gain on investments	(140,957)	(244,858)
Changes in operating assets and liabilities which provided (used) cash		
Promises to give, net	658,316	(1,108,862)
Prepaid expenses and other	(62,706)	(21,204)
Accounts payable and accrued expenses	101,892	(157,977)
Funds held for others	(1,965)	(22,889)
Deferred revenue	(10,271)	10,271
Net change in cash from operating activities	609,171	768,126
Cash flows from investing activities		
Purchases of property and equipment	(34,582)	(90,763)
Purchases of investments	(5,851,417)	(2,900,902)
Proceeds from sales of investments	2,079,516	2,619,813
Net change in cash from investing activities	(3,806,483)	(371,852)
Cash flows from financing activities		
Payments on long-term debt	(26,377)	(25,183)
Collections of contributions restricted for capital expansion	3,010,000	-
Net change in cash from financing activities	2,983,623	(25,183)
Net change in cash and restricted cash	(213,689)	371,091
Cash and restricted cash, beginning of year	675,854	304,763
Cash and restricted cash end of year	\$ 462,165	\$ 675,854
Reconciliation to Statements of Financial Position		
Cash	\$ 461,763	\$ 673,487
Restricted cash	402	2,367
Cash and restricted cash, end of year	\$ 462,165	\$ 675,854
Supplemental cash flows information		
Property and equipment purchased and not paid as of year end	\$ -	\$ 52,079
Cash paid for interest	\$ 8,372	\$ 9,428

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

DOWNTOWN BOXING GYM YOUTH PROGRAM

Notes to Financial Statements

1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Downtown Boxing Gym Youth Program (the "Organization") is a Michigan nonprofit corporation founded in 2010. The Organization serves youth in Southeastern Michigan through an integrated model that combines education, athletics, mentorship, holistic intervention, and family support services. Through close mentorship and individualized student planning, the Organization addresses students' academic, physical, social, and emotional needs while partnering with families to ensure consistent, sustained support. Through this approach, the Organization strengthens youth, families, and the greater community, building a comprehensive network of support.

Concentration Risk

Contributions from two donors accounted for \$6,582,567 of revenue, support, gains and losses (75%) for fiscal 2025. Contributions from one donor accounted for \$1,000,000 of revenue, support, gains and losses (15%) for fiscal 2024. The loss of these donors could adversely affect short-term operating results. Promises to give due from these donors amounted to \$890,817 and \$1,000,000 at September 30, 2025 and 2024, respectively.

Basis of Presentation

Net assets, revenue, support, and gains (losses) are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. There were no such designated net assets at September 30, 2025 and 2024.

Net Assets With Donor Restrictions - Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. (See Note 8)

Revenue, support, and gains (losses) are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses and losses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

DOWNTOWN BOXING GYM YOUTH PROGRAM

Notes to Financial Statements

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") 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, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash

Cash consists of demand deposits in banks. During the normal course of business, the Organization maintains cash on deposit with financial institutions in excess of federally insured limits. Management does not believe the Organization is exposed to any significant interest rate or other financial risk as a result of these deposits.

Restricted Cash and Funds Held for Others

Restricted cash and funds held for others consists of funds held by the Organization for other not-for-profit organizations.

Revenue and Support

Contributions received are recorded as support with or without donor restrictions depending on the existence and nature of any donor restrictions. Contributions of assets other than cash are recorded at their fair value on the date of the gift. Restricted gifts or promises to give are reported as restricted support in the period received and are then reclassified to net assets without donor restrictions upon satisfaction of the donor restriction.

Unconditional promises to give that are expected to be collected in future years are recorded on the basis of amounts promised by the contributors less any allowance for doubtful accounts determined to be necessary. Promises to give that are expected to be collected after one year have been discounted and are reflected in the financial statements at their net present value. Management reviews the likelihood of collection of each promise to give based on management's historical experience with donors and economic conditions. The Organization determined the allowance for uncollectible contributions was \$1,000 as of September 30, 2025 and 2024.

Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. As of September 30, 2025 and 2024, conditional grants total approximately \$334,000 and \$3,474,000 and will be recorded as support as the barriers within the agreements are met. Cash received in advance of barriers being met is recorded as a liability until the barriers are overcome by the Organization. There were no refundable advances as of September 30, 2025 and 2024.

DOWNTOWN BOXING GYM YOUTH PROGRAM

Notes to Financial Statements

Special events revenue consists of contributions and gifts donated at events and registration fees, as applicable. The Organization recognizes special events revenue when the special event takes place. The exchange portion of the transactions for the direct costs of benefits received by the donors totaled \$36,628 and \$280,848 in fiscal year 2025 and 2024, respectively, and is included in special events on the statement of activities.

Deferred revenue represents sponsorships received from donors for future fundraising events. This revenue is recognized when the future fundraising event occurs. The related revenue will be recognized within approximately one year. There was no deferred revenue at September 30, 2025 or 2023. Deferred revenue at September 30, 2024 was \$10,271.

Contributed Services

In addition, the Organization receives services from a large number of volunteers who give significant amounts of their time to the Organization's programs and special events. No amounts have been reflected in these financial statements for these donated services because they do not meet the criteria for recognition under GAAP. Also, the services provided have not created or improved non-financial assets. Volunteer hours were approximately 1,500 and 6,200 during fiscal year 2025 and 2024, respectively.

Property and Equipment and Depreciation

Property and equipment is recorded at cost when purchased or at estimated fair value when received as a donation. The cost of maintenance and repairs is charged to expense when incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 39 years. Management reviews these assets for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable.

Leases

The Organization determines if an arrangement is a lease at inception and considers classification of leases as operating or finance. In 2025 and 2024, the Organization's lease arrangements consist solely of short-term operating leases.

The Organization has elected to exclude short-term leases from the recognition requirements of Accounting Standards Codification ("ASC") 842, Leases. A lease is short-term if, at the commencement date, it has a term of less than or equal to one year. Lease expense related to short-term leases is recognized on a straight-line basis over the lease term.

Short term lease cost was approximately \$10,000 for 2025.

DOWNTOWN BOXING GYM YOUTH PROGRAM

Notes to Financial Statements

Investments

Investments are stated at fair value, which is based on quoted market prices. Income from investments, including realized and unrealized gains and losses, is allocated among net assets with donor restrictions and without donor restrictions based on donor restrictions or the absence thereof. Realized gains and losses are determined using the specific identification method. Investment return is reported net of external investment expenses. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that the changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in these financial statements.

Fair Value Measurements

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3).

A description of each category in the fair value hierarchy is as follows:

- Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the estimates of assumptions that market participants would use in pricing the asset or liability.

For a further discussion of fair value measurements, refer to Note 3 to the financial statements.

Income Taxes

The Organization's activities are generally tax-exempt pursuant to the Internal Revenue Code ("IRC") Section 501(c)(3) and is exempt from similar state and local taxes, and accordingly, no income taxes are reported in these financial statements. Although the Organization was granted an income tax exemption by the Internal Revenue Service, such exemption does not apply to "unrelated business taxable income." The Organization has not been classified as a private foundation.

DOWNTOWN BOXING GYM YOUTH PROGRAM

Notes to Financial Statements

The Organization analyzes its income tax filing positions in the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions, to identify potential uncertain tax positions.

The Organization has evaluated its income tax filing positions for fiscal years 2022 through 2025, the years which remain subject to examination as of September 30, 2025. The Organization concluded that there are no significant uncertain tax positions requiring recognition in the financial statements. The Organization does not expect the total amount of unrecognized tax benefits ("UTB") (e.g., tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Organization does not have any amounts accrued for interest and penalties related to UTBs at September 30, 2025 and 2024, and is not aware of any claims for such amounts by federal or state income tax authorities.

Functional Expense Allocation

The costs of providing program and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses presents the natural classification detail of expenses by function. Direct expenses, which can be clearly defined as incurred for a specific program, are charged to that program. Natural expenses attributable to more than one functional expense category are allocated using a reasonable cost allocation method. Salary and benefits are allocated to programs and supporting services based on estimated time and effort. Although the methods of allocation used are considered reasonable, other methods could be used that may produce different results.

Reclassification

Certain amounts as reported in the 2024 financial statements have been reclassified to conform with the 2025 presentation. Certain expenses in 2024 were reclassified between natural classifications in 2025. Grants and contributions on the statement of activities has been reclassified together in 2025.

Subsequent Events

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to the most recent statement of financial position presented herein, through the date these financial statements were available to be issued.

DOWNTOWN BOXING GYM YOUTH PROGRAM

Notes to Financial Statements

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprise of the following at September 30:

	2025	2024
Financial assets at year-end:		
Cash	\$ 461,763	\$ 673,487
Promises to give, net	1,421,040	2,079,356
Investments	6,460,849	2,547,991
Less amounts with limits on usage and time:		
Net assets with donor restrictions	<u>5,393,314</u>	<u>1,689,620</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,950,338</u>	<u>\$ 3,611,214</u>

The Organization manages its financial assets to provide sufficient liquidity for operations. As part of liquidity management, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization receives certain support and gains without donor restrictions throughout the year that is also available for general expenditures. The Organization invests mainly in investment securities.

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organization utilizes fair value measurements to record fair value adjustments to investments and to determine fair value disclosures. Investments are recorded at fair value on a recurring basis. The following is a description of the valuation methodology and key inputs used to measure investments recorded at fair value, including an indication of the level of the fair value hierarchy in which the investments are classified. There have been no changes in the methodologies used at September 30, 2025 and 2024.

Mutual funds and exchange traded funds: Shares held in mutual funds and exchange traded funds traded on national securities exchanges are valued at quoted market prices that represent the net asset value ("NAV") of shares held by the Organization at year end and are classified as Level 1. The NAV is based on the value of the underlying assets owned by the fund, less its liabilities, then divided by the number of shares outstanding.

U.S. Treasury notes: The fair value of U.S. Treasury notes are determined by the Organization based on quoted market prices, which represent a Level 1 measurement.

Fixed income, corporate bonds and notes: Fixed income, corporate bonds and notes are valued based on yields currently available on comparable securities of issuers with similar credit ratings (Level 2).

DOWNTOWN BOXING GYM YOUTH PROGRAM

Notes to Financial Statements

The real estate income trust is measured at "NAV" as a practical expedient. The investment is valued at a one month lag. Management believes that the carrying amounts of these financial instruments are reasonable estimate of fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of investments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the recorded amount of investments measured at fair value on a recurring basis as of September 30:

2025	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 934,320	\$ -	\$ -	\$ 934,320
Exchange traded funds	2,172,359	-	-	2,172,359
U.S. Treasury notes	3,095,317	-	-	3,095,317
Fixed income, corporate bonds and notes	-	125,752	-	125,752
Investment value at NAV real estate income trust	-	-	-	133,101
Total investments	\$ 6,201,996	\$ 125,752	\$ -	\$ 6,460,849

2024	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 933,548	\$ -	\$ -	\$ 933,548
Exchange traded funds	918,786	-	-	918,786
U.S. Treasury notes	487,880	-	-	487,880
Fixed income, corporate bonds and notes	-	73,248	-	73,248
Investment value at NAV real estate income trust	-	-	-	134,529
Total investments	\$ 2,340,214	\$ 73,248	\$ -	\$ 2,547,991

As of September 30, 2025 and 2024, the investments for which fair values are estimated using the reported NAV as a practical expedient have no unfunded commitments and may be redeemed monthly as long as total redemptions are less than 2% of the value of the fund.

DOWNTOWN BOXING GYM YOUTH PROGRAM

Notes to Financial Statements

Included within investments as of September 30, 2025 is \$3,010,000 of donor restricted funds designated for Strategic expansion - capital contributions. These amounts are restricted to support future capital projects consistent with the Organization's long term strategic plan.

4. PROMISES TO GIVE

The following is a schedule of the unconditional promises to give, net of allowance and discount, as of September 30:

	2025	2024
Amounts due in		
Less than one year	\$ 1,345,592	\$ 2,019,461
One to five years	86,350	66,725
	<hr/>	<hr/>
Total promises to give	1,431,942	2,086,186
Less discount to present value at 3.74%	9,902	5,830
Less allowance for doubtful accounts	1,000	1,000
	<hr/>	<hr/>
Promises to give	<u>\$ 1,421,040</u>	<u>\$ 2,079,356</u>

5. PROPERTY AND EQUIPMENT

Net property and equipment consists of the following at September 30:

	2025	2024
Building and building improvements	\$ 4,013,185	\$ 3,950,947
Land	43,990	43,990
Gym equipment	31,671	31,671
Computers	268,630	245,416
Furnishings and equipment	329,866	326,668
Vehicles	335,598	338,716
Construction in process	-	48,464
	<hr/>	<hr/>
Total	5,022,940	4,985,872
Less accumulated depreciation	1,003,718	774,814
	<hr/>	<hr/>
Net property and equipment	<u>\$ 4,019,222</u>	<u>\$ 4,211,058</u>

Depreciation expense for 2025 and 2024 was \$231,525 and \$228,366, respectively.

DOWNTOWN BOXING GYM YOUTH PROGRAM

Notes to Financial Statements

6. LONG-TERM DEBT

Long-term debt consists of the following mortgage at September 30:

	2025	2024
Note payable due in monthly installments of \$2,884, including interest at the yield of U.S. Treasury obligation with a maturity equal to the maturity of the loan, plus 2.00% or the floor of 5.00% (5.84% and 5.00% was the effective interest rate at September 30, 2025 and 2024, respectively) through July 2030. The building is collateral for the note payable.	\$ 148,426	\$ 174,803
Less current portion	<u>27,378</u>	<u>26,471</u>
Long-term debt, less current portion	<u>\$ 121,048</u>	<u>\$ 148,332</u>

Scheduled principal maturities of long-term debt for the years succeeding September 30, 2025, are summarized as follows:

Year	Principal Amount
2026	\$ 27,378
2027	29,020
2028	30,761
2029	32,606
2030	<u>28,661</u>
Total	<u>\$ 148,426</u>

DOWNTOWN BOXING GYM YOUTH PROGRAM

Notes to Financial Statements

7. CONTRIBUTED NONFINANCIAL ASSETS

The following is a schedule of the contributed nonfinancial assets for the years ended September 30:

Category	Functional area	2025	2024
Building improvements	Program, Fundraising, and Administrative	\$ 3,255	\$ 33,411
Program-related supplies/support	Program	31,179	147,931
Technology	Program, Fundraising, and Administrative	83,675	71,257
Vehicles	Program	5,107	-
Supplies	Program, Fundraising, and Administrative	-	336
Events	Fundraising	18,250	20,600
Clothing	Program	34,675	21,332
Food	Program	2,801	11,502
		<u>\$ 178,942</u>	<u>\$ 306,369</u>

The Organization reports the fair value of the categories above as follows:

Building improvements, program related supplies/support, clothing, technology, supplies, and events:

The Organization estimated the fair value on the basis of values that would be expected to be received for similar products / items (e.g., often evidenced by transaction receipt). Assets are used in operations.

Vehicle:

Vehicle related donations are valued by the estimated fair value of recent comparable sales prices in the market.

Food:

Estimated the fair value on the basis of donor price per lb. or values that would be received for selling similar products in Michigan. Food is used in operations.

The Organization had no in-kind contributions with donor restrictions in 2025 or 2024.

DOWNTOWN BOXING GYM YOUTH PROGRAM

Notes to Financial Statements

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of September 30:

	2025	2024
Restricted for purpose and time		
Capital construction	\$ 3,082,414	\$ 72,414
After school activities	1,990,708	1,043,020
Academic support and tuition	137,739	114,404
Operations and apprentice	182,453	459,782
	<u>182,453</u>	<u>459,782</u>
Net assets with donor restrictions	<u>\$ 5,393,314</u>	<u>\$ 1,689,620</u>

Releases from net assets with donor restrictions are as follows for the years ended September 30:

	2025	2024
Capital construction	\$ 26,726	\$ 35,582
After school activities	3,191,307	1,680,728
Academic support and tuition	71,590	112,420
Operations and apprentice	281,249	850,916
	<u>281,249</u>	<u>850,916</u>
Releases from net assets with donor restrictions	<u>\$ 3,570,872</u>	<u>\$ 2,679,646</u>

9. RELATED PARTY TRANSACTIONS

In 2025 and 2024, the Organization received contributions from board members, employees, and affiliates of the board members and employees of \$26,297 and \$264,525, respectively.

10. 401(k) PLAN

The Organization maintains a defined contribution plan qualified under Section 401(k) of the Internal Revenue Code ("IRC"). Under this plan, all employees over age 21 with three months of service are permitted to contribute up to 100% of gross compensation into the retirement plan up to a maximum determined by the IRC; the Organization may elect to make a matching or profit-sharing contribution. Employer contributions to this plan were \$112,915 and \$76,449 in 2025 and 2024, respectively.

