

ALANO CLUB OF KENT COUNTY

REVIEWED FINANCIAL STATEMENTS

Year Ended September 30, 2025

Goodlander, Swett & Rybicki
Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Alano Club of Kent County
Grand Rapids, Michigan

We have reviewed the accompanying financial statements of Alano Club of Kent County (a Michigan nonprofit corporation), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

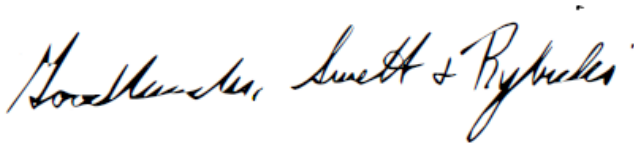
Accountants' Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Alano Club of Kent County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script, reading "Goodlander, Swett & Rybicki".

Goodlander, Swett & Rybicki
Certified Public Accountants

August 12, 2026

ALANO CLUB OF KENT COUNTY
STATEMENT OF FINANCIAL POSITION
September 30, 2025

ASSETS

Current Assets:

Cash and cash equivalents	\$ 263,142
Accounts receivable	1,000
Other current assets	7,955
Total Current Assets	<u>272,097</u>

Property, Furniture and Equipment	2,163,871
Accumulated depreciation	<u>(1,172,875)</u>

Net Property, Furniture and Equipment	990,996
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Other Assets

Beneficial interest in assets held by community foundation	<u>322,869</u>
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TOTAL ASSETS	<u><u>\$ 1,585,962</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 5,693
Accrued wages and taxes	6,070
Deferred revenue	100,000
Other current liabilities	877
Total Current Liabilities	<u>112,639</u>

TOTAL LIABILITIES	112,639
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Net Assets:

Without donor restrictions	1,150,454
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With donor restrictions

Purpose/time restricted	-
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Perpetual in nature	322,869
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TOTAL NET ASSETS	<u><u>1,473,323</u></u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,585,962</u></u>
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See Independent Accountants' Review Report and Notes to Financial Statements

ALANO CLUB OF KENT COUNTY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Contributions and grants - cash	\$ 135,232	\$ 80,000	\$ 215,232
Contributions - in-kind	-		-
Membership dues	36,275		36,275
Room rent	149,501		149,501
Sales of merchandise/inventory	139,616		139,616
Cost of merchandise/inventory sold	(127,832)		(127,832)
Net investment return	3,662		3,662
Change in value of beneficial interest held by community foundation	-	(22,290)	(22,290)
Special event revenue	52,282	-	52,282
Special event expenses	(38,397)		(38,397)
Miscellaneous income	8,331	-	8,331
Net assets released from restrictions	107,710	(107,710)	-
 TOTAL REVENUES, GAINS AND OTHER SUPPORT	 466,381	 (50,000)	 416,381
 EXPENSES			
Program services expenses	265,018	-	265,018
Management and general	94,840		94,840
Fund raising	62,463	-	62,463
 TOTAL EXPENSES	 422,321	 -	 422,321
 Increase (decrease) in net assets	 44,060	 (50,000)	 (5,940)
 NET ASSETS AT BEGINNING OF YEAR	 1,429,263	 50,000	 1,479,263
 NET ASSETS AT END OF YEAR	 \$ 1,473,323	 \$ -	 \$ 1,473,323

See Independent Accountants' Review Report and Notes to Financial Statements

ALANO CLUB OF KENT COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2025

	Program Services	Management and General	Fund Raising	Total Expenses
Compensation of officers	\$ 41,642	\$ 31,231	\$ 31,231	\$ 104,105
Employee benefits			-	-
Other salaries and wages	33,314	24,985	24,985	83,284
Payroll taxes	8,328	6,246	6,246	20,821
TOTAL PERSONNEL EXPENSES	83,284	62,463	62,463	208,210
Accounting	-	11,770	-	11,770
Advertising and promotion	-	1,999		1,999
Bank Fees				-
Credit Card Fees				-
Education and Training	959	-	-	959
				-
Fees	-	11,770	-	11,770
Dues and Subscriptions				-
Other Services	5,885	-	-	5,885
Office	931	761	-	1,692
				-
Information technology	127	2,411	-	2,538
Travel		-		-
Conferences and meetings	-		-	-
Repairs and Maintenance	50,567	-	-	50,567
Supplies	3,542	3,542	-	7,084
Depreciation	50,019		-	50,019
				-
Insurance	14,495	-	-	14,495
Interest		123		123
Miscellaneous	55	-	-	55
Occupancy		-	-	-
Operations	11,330	-	-	11,330
Utilities	43,826	-	-	43,826
Other	-		-	-
TOTAL EXPENSES				
less expenses included with revenues on the statement of activities	<u>\$ 265,018</u>	<u>\$ 94,840</u>	<u>\$ 62,463</u>	<u>\$ 422,321</u>

See Independent Accountants' Review Report and Notes to Financial Statements

ALANO CLUB OF KENT COUNTY
STATEMENT OF CASH FLOWS
Year Ended September 30, 2025

OPERATING ACTIVITIES:

Cash provided (used) by operating activities:

Change in net assets	\$ (5,940)
Adjustments to reconcile change in net assets to net cash provided (used) in operating activities:	
Depreciation	50,019
Net realized and unrealized loss (gain) in investments	25,452
Changes in operating assets and liabilities:	
Accounts payable	1,514
Deferred revenue	100,000
Accrued wages and taxes	6,493
Other current liabilities	<u>(7,024)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES 170,514

INVESTING ACTIVITIES

Purchase of property, furniture and equipment (36,340)

NET CASH USED BY INVESTING ACTIVITIES (36,340)

NET INCREASE IN CASH 134,175

CASH AND CASH EQUIVALENTS

AT BEGINNING OF YEAR 128,968

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 263,143

See Independent Accountants' Review Report and Notes to Financial Statements

ALANO CLUB OF KENT COUNTY
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

NOTE A – NATURE OF ACTIVITIES

Alano Club of Kent County is a nonprofit corporation whose mission involves rebuilding lives, healing families and strengthening communities with the goal of ending the generational cycle of addiction and its devastating impact on society.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles for not-for-profit organizations.

Net assets of the Organization are classified as follows:

Net Assets Without Donor Restrictions – Net assets that are available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets that are subject to donor-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 resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

Cash and Cash Equivalents

Cash consists of cash on deposit with banks. Cash equivalents represent money market funds or highly liquid investments with initial maturities of three months or less to be cash equivalents.

ALANO CLUB OF KENT COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2025

NOTE B – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, whose with a measurable performance or tother barrier and right of return – are not recognized until conditions on which they depend have been met.

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 Revenue from Contracts with Customers (Topic 606), as amended as management believes the standard improves the usefulness and understandability of the Organization’s financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued reviewed financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the new standard

Concentrations of Risk

The Organization’s financial instruments that are potentially subject to concentrations of credit risk consist primarily with cash and cash equivalents and investments. The Association maintains its cash and cash equivalents with high quality financial institutions. At times, cash balances may exceed the federally insured limits. The Organization performs periodic evaluations of the relative credit standing of the financial institutions and limits the amount of credit exposure with any institution.

Accounts receivable

Accounts receivable consist primarily of contributions not yet collected. Accounts receivable are stated at the amount management expects to collect from balances outstanding. There were no accounts receivable outstanding as of September 30, 2025. No allowance for uncollectible accounts is deemed necessary.

Investments

Investments are reported at fair value. Investment return, which consists of interest and dividends earned, and realized and unrealized gains and losses, is presented in the statement of activities and changes in net assets as a change in without donor restricted net assets. Fair value is determined by using quoted market prices.

ALANO CLUB OF KENT COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2025

NOTE B – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Furniture and Equipment

Property, furniture and equipment are stated at cost, except for donated items which are recorded at fair market value at the date of gift. Depreciation is computed over the estimated useful lives of the assets by the straight-line method. The useful lives range from three to seven years. The Organization's policy is to capitalize equipment and additions acquired for greater than \$1,000 and expense normal repairs and maintenance as incurred. Management annually reviews these assets to determine whether carrying values have been impaired.

Donated Services and In-Kind Contributions

A number of individuals volunteer their time for the Organization's programs. The contributed services are not specialized in nature and are not reported as revenue and expenses in the accompanying financial statements. These services do not meet the criteria for recognition as donated services. The Organization reports gifts of property and equipment at fair market value at the date of donation. There were no in-kind contributions received for the year ended September 30, 2025.

Tax Status

The Organization is exempt from federal income tax under Section 501C(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction and has been classified as an organization that is not a private foundation. Management of the Organization believes that no material uncertain tax positions exist.

Functional Allocation of Expenses

The costs to provide the various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Allocation percentages for employee salary/taxes/benefits were determined based on general time study of function tasks.

Use of estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

ALANO CLUB OF KENT COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2025

NOTE B – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Policies

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change is, this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the organizations that are subject to the guidance in FASB ASC 326 were trade accounts receivable.

Alano Club of Kent County adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

NOTE C – LIQUIDITY AND AVAILABILITY

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that any long-term obligations will be discharged.

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

Financial assets	
Cash and cash equivalents	\$ 263,142
Accounts receivable, net	1,000
Endowment funds	<u>322,869</u>
Total financial assets	587,011
Less amounts not available to be used within one year	
Accounts payable	5,693
Accrued wages and taxes	6,070
Endowment funds	<u>322,869</u>
Total amounts not available to be used within one year	<u>334,632</u>
Financial assets available to meet general expenditures	
Over the next twelve months	<u>\$ 252,379</u>

ALANO CLUB OF KENT COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2025

NOTE D – FAIR VALUE MEASUREMENTS

The Organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- *Level 1* - Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.
- *Level 2* - Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3* - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

When available, the Organization measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. The Organization measures fair value for their investments using level 1.

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash and cash equivalents, receivables and payables: The carrying amounts reported in the Statement of Financial Position approximate fair value because of the short maturities of those instruments.

NOTE E – PROPERTY, FURNITURE AND EQUIPMENT

Property, furniture and equipment consisted of the following:

	<u>2025</u>
Building, land and leasehold improvements	\$2,062,262
Equipment and other depreciable assets	<u>101,609</u>
	2,163,871
Less accumulated depreciation	<u>(1,172,875)</u>
Property, furniture and equipment – net of depreciation	<u>\$ 990,996</u>

NOTE F – CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets are valued based on fair market value considering identical or similar products using pricing data under a “like-kind” methodology considering their condition and utility for use at the time of the contribution.

ALANO CLUB OF KENT COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2025

NOTE F – BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

The Organization is the beneficiary of an endowment fund held by the Grand Rapids Community Foundation (GRCF). GRCF maintains variance power and legal ownership of the contributed assets. Accordingly, the assets are not included in the Organization's cash and investments. The Organization has recognized its beneficial interest in the assets held by GRCF as an asset in the Statement of Financial Position.

The beneficial interest is reported at fair value based on information provided by GRCF. Changes in the fair value of the beneficial interest are reported as increases or decreases in net assets of the accompanying Statement of Activities.

At September 30, 2025, the fair value of the Organization's beneficial interest in assets held by GRCF was \$322,869. Distributions received from GRCF during the year ended September 30, 2025 totaled \$56,618 and are included in contribution revenue for the fiscal year then ended.

The endowment fund is subject to the spending and distribution policies established by GRCF and the donor agreement. The Organization may receive annual distributions in accordance with those policies, but does not have the unilateral ability to access the principal balance of the fund.

The activity for the fiscal year ended September 30, 2025 is reconciled as follows:

Investment return:	
Interest and dividends	\$ 4,374
Net investment gains	32,296
Less investment manager fees	(1,527)
Less foundation support fees	<u>(2,315)</u>
Net investment return	32,828
Grants authorized	<u>(56,618)</u>
Decrease in net assets with donor restrictions	<u><u>\$ (22,290)</u></u>

NOTE G – SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 12, 2026, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.