Vogel Alcove

Consolidated Financial Report
June 30, 2025

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Independent Auditor's Report

To the Board of Directors of
Vogel Alcove
Dallas, Texas

Opinion

We have audited the consolidated financial statements of Vogel Alcove and Vogel Alcove Foundation (collectively, the Organization) which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization, as of June 30, 2025 and 2024, and the respective 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Organization's ability to continue as a going concern for one year after the date that the financial statements are issued or are available to be issued.

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits 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 consolidated 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
December 10, 2025

Vogel Alcove

Consolidated Statements of Financial Position

June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 335,120	$ 1,690,198
Contributions receivable, net	2,380,719	2,288,751
Grants receivable	532,161	493,430
Prepaid expenses and other assets	89,565	113,223
Investments	6,744,733	6,949,929
Note receivable	4,271,400	4,271,400
Right-of-use assets, net	203,813	272,326
Property and equipment, net	6,845,130	6,358,048
TOTAL ASSETS	$ 21,402,641	$ 22,437,305
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 359,473	$ 399,322
Accrued expenses and other payables	382,450	375,286
Lease liabilities, net	207,818	280,169
Note payable, net	5,657,061	5,614,596
Total liabilities	6,606,802	6,669,373
NET ASSETS		
Without donor restrictions	11,315,018	12,869,371
With donor restrictions	3,480,821	2,898,561
Total net assets	14,795,839	15,767,932
TOTAL LIABILITIES AND NET ASSETS	$ 21,402,641	$ 22,437,305

The Notes to Consolidated Financial Statements
are an integral part of these statements.

Vogel Alcove

Consolidated Statements of Activities

Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT						
Special events revenues	$ 1,550,713	$ -	$ 1,550,713	$ 1,406,702	$ -	$ 1,406,702
Less cost of direct benefits to donors	(812,518)	-	(812,518)	(765,771)	-	(765,771)
Net special events revenues	738,195	-	738,195	640,931	-	640,931
Contributions	2,018,717	2,012,218	4,030,935	1,371,561	4,277,880	5,649,441
In-kind contributions	96,608	30,367	126,975	238,515	1,878,332	2,116,847
Government grants	2,855,373	-	2,855,373	2,378,374	-	2,378,374
Interest and dividends	238,479	-	238,479	199,619	-	199,619
Other revenues	533,599	-	533,599	264,826	-	264,826
Realized and unrealized gains on investments	558,684	-	558,684	709,554	-	709,554
Net assets released from restrictions	1,460,325	(1,460,325)	-	3,890,204	(3,890,204)	-
Total revenues, gains and other support	8,499,980	582,260	9,082,240	9,693,584	2,266,008	11,959,592
EXPENSES						
Program services	7,976,509	-	7,976,509	6,713,162	-	6,713,162
Management and general	1,199,791	-	1,199,791	880,534	-	880,534
Fundraising	878,033	-	878,033	829,628	-	829,628
Total expenses	10,054,333	-	10,054,333	8,423,324	-	8,423,324
CHANGE IN NET ASSETS	(1,554,353)	582,260	(972,093)	1,270,260	2,266,008	3,536,268
NET ASSETS, beginning of year	12,869,371	2,898,561	15,767,932	11,599,111	632,553	12,231,664
NET ASSETS, end of year	$ 11,315,018	$ 3,480,821	$ 14,795,839	$ 12,869,371	$ 2,898,561	$ 15,767,932

The Notes to Consolidated Financial Statements are an integral part of these statements.

Vogel Alcove

Consolidated Statements of Functional Expenses
Years Ended June 30, 2025 and 2024

	Program Services		Total	Supporting Services		Total	2025
	Child Care	Social Services	Program Expenses	Management and General	Fundraising	Supporting Expenses	Total Expenses
Salaries and benefits	$ 4,243,974	$ 1,022,904	$ 5,266,878	$ 884,211	$ 733,480	$ 1,617,691	6,884,569
Supplies and travel	473,685	31,457	505,142	21,523	7,582	29,105	534,247
Services and professional fees	603,401	157,278	760,679	94,241	107,598	201,839	962,518
Office and occupancy	839,159	155,954	995,113	54,880	29,373	84,253	1,079,366
Interest expense	-	-	-	76,851	-	76,851	76,851
Depreciation and amortization	393,188	55,509	448,697	68,085	-	68,085	516,782
TOTAL EXPENSES	$ 6,553,407	$ 1,423,102	$ 7,976,509	$ 1,199,791	$ 878,033	$ 2,077,824	$ 10,054,333

	Program Services		Total	Supporting Services		Total	2024
	Child Care	Social Services	Program Expenses	Management and General	Fundraising	Supporting Expenses	Total Expenses
Salaries and benefits	$ 3,588,971	$ 864,035	$ 4,453,006	$ 593,753	$ 592,207	$ 1,185,960	$ 5,638,966
Supplies and travel	408,735	27,382	436,117	10,232	1,635	11,867	447,984
Services and professional fees	591,151	157,489	748,640	103,639	217,235	320,874	1,069,514
Office and occupancy	665,763	94,853	760,616	82,489	18,551	101,040	861,656
Interest expense	-	-	-	52,647	-	52,647	52,647
Depreciation and amortization	268,615	46,168	314,783	37,774	-	37,774	352,557
TOTAL EXPENSES	$ 5,523,235	$ 1,189,927	$ 6,713,162	$ 880,534	$ 829,628	$ 1,710,162	$ 8,423,324

The Notes to Consolidated Financial Statements
are an integral part of these statements.

Vogel Alcove

Consolidated Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (972,093)	$ 3,536,268
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation	474,317	345,362
Amortization	42,465	39,044
Noncash lease expense	1,092	(3,660)
Realized and unrealized gains on investments	(558,684)	(709,554)
(Increase) decrease in assets		
Contributions receivable	(91,968)	(2,226,767)
Grants receivable	(38,731)	55,129
Prepaid expenses and other assets	23,658	14,851
Increase (decrease) in liabilities		
Accounts payable	(39,849)	286,544
Accrued expenses and other payables	7,164	109,398
Net cash (used in) provided by operating activities	(1,152,629)	1,446,615
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	2,538,634	10,348,505
Purchases of investments	(1,774,754)	(8,139,278)
Purchases of property and equipment	(961,399)	(3,907,069)
Issuance of note receivable	-	(4,271,400)
Net cash used in investing activities	(197,519)	(5,969,242)
CASH FLOW FROM FINANCING ACTIVITIES		
Principal payments on financing lease	(4,930)	(7,280)
Payment of debt issuance costs	-	(297,253)
Proceeds from issuance of note payable	-	5,880,000
Net cash (used in) provided by financing activities	(4,930)	5,575,467
Net increase (decrease) in cash and cash equivalents	(1,355,078)	1,052,840
CASH AND CASH EQUIVALENTS, beginning of year	1,690,198	637,358
CASH AND CASH EQUIVALENTS, end of year	$ 335,120	$ 1,690,198
OTHER REQUIRED DISCLOSURES		
Cash paid for interest	$ 76,851	$ 20,280

The Notes to Consolidated Financial Statements
are an integral part of these statements.

Vogel Alcove

Notes to Consolidated Financial Statements

Note 1. Nature of Operations

Vogel Alcove (the Alcove or Organization) is a nonprofit organization organized in September 1986. Its principal program is providing professional childcare for homeless children while their parents are looking for employment and/or receiving job training.

Note 2. Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements are as follows:

Principles of Consolidation

The consolidated financial statements include the assets, liabilities, net assets, changes in net assets, and cash flows of the Alcove and Vogel Alcove Foundation (the Foundation), collectively, the Organization. The Foundation was organized in 2013 under the laws of the state of Texas as a supporting organization of the Alcove. The Foundation is included with the Alcove in the accompanying consolidated financial statements because the Alcove has an economic interest in the organization and controls the affiliated organization's Board of Directors. All significant inter-organization transactions have been eliminated. The Alcove and Foundation are collectively referred to as the Organization throughout these consolidated financial statements.

Basis of Accounting

The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Restrictions* – Net assets that are not subject to donor-imposed stipulations. Restricted contributions received and released in the current year will be reported as activity within net asset without restrictions.

- *Net Assets With Restrictions* – Net assets with restrictions include net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time to be used generally for capital expenditures and program support. Net assets with restrictions also include net assets subject to donor-imposed stipulations that will never lapse, thus requiring the funds to be retained permanently. Generally, the donors of these assets permit Vogel to use all or part of the income earned on related investments for general or specific purposes, including program support.

Revenues are reported as increases in net assets without restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without restriction unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with restriction (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The Organization places its cash and cash equivalents with high quality financial institutions, which at times may exceed federally insured limits. The Organization has not experienced any losses on such accounts.

Investments

Investments include mutual funds, certificates of deposit, and some shares in privately traded investment pools (alternative investments). Readily marketable mutual fund securities (investments readily marketable on national exchanges) are carried at fair value, as determined by the last reported sales price on the date of valuation, or if there has been no sale on that date, the average of the bid and asked prices.

Quoted market prices for the Organization’s alternative investments are not readily available, therefore such investments are measured based on net asset value (NAV) provided by the associated external investment managers. The reported NAV is subject to management’s assessment that the valuation provided is representative of fair value. The Organization exercises diligence in assessing the policies, procedures, and controls implemented by its external investment managers, and thus believes the carrying amount of these assets represents a reasonable estimate of fair value. However, because alternative investments are generally not readily marketable, their estimated value is subject to inherent uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed.

The net realized and unrealized gains (losses) in fair value of investments are reflected on the statements of activities.

Contributions Receivable

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year, if any, are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

An allowance for uncollectible contributions receivable, if any, is provided based upon management's judgment including such factors as prior collection history, type of contribution and nature of fund-raising activity.

With respect to net assets with donor restrictions, the Organization has adopted the following accounting policies:

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues within net assets with donor restrictions, and a reclassification to net assets without donor restrictions is made to reflect the expiration of such restrictions.

Contributions of land, building and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues within net assets without donor restrictions. Contributions of cash or other assets to be used to acquire land, building and equipment with such donor stipulations are reported as revenues within net assets with donor restrictions. The restrictions are considered to be released at the time of acquisition of such long-lived assets.

Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Management also determines the allowance for doubtful accounts by regularly evaluating individual receivables and considering a customer's financial condition, credit history and current economic conditions. Based on information available, the Organization believes an allowance for doubtful accounts is unnecessary at June 30, 2025 and 2024. Actual write-offs may occur, but historically, the Organization has not experienced significant losses on receivables.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization has been classified as an organization that is not a private foundation under the Tax Reform Act of 1969 and contributions to it qualify for deduction as charitable contributions; accordingly, no provision for taxes has been made in the consolidated financial statements.

The Organization is liable for any federal income taxes resulting from certain unrelated business income. For fiscal years 2025 and 2024, there was no liability for any federal income tax resulting from unrelated business income. The Organization recognizes interest accrued on and penalties related to unrecognized tax benefits in tax expense. During the years ended June 30, 2025 and 2024, the Organization recognized no interest and penalties.

Based on management's analysis, the Organization did not have any uncertain tax positions as of June 30, 2025 and 2024. The Organization files income tax returns in the U.S. federal jurisdiction. There are currently no income tax examinations underway for this jurisdiction.

Property and Equipment

Expenditures for property and equipment are stated at cost, representing the purchase price or fair market value at the date of gift, less accumulated depreciation. Depreciation expense is computed using the straight-line method over estimated useful lives of each asset. Assets under lease obligations and leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives.

Right of use assets	4-15 years
Leasehold improvements	7-20 years
Equipment and furniture	5-15 years

The Organization capitalizes property and equipment with a cost greater than $2,000 and a useful life of greater than one year. The Organization reviews the carrying value of long-lived assets to determine if facts and circumstances suggest that they may be impaired or that the depreciation or amortization period may need to be changed. If circumstances indicate the long-lived asset will not be recoverable, based upon undiscounted cash flows of the long-lived asset over the remaining life, the carrying value of the long-lived asset will be reduced by the estimated shortfall of discounted cash flows. The Organization does not believe there are any indicators that would require an adjustment of the carrying value of its long-lived assets or their remaining useful lives as of June 30, 2025 and 2024.

In-Kind Contributions

In-kind contributions for the years ended June 30, 2025 and 2024, consisted of the following:

	2025	2024
Contributed goods	$ 126,975	$ 130,362
Contributed rental space	-	1,986,485
	$ 126,975	$ 2,116,847

The Organization recognizes contributed nonfinancial assets within revenue. Contributed goods are valued at the estimated fair values based on estimated values that would be received for selling similar products in the U.S. Contributed rental space was valued based on the value of the leased space as of the date the lease was entered into.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills and are performed by people with those skills, and would otherwise be purchased by the Organization. A substantial number of volunteers made significant contributions of their time to the Organization, principally in development and general public operations. The value of this contributed time is not reflected in these consolidated financial statements because it does not meet the criteria for recognition under the generally accepted accounting principles.

Allocation of Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis on the consolidated statements of activities. Salaries and related payroll expenses are recorded based on actual segregation of personnel by program or supporting services. Distribution of all other expenses is based on actual usage or management’s estimate of usage applicable to various programs and supporting services benefitted.

Special Events Revenues

Special events revenues represent fund-raising revenue related to the Vogel Alcove Arts Performance, Blue Bird Bash, and Day 1 Dallas events. Contributions to the events are unrestricted funds that are available for support of the Organization's operations.

Government Grants Revenues

Grant revenue is recognized when qualifying costs are incurred for cost-reimbursement grants or contracts. Revenue from grants which have characteristics of an exchange transaction is recognized when earned (generally as funds are expended for grant purposes) as unrestricted revenue when the related obligations have been satisfied.

Fundraising

The Organization conducts activities that include requests for contributions. Those activities include direct mail campaigns, special events, and personal solicitation. Total costs of conducting those activities for the years ended June 30, 2025 and 2024 were $878,033 and $829,628, respectively.

Note 3. Investments

The Organization's investments are recorded at fair value. The estimated fair value of investments is based on quoted market prices.

The fair value of investments at June 30, 2025 and 2024 consisted of the following:

	2025	2024
Exchange-traded funds	$ 5,515,857	$ 5,831,618
Pooled investment fund	472,020	432,816
Certificates of deposit	756,856	685,495
Total investments at fair value	$ 6,744,733	$ 6,949,929

The Organization follows FASB ASC Topic 820, *Fair Value Measurements*, which provides the framework for measuring fair value. FASB ASC 820 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.

Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

The hierarchy of inputs is summarized in the three broad levels listed as follows:

Assets measured at NAV: Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient, which is a reasonable estimate of fair value, have not been classified in the fair value hierarchy. The fair value amounts are presented to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

Level 1 inputs: Quoted prices are available in active markets that the Organization has the ability to access for identical investments as of the reporting date, without adjustment.

Level 2 inputs: Other significant observable inputs. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices of identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means; and
- If the asset or liability has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 inputs: Significant unobservable inputs. Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. Investments that are included in this category generally include privately held investments and securities held in partnership format, and for these the Net Asset Value (NAV) as a practical expedient has been used.

The determination of where an asset or liability falls in the hierarchy requires significant judgment. The Organization evaluates its hierarchy disclosures each reporting period and, based on various factors, it is possible that an asset or liability may be classified differently from period to period. However, the Organization expects that changes in classifications between different levels will not be significant.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

A description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. In general, fair value is based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters.

Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. While management believes the Organization's valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Exchange-Traded Fund: Index mutual funds which trade like common stock in an equity security.

Pooled investment funds: Pooled investment funds valued based primarily on net asset value.

Certificates of deposit: Valued based on similar investments being marketed with the same yield and remaining term.

The fair value of each asset and liability in the tables below was measured using FASB ASC-820 input guidance and valuation techniques.

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2025 and 2024:

	Assets at Fair Value as of June 30, 2025				
	NAV	Level 1	Level 2	Level 3	Total
Exchange-traded funds					
Fixed income - domestic	$ -	$ 675,850	$ -	$ -	$ 675,850
Equity - domestic	-	2,900,402	-	-	2,900,402
Equity - foreign	-	1,254,739	-	-	1,254,739
Other exchange-traded	-	684,866	-	-	684,866
Pooled investment fund	472,020	-	-	-	472,020
Certificates of deposit	-	-	756,856	-	756,856
Total	$ 472,020	$ 5,515,857	$ 756,856	$ -	$ 6,744,733

	Assets at Fair Value as of June 30, 2024				
	NAV	Level 1	Level 2	Level 3	Total
Exchange-traded funds					
Fixed income - domestic	$ -	$ 957,110	$ -	$ -	$ 957,110
Equity - domestic	-	2,889,955	-	-	2,889,955
Equity - foreign	-	1,303,081	-	-	1,303,081
Other exchange-traded	-	681,472	-	-	681,472
Pooled investment fund	432,816	-	-	-	432,816
Certificates of deposit	-	-	685,495	-	685,495
Total	$ 432,816	$ 5,831,618	$ 685,495	$ -	$ 6,949,929

The following table summarizes the fair value, unfunded commitments, redemption frequency, and notice period for investments for which management uses net asset value per share or its equivalent as a practical expedient to determining fair value as of June 30, 2025 and 2024:

	Fair value at June 30, 2025	Fair value at June 30, 2024	Unfunded commitments at June 30, 2025 and 2024	Redemption frequency	Redemption notice period
Participation in pooled investment fund	$ 472,020	$ 432,816	$ -	Semi-annually	95 days

The pooled investment fund invests primarily in broad equity and credit markets across various platforms. The fair value of the pooled investment fund has been estimated using the net asset value per share of the investment.

Note 4. Contributions Receivable

Unconditional promises to give are included in the consolidated financial statements as contributions receivable and contributions and grant revenue in the appropriate net asset category and are recorded at their estimated fair value. Contributions are recorded after discounting for present value at 5%, the Alcove's incremental borrowing rate. Amortization of the discount is included in contributions and grant revenue on the consolidated statements of activities.

As of June 30, unconditional promises to give are expected to be collected as follows:

	2025	2024
Due within one year	$ 514,042	$ 373,433
Due within one to five years	1,895,096	1,940,096
Total unconditional promises to give	2,409,138	2,313,529
Less discounts to present value	(9,105)	(11,722)
Less allowance for bad debt	(19,314)	(13,056)
Net unconditional promises to give	$ 2,380,719	$ 2,288,751

Note 5. Property and Equipment

Property and equipment consist of the following at June 30, 2025 and 2024:

	2025	2024
Leasehold improvements	$ 9,319,895	$ 4,513,348
Equipment and furniture	1,125,465	1,107,152
	10,445,360	5,620,500
Construction in process	-	3,861,891
Less accumulated depreciation	(3,600,230)	(3,124,343)
	$ 6,845,130	$ 6,358,048

Depreciation and amortization expense related to property and equipment for the years ending June 30, 2025 and 2024 was $474,317 and $345,362, respectively.

Vogel Alcove

Notes to Consolidated Financial Statements

Note 6. Net Assets with Donor Restrictions

Net assets with donor restrictions were restricted for the following purposes as of June 30, 2025 and 2024:

	2025	2024
Holiday	$ -	$ 3,660
Passage of time	643,800	435,196
Redbird operating expenses	2,729,288	2,428,332
Staff recognition/appreciation	4,118	
Teaching chess program	23,064	31,094
Vogel Alcove North program	29,233	279
Nonprofit Empowerment	20,720	-
Parent engagement program	28,598	-
Celanese Splash Day	2,000	-
	$ 3,480,821	$ 2,898,561

Net assets were released from donor restrictions by incurring expenses or making capital expenditures satisfying the restricted purposes or by occurrence of other events specified by donors for the following purposes for the years ended June 30, 2025 and 2024:

	2025	2024
Capital; infrastructure	$ 247,439	$ 3,166,023
Case management	-	20,000
Family emergency fund	-	9,000
Holiday	3,660	4,500
Marketing	-	110,000
Medical clinic	-	79,388
Parent Opportunity Center	41,500	-
Family Support	141,468	-
Mental health clinic	182,311	6,620
Nonprofit empowerment	29,280	25,000
Reimagine grant	-	24,660
Redbird operating expenses	720,808	-
Summer camp	1,500	-
Staff recognition/appreciation	20,882	25,000
Teaching chess program	8,030	4,291
Vogel Alcove North program	-	395,989
Vogel North Garden	16,045	4,721
Staff development	25,000	-
Parent engagement program	21,402	-
S. Nutter Conference Scholarship	1,000	-
Workforce development training	-	15,012
	$ 1,460,325	$ 3,890,204

Note 7. Retirement Plan

The Organization has a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time employees of the Organization who elect to contribute to the plan. An employee may contribute any percentage of salary provided that the contribution does not exceed the maximum permitted by law. The Organization matches the employee's contribution up to 5% of the employee's salary. The Organization's contributions were $119,295 and $102,538 for the years ended June 30, 2025 and 2024, respectively.

Note 8. Leases

The Organization has two finance leases for office copier equipment, each for 48-month terms that began in May 2020, and May 2022, respectively. The original finance lease ROU assets and liabilities from these leases were calculated as the present value of the sum of all lease payments discounted at 4%. This rate was selected as the result of the Organization electing an accounting policy to utilize a risk-free discount rate for its leases, as is permitted under the new accounting guidance.

The ROU assets are amortized "straight-line" over the lease term while imputed interest is added to the finance lease liabilities over the term. Concurrently, actual lease payments made during the fiscal year reduce the lease liabilities.

Total finance lease costs for the years ended June 30, 2025, and 2024 are as follows:

	2025	2024
Amortization of ROU asset	$ 42,465	$ 39,044
Interest on lease liability	278	941
Total finance lease costs	$ 42,743	$ 39,985

The following table summarizes the annual undiscounted cash flows of the finance lease liabilities as of June 30, 2025:

Year Ending June 30,	
2026	4,340
Total future minimum lease payments	4,340
Less imputed interest	(79)
Total financing lease liability	$ 4,261

The Organization has one operating lease for its campus and office facilities whose term began in August 2013 and lasts for 14 years and 9 months, which includes one lease extension of 5 years and excludes a second lease extension of 5 years. This term indicates the operating lease will expire in April 2028, as the Organization could not be reasonably certain that the second extension (through April 2033) would be exercised. The operating lease ROU asset and related lease liability were calculated as the present value of the sum of all lease payments included in the term.

Total operating lease costs for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
Total operating lease cost	$ 79,380	$ 79,380

The following table summarizes the annual undiscounted cash flow of the operating lease liability as of June 30, 2025:

Year Ending June 30,	
2026	79,380
2027	79,380
2028	66,150
Total future minimum lease payments	224,910
Less imputed interest	(21,353)
Total operating lease liability	$ 203,557

Note 9. New Market Tax Credit

In September 2023, Vogel entered into a financial agreement to help fund the cost of leasehold improvements for a new facility and a reserve for operating costs through the use of the New Market Tax Credit program. Under this agreement, Vogel received two loans totaling $5,880,000 from DDF Victor, LLC.

Vogel executed a note payable with DDF Victor, LLC. on September 26, 2023 in the amount of $4,271,400. The note bears interest at a rate of 1.307% per annum. The note is secured with a security agreement, assignment of rents and leases, and financing statement as defined in the loan agreement. Commencing on December 1, 2023, annual payments of interest only shall be due and payable in arrears through December 1, 2030.

Commencing on December 1, 2031, annual payments of interest and principal in the amount of $281,837 shall be due and payable through maturity on December 1, 2047, at which time the remaining balance of principal and interest shall be due and payable.

Vogel executed a second note payable with DDF Victor, LLC. On September 26, 2023 in the amount of $1,608,600. The note bears interest at a rate of 1.307% per annum. The note is secured by a security agreement, assignment of rents and leases, and financing statement as defined in the loan agreement.

Commencing on December 1, 2023, annual payments of interest only shall be due and payable in arrears through December 1, 2030. Commencing on December 1, 2031, annual payments of interest and principal in the amount of $106,139 shall be due and payable through maturity on December 1, 2047, at which time the remaining balance of principal and interest shall be due and payable. The principal payments on the loans do not become due until December 1, 2031.

The Vogel Foundation provided a loan of $4,271,400 to the CHASE NMTC VOGEL REDBIRD INVESTMENT FUND, LLC (an unaffiliated investment structure). The loan is evidenced by a promissory note from the CHASE NMTC VOGEL REDBIRD INVESTMENT FUND, LLC, carrying an interest rate of 1% per annum, payable annually starting on December 10, 2023, providing for amortization of the principal from January 1, 2031, to the maturity date of December 31, 2043, with the first principal payment being due on December 10, 2031, and secured by the interests of the CHASE NMTC VOGEL REDBIRD INVESTMENT FUND, LLC in the lender of Vogel Alcove, DDF Victor, LLC, as mentioned in the first paragraph of this note.

Deferred loan costs for the transaction were $297,253, net of accumulated amortization of $74,314 and $31,849 at June 30, 2025 and 2024, respectively. These loan costs will be recognized over the life of the loans.

Note 10. Contingencies

In order to qualify and receive federal and locally awarded funds, the Organization must comply with certain conditions and stipulations. If the Organization does not comply with such conditions and stipulations, it may be required to repay funds to the granting agency.

Regular funding of the Organization is derived from three main sources which are special events, government grants and contributions. Continuation of such funding at current levels in future periods is subject to various factors such as economic conditions, compliance with grant provisions, potential new legislation and continued applicability of mission.

The Organization operates within the City of Dallas and is subject to the economic conditions present in the area. From time to time, the Organization is subject to certain claims and contingent liabilities that arise in the normal course of business. After consultation with legal counsel, management is of the opinion that liabilities, if any, arising from such litigation and examinations would not have a material effect on the Organization's financial position.

Note 11. Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2025, comprise the following:

Cash and cash equivalents	$ 335,120
Contributions receivable	2,380,719
Grants receivable	532,161
Investments	6,744,733
Less: donor restrictions	(3,480,821)
Financial assets available within one year for general expenditure	$ 6,511,912

The Organization manages its liquidity and reserves by operating within a prudent range of financial soundness and responsibility, by maintaining adequate liquid assets to fund near-term operating needs, and by maintaining sufficient reserves to provide reasonable assurance that both short and long-term obligations will be discharged. The Vogel Alcove Foundation board of directors approves any transfer of funds from the Vogel Alcove Foundation to the Alcove.

Note 12. Line of Credit

On January 13, 2025, the Board of Directors of Vogel Alcove Foundation authorized the establishment and oversight of a revolving line of credit ("LOC") with UBS Bank USA. The LOC is secured by pledged securities accounts held at UBS Financial Services Inc. and is intended to support short-term cash flow needs for board-approved operating and capital expenses. As of June 30, 2025, no draws have been made on the line of credit.

Note 13. Subsequent Events

The Organization has evaluated subsequent events through December 10, 2025, the date which the consolidated financial statements were available to be issued. The Organization had no subsequent events to report.