

**Amigos de las Américas**

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

# Amigos de las Américas

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## **Independent Auditors' Report**

To the Board of Directors of  
Amigos de las Américas:

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Amigos de las Américas (Amigos), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, of functional expenses, and of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Amigos as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Amigos 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 Amigos' 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 Amigos' 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 Amigos' 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*

June 8, 2026

## Amigos de las Américas

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

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	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 424,998	\$ 427,110
Receivable from Amigos Chapters <i>(Note 3)</i>	21,684	16,728
Contributions receivable <i>(Note 4)</i> :		
Government grants	65,970	169,098
Other	413,650	558,535
Prepaid expenses and other assets	192,964	273,291
Operating investments <i>(Note 5)</i>	300,904	333,959
Endowment investments <i>(Note 5)</i>	<u>100,588</u>	<u>99,190</u>
 TOTAL ASSETS	 <u>\$ 1,520,758</u>	 <u>\$ 1,877,911</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 140,082	\$ 155,433
Due to Amigos Chapters <i>(Note 3)</i>	7,392	12,616
Participant deposits	51,410	37,201
Deferred participant fee revenue	<u>222,376</u>	<u>215,961</u>
Total liabilities	<u>421,260</u>	<u>421,211</u>
Net assets:		
Without donor restrictions	479,129	587,243
With donor restrictions <i>(Notes 6 and 7)</i>	<u>620,369</u>	<u>869,457</u>
Total net assets	<u>1,099,498</u>	<u>1,456,700</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,520,758</u>	 <u>\$ 1,877,911</u>

*See accompanying notes to financial statements.*

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## Amigos de las Américas

Statement of Activities for the year ended December 31, 2025

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Participant fees, net of financial aid of \$188,272	\$ 2,201,924		\$ 2,201,924
Contributions:			
Government grants <i>(Note 9)</i>		\$ 570,893	570,893
Amigos Foundation grant	52,712		52,712
Other financial contributions	770,934	183,396	954,330
Fundraising events:			
Revenue	294,387		294,387
Proceeds from donated auction items <i>(Note 10)</i>	65,811		65,811
Cost of direct donor benefits	(96,416)		(96,416)
Net investment return	16,831	1,398	18,229
Other income	9,494		9,494
Total revenue	3,315,677	755,687	4,071,364
Net assets released from restrictions:			
Financial aid and program support	727,155	(727,155)	
Expiration of time restrictions	277,620	(277,620)	
Total	4,320,452	(249,088)	4,071,364
EXPENSES:			
Program	3,251,135		3,251,135
Management and general	609,669		609,669
Marketing	239,582		239,582
Fundraising	328,180		328,180
Total expenses	4,428,566		4,428,566
CHANGES IN NET ASSETS	(108,114)	(249,088)	(357,202)
Net assets, beginning of year	587,243	869,457	1,456,700
Net assets, end of year	\$ 479,129	\$ 620,369	\$ 1,099,498

*See accompanying notes to financial statements.*

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## Amigos de las Américas

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

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Participant fees, net of financial aid of \$181,623	\$ 2,318,526		\$ 2,318,526
Contributions:			
Government grants <i>(Note 9)</i>		\$ 593,274	593,274
Amigos Foundation grant	14,390		14,390
Other financial contributions	628,359	750,583	1,378,942
Nonfinancial contributions <i>(Note 10)</i>	24,642		24,642
Net investment return	29,781	2,430	32,211
Other income	<u>8,723</u>	<u></u>	<u>8,723</u>
Total revenue	3,024,421	1,346,287	4,370,708
Net assets released from restrictions:			
Financial aid and program support	1,080,607	(1,080,607)	
Expiration of time restrictions	<u>57,670</u>	<u>(57,670)</u>	<u></u>
Total	<u>4,162,698</u>	<u>208,010</u>	<u>4,370,708</u>
EXPENSES:			
Program	3,474,767		3,474,767
Management and general	613,115		613,115
Marketing	196,430		196,430
Fundraising	<u>389,024</u>	<u></u>	<u>389,024</u>
Total expenses	<u>4,673,336</u>	<u></u>	<u>4,673,336</u>
CHANGES IN NET ASSETS	(510,638)	208,010	(302,628)
Net assets, beginning of year	<u>1,097,881</u>	<u>661,447</u>	<u>1,759,328</u>
Net assets, end of year	<u>\$ 587,243</u>	<u>\$ 869,457</u>	<u>\$ 1,456,700</u>

*See accompanying notes to financial statements.*

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## Amigos de las Américas

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

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	<u>PROGRAM</u>	MANAGEMENT AND <u>GENERAL</u>	<u>MARKETING</u>	<u>FUNDRAISING</u>	<u>TOTAL EXPENSES</u>
Salaries and other costs	\$ 1,876,017	\$ 446,380	\$ 143,016	\$ 268,588	\$ 2,734,001
Travel	812,016	6,758	517	9,552	828,843
Program supplies	227,282				227,282
Professional fees and contract services	128,964	55,995	1,498	510	186,967
Information technology	91,627	5,227	63,143	9,851	169,848
Insurance	62,086	23,119	4,733	8,889	98,827
Dues, taxes and fees	24,548	30,304		4,988	59,840
Meetings, events and workshops	9,182	23,719		3,853	36,754
Occupancy	11,075	14,474	1,659	1,542	28,750
Printing and postage	2,226	1,013	16,034	9,167	28,440
Other supplies	1,790	1,304	18	9,791	12,903
Advertising and promotional supplies	2,548		8,899	1,023	12,470
Other	<u>1,774</u>	<u>1,376</u>	<u>65</u>	<u>426</u>	<u>3,641</u>
Total expenses	<u>\$ 3,251,135</u>	<u>\$ 609,669</u>	<u>\$ 239,582</u>	<u>\$ 328,180</u>	4,428,566
Cost of direct donor benefits					<u>96,416</u>
Total					<u>\$ 4,524,982</u>

*See accompanying notes to financial statements.*

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## Amigos de las Américas

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

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	<u>PROGRAM</u>	MANAGEMENT AND <u>GENERAL</u>	<u>MARKETING</u>	<u>FUNDRAISING</u>	<u>TOTAL EXPENSES</u>
Salaries and other costs	\$ 1,909,666	\$ 436,496	\$ 136,404	\$ 245,528	\$ 2,728,094
Travel	879,761	5,992	265	8,067	894,085
Program supplies	262,966				262,966
Professional fees and contract services	160,711	77,857	568	80,413	319,549
Information technology	101,287	3,164	40,330	11,580	156,361
Insurance	70,108	28,416	5,008	9,014	112,546
Dues, taxes and fees	42,594	31,765		3,600	77,959
Meetings, events and workshops	20,916	9,906	198	16,401	47,421
Occupancy	8,078	11,545	575	1,034	21,232
Printing and postage	3,543	1,143	6,021	12,261	22,968
Other supplies	3,990	38	2	20	4,050
Advertising and promotional supplies	2,873	2,390	6,812	402	12,477
Other	<u>8,274</u>	<u>4,403</u>	<u>247</u>	<u>704</u>	<u>13,628</u>
Total expenses	<u>\$ 3,474,767</u>	<u>\$ 613,115</u>	<u>\$ 196,430</u>	<u>\$ 389,024</u>	<u>\$ 4,673,336</u>

*See accompanying notes to financial statements.*

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## Amigos de las Américas

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

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	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ (357,202)	\$ (302,628)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Changes in operating assets and liabilities:		
Receivable from Amigos Chapters	(4,956)	112,939
Contributions receivable	248,013	(138,941)
Prepaid expenses and other assets	80,327	(38,250)
Accounts payable and accrued expenses	(15,351)	(115,986)
Due to Amigos Chapters	(5,224)	10,903
Participant deposits	14,209	(15,459)
Deferred participant fee revenue	<u>6,415</u>	<u>191,688</u>
Net cash used by operating activities	<u>(33,769)</u>	<u>(295,734)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net change in money market mutual funds held as investments	<u>31,657</u>	<u>334,533</u>
<b>NET CHANGE IN CASH</b>	(2,112)	38,799
Cash, beginning of year	<u>427,110</u>	<u>388,311</u>
Cash, end of year	<u>\$ 424,998</u>	<u>\$ 427,110</u>

*See accompanying notes to financial statements.*

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## Amigos de las Américas

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

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### NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Amigos de las Américas (Amigos) is a nonprofit organization incorporated in Texas that inspires and builds young leaders through collaborative community development and immersion in cross-cultural experiences throughout the Américas. The National Office of Amigos plans and implements field projects in the United States and Latin America and provides materials and support for volunteer recruitment and training.

Affiliates – Amigos is affiliated with Foundation for Amigos de las Américas (Amigos Foundation), a Texas nonprofit corporation formed in 2003 to support the youth leadership and sustainable development work of Amigos. Amigos also is affiliated with 11 chapters (Amigos Chapters) throughout the United States which recruit, fundraise, train, organize, and support participants and their families. Amigos Foundation and Amigos Chapters are separately incorporated organizations governed by independent boards of directors which share Amigos’ mission and vision.

Basis of presentation – These financial statements do not include the assets, liabilities, net assets or activities of Amigos Foundation or Amigos Chapters.

Federal income tax status – Amigos holds a group exemption under which Amigos and Amigos Chapters are exempt from federal income taxes under §501(c)(3) of the Internal Revenue Code (the Code) and are classified as public charities under §509(a)(1) and §170(b)(1)(A)(vi).

Cash – Bank deposits exceed the federally insured limit per depositor per institution. Cash held for long-term purposes is grouped with investments and is excluded from cash in the statements of cash flows.

Contributions receivable that are expected to be collected within one year are reported at net realizable value. Amounts expected to be collected in future years, if material, are discounted to estimate the present value of future cash flows. Discounts are computed using risk free interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contribution revenue. An allowance for uncollectible receivables is provided when it is believed balances may not be collected in full. The adequacy of the allowance at the end of each period is determined using a combination of historical loss experience and a donor by donor analysis of balances.

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.

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. Donor-restricted endowment earnings are released when those earnings are appropriated in accordance with spending policies and are used for the stipulated purpose.

Participant fees are derived from providing cultural immersion experiences through summer volunteer and GAP year programs in Latin America. Revenue is recognized when the services are provided to a participant in an amount that reflects the consideration Amigos expects to be entitled to receive in exchange for those services. Financial aid reduces the amount of consideration Amigos expects to be entitled to receive and participant fees are presented net of financial aid. Fees are due upon execution of the contract. There are no contract assets resulting from participant fees at December 31, 2025 or 2024. Participant fees collected in advance are deferred until performance obligations are met in the following fiscal year. Amigos has deferred participant fees of \$222,376, \$215,961 and \$24,273 at December 31, 2025, 2024 and 2023, respectively. Contract liabilities for participant deposits are \$51,410, \$37,201 and \$52,660 at December 31, 2025, 2024 and 2023, respectively.

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 grants and contributions are subject to one or more barriers that must be overcome before Amigos is entitled to receive or retain funding. Conditional grants and contributions are recognized in the same manner when the conditions have been met. Funding received before conditions are met is reported as refundable advances.

Nonfinancial contributions 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.

Fundraising events revenue includes elements of both contributions and exchange transactions and is recognized when an event occurs. Costs of direct donor benefits represent the costs of goods and services provided in exchange for the amount paid by event attendees. Amounts received in advance are reported as deferred revenue.

Advertising is expensed as incurred.

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. Marketing includes the promotion of Amigos and its programs to potential participants, but is exclusive of fundraising activities. Management and general activities are not directly identifiable with specific program or other 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. Occupancy and information technology costs are allocated based on the number of full-time equivalent personnel.

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 of reported 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:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash	\$ 424,998	\$ 427,110
Receivables	501,304	744,361
Investments	<u>401,492</u>	<u>433,149</u>
Total financial assets	1,327,794	1,604,620
Less financial assets not available for general expenditure:		
Donor-restricted endowment assets	(100,588)	(99,190)
Other donor-restricted assets subject to satisfaction of restriction	<u>(186,286)</u>	<u>(350,989)</u>
Total financial assets available for general expenditure	<u>\$ 1,040,920</u>	<u>\$ 1,154,441</u>

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Amigos considers all expenditures related to its mission and ongoing activities, as well as all expenditures made toward functions that support those activities, to be general expenditures.

As part of Amigos' liquidity management, it structures its financial assets to be available as its general expenditures and liabilities become due by maintaining a significant portion of its assets in cash and investments.

## NOTE 3 – TRANSACTIONS WITH AMIGOS FOUNDATION AND AMIGOS CHAPTERS

At times, Amigos receives contributions intended for Amigos Foundation and pays expenses on behalf of Amigos Foundation. The amount reported as receivable from or payable to Amigos Foundation is the net amount due from all transactions between Amigos and Amigos Foundation.

Amigos Chapters fundraise and collect fees for participants they recruit and train. Amigos invoices Amigos Chapters for fees for their respective participants. Amigos' employees provide training and other support to some Amigos Chapters for which Amigos is reimbursed.

Amigos recognized contributions of approximately \$104,000 and \$71,000 from Amigos Chapters for the years ended December 31, 2025 and 2024, respectively. No amount of these contributions were in contributions receivable at December 31, 2025 and 2024.

## NOTE 4 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following:

	<u>2025</u>	<u>2024</u>
Other contributions receivable	\$ 419,538	\$ 572,158
Discount to net present value at 3% to 5%	<u>(5,888)</u>	<u>(13,623)</u>
Other contributions receivable, net	<u>\$ 413,650</u>	<u>\$ 558,535</u>

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

One year	\$ 278,158
One to five years	<u>141,380</u>
Total contributions receivable	<u>\$ 419,538</u>

*Concentration* – At December 31, 2025, 45% of other contributions receivable were from three donors. At December 31, 2024, 34% of contributions receivable were from two donors.

*Conditional contributions* – Amigos receives federal grants which are conditioned upon the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Amigos has incurred expenditures in compliance with specific contract or grant provisions. At December 31, 2025, Amigos has approximately \$450,000 of conditional contributions from a government agency which have not been recognized in the accompanying financial statements because the conditions have not been met.

## 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. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.
- *Level 2* – Inputs are other than quoted prices included in Level 1, which are either directly observable or can be derived from or corroborated by observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity’s assumptions about the inputs market participants would use in pricing the asset or liability.

Assets measured at fair value at December 31, 2025 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments measured at fair value:				
Money market mutual funds	\$ 401,492	<u>          </u>	<u>          </u>	\$ 401,492
Total investments measured at fair value	<u>\$ 401,492</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 401,492</u>

Assets measured at fair value at December 31, 2024 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments measured at fair value:				
Money market mutual funds	\$ 433,149	<u>          </u>	<u>          </u>	\$ 433,149
Total investments measured at fair value	<u>\$ 433,149</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 433,149</u>

Mutual funds are valued at the reported net asset value. This valuation method may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Amigos 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 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose:		
Endowment subject to spending policy and appropriation	\$ 100,588	\$ 99,190
Financial aid	50,424	98,065
Leadership award	25,540	25,540
Staff retreat	16,571	
Social Impact Accelerator	13,596	48,047
Community programs		28,241
Operational Expansion		<u>11,839</u>
Total subject to expenditure for specified purpose	206,719	310,922
Subject to passage of time:		
Contributions receivable that are not restricted by donors, but which are unavailable for expenditures until due	<u>413,650</u>	<u>558,535</u>
Total net assets with donor restrictions	<u>\$ 620,369</u>	<u>\$ 869,457</u>

#### NOTE 7 – ENDOWMENT FUNDS

Amigos maintains donor-restricted endowment funds that are intended to support Amigos and to provide volunteers with an opportunity to participate in the various programs offered by Amigos. The specific criteria to award financial aid may be limited by donors.

Endowment net asset composition at December 31, 2025 is as follows:

	<u>WITH DONOR RESTRICTIONS</u>		<u>TOTAL</u>
	<u>ACCUMULATED NET INVESTMENT RETURN</u>	<u>REQUIRED TO BE MAINTAINED IN PERPETUITY</u>	
Donor-restricted endowments – financial aid	\$ 16,054	\$ 84,534	\$ 100,588
Endowment net assets	<u>\$ 16,054</u>	<u>\$ 84,534</u>	<u>\$ 100,588</u>

Endowment net asset composition at December 31, 2024 is as follows:

	<u>WITH DONOR RESTRICTIONS</u>		<u>TOTAL</u>
	<u>ACCUMULATED NET INVESTMENT RETURN</u>	<u>REQUIRED TO BE MAINTAINED IN PERPETUITY</u>	
Donor-restricted endowments – financial aid	\$ 14,656	\$ 84,534	\$ 99,190
Endowment net assets	<u>\$ 14,656</u>	<u>\$ 84,534</u>	<u>\$ 99,190</u>

Changes in net assets of the endowment funds are as follows:

	<u>WITH DONOR RESTRICTIONS</u>		<u>TOTAL</u>
	<u>ACCUMULATED NET INVESTMENT RETURN</u>	<u>REQUIRED TO BE MAINTAINED IN PERPETUITY</u>	
Endowment net assets, December 31, 2023	\$ 12,225	\$ 84,534	\$ 96,759
Net investment return	<u>2,431</u>	<u>          </u>	<u>2,431</u>
Endowment net assets, December 31, 2024	14,656	84,534	99,190
Net investment return	<u>1,398</u>	<u>          </u>	<u>1,398</u>
Endowment net assets, December 31, 2025	<u>\$ 16,054</u>	<u>\$ 84,534</u>	<u>\$ 100,588</u>

The Board of Directors of Amigos has interpreted the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Amigos classifies the original value of gifts and the unappropriated investment earnings on donor-restricted endowments as *net assets with donor restrictions*. In accordance with TUPMIFA, the Board of Directors considers the duration and preservation of the funds and other resources of Amigos in making a determination to appropriate or accumulate donor-restricted endowment funds.

Investment and Spending Policies

Amigos has adopted a policy that the maximum distribution from the endowment funds each year is 4% of the corpus. The distribution percentage is a function of a three-year average (based on the three preceding years ended March 31) of the market value of the endowment funds. In establishing this policy, Amigos considered the long-term expected return on its endowment.

Endowment funds are maintained in an investment account which is managed by an independent financial firm that follows guidance provided in an investment policy approved by the Board of Directors. Amigos has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

**NOTE 8 – EMPLOYEE BENEFIT PLAN**

Amigos maintains a tax deferred annuity plan that qualifies under §403(b) of the Code. The plan is an agreement whereby an amount to be determined annually at Amigos’ discretion is paid to an annuity contract owned by individual employees. No contributions to the plan were made in 2025 and 2024.

**NOTE 9 – GOVERNMENT GRANT CONTRIBUTIONS**

Amigos is the recipient of contributions from various government agencies. Should these awards not be renewed, a replacement for this source of support may not be forthcoming and related expenses would not be incurred. Amigos recognized contributions of \$570,893 and \$593,274 from U. S. Department of State for the years ended December 31, 2025 and 2024, respectively.

Amigos' government grants require fulfillment of certain conditions as set forth in the grant contracts and are subject to review and audit by the awarding agencies. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds as a result of noncompliance by Amigos with the terms of the contracts. Management believes such disallowances, if any, would not be material to Amigos' financial position or changes in net assets.

#### **NOTE 10 – NONFINANCIAL CONTRIBUTIONS**

Nonfinancial contributions are recognized as revenue at their estimated fair value on the date an unconditional commitment is received, in accordance with current market rates for similar items or services and are expensed as utilized. Contributed auction items are valued at the gross selling price received. During the year ended December 31, 2025, \$65,811 was recognized as contribution revenue from contributed auction items. During the year ended December 31, 2024, Amigos received nonfinancial contributions for professional legal services and recognized \$24,642 as contribution revenue and management and general expenses.

Except for the professional staff in their corporate offices, most persons connected with Amigos are volunteers. While such services are indispensable to Amigos, no amount is recognized in these financial statements for such services as they do not meet the criteria for recognition under generally accepted accounting principles.

#### **NOTE 11 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 8, 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.

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