Genesis of Pittsburgh, Inc.

Audited Financial Statements

Years Ended December 31, 2025 and 2024

Genesis of Pittsburgh, Inc.

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OPST & ASSOCIATES, LLC
Certified Public Accountants

Wellington Square, Suite 102
1225 South Main Street
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Independent Auditor's Report

To the Board of Directors
Genesis of Pittsburgh, Inc.
Pittsburgh, Pennsylvania

Opinion

We have audited the accompanying financial statements of Genesis of Pittsburgh, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Genesis of Pittsburgh, Inc., 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Genesis of Pittsburgh, Inc. and to meet our other ethical responsibilities, in accordance with 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 Genesis of Pittsburgh, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 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 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 Genesis of Pittsburgh, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Genesis of Pittsburgh, Inc.'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.

Opst & Associates, LLC

May 28, 2026

Genesis of Pittsburgh, Inc.

Statements of Financial Position

December 31,	2025	2024
Current Assets		
Cash	$ 179,861	$ 350,807
Grants receivable - Real Alternatives	-	161,000
ERC receivable (Note 4)	-	69,375
Promises to give	3,902	11,995
Investments (Note 6)	848,124	1,058,664
Inventory	4,837	-
Prepaid expenses and other current assets	23,938	11,665
Total Current Assets	1,060,662	1,663,506
Land, Property, and Equipment - net (Note 2)	367,406	392,716
Right-of-use asset	13,173	29,644
Total Assets	$ 1,441,241	$ 2,085,866
Current Liabilities		
Accounts payable	$ 12,720	$ 12,425
Accrued salaries and payroll liabilities	26,843	35,004
Lease liability, current portion (Note 8)	13,173	16,471
Mortgage payable, current portion (Note 7)	17,160	16,266
Total Current Liabilities	69,896	80,166
Long Term Liabilities		
Security deposits	2,325	975
Lease liability, net of current portion (Note 8)	-	13,173
Mortgage payable, net of current portion (Note 7)	40,631	58,878
Total Long Term Liabilities	42,956	73,026
Total Liabilities	112,852	153,192
Net Assets		
Without donor restrictions	1,310,035	1,761,142
With donor restrictions	18,354	171,532
Total Net Assets	1,328,389	1,932,674
Total Liabilities and Net Assets	$ 1,441,241	$ 2,085,866

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

Genesis of Pittsburgh, Inc.

Statements of Activities and Changes in Net Assets

For the Year Ended December 31,	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue			
Contributions and grants	$ 348,383	$ 18,354	$ 366,737
Contributions - in kind	8,056	-	8,056
Investment income	39,218	-	39,218
Interest income - ERC	19,206	-	19,206
Adoption fees	28,000	-	28,000
Rent income	18,350	-	18,350
Unrealized gain (loss)	1,466	-	1,466
Miscellaneous	1,300	-	1,300
Net assets released from restrictions			
Satisfaction of donor restrictions	171,532	(171,532)	-
Total Public Support and Revenue	635,511	(153,178)	482,333
Program Services			
Genesis House	378,790	-	378,790
Outreach services	411,634	-	411,634
Adoption	88,295	-	88,295
Total Program Services	878,719	-	878,719
Supporting Services			
Management and general	89,990	-	89,990
Fundraising	117,909	-	117,909
Total Supporting Services	207,899	-	207,899
Total Expenses	1,086,618	-	1,086,618
Change in Net Assets	(451,107)	(153,178)	(604,285)
Net Assets - Beginning of Year	1,761,142	171,532	1,932,674
Net Assets - End of Year	$ 1,310,035	$ 18,354	$ 1,328,389

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

Genesis of Pittsburgh, Inc.

Statements of Activities and Changes in Net Assets

For the Year Ended December 31,	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue			
Contributions and grants	$ 349,526	$ 50,000	$ 399,526
Program revenue	-	156,000	156,000
Investment income	48,518	-	48,518
Interest income - ERC	41,537	-	41,537
Adoption fees	15,000	-	15,000
Rent income	13,000	-	13,000
Unrealized gain (loss)	233	-	233
Miscellaneous	100	-	100
Net assets released from restrictions			
Satisfaction of donor restrictions	41,874	(41,874)	-
Total Public Support and Revenue	509,788	164,126	673,914
Program Services			
Genesis House	337,335	-	337,335
Outreach services	427,083	-	427,083
Adoption	47,366	-	47,366
Total Program Services	811,784	-	811,784
Supporting Services			
Management and general	80,779	-	80,779
Fundraising	111,234	-	111,234
Total Supporting Services	192,013	-	192,013
Total Expenses	1,003,797	-	1,003,797
Change in Net Assets	(494,009)	164,126	(329,883)
Net Assets - Beginning of Year	2,255,151	7,406	2,262,557
Net Assets - End of Year	$ 1,761,142	$ 171,532	$ 1,932,674

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

Genesis of Pittsburgh, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2025

	Program Services				Supporting Activities		
	Genesis House	Outreach Services	Adoption	Total Programs	Management and General	Fundraising	Total
Personnel							
Salaries	$ 243,694	$ 248,392	$ 47,632	$ 539,718	$ 24,394	$ 61,281	$ 625,393
Employee benefits	37,312	21,687	8,732	67,731	5,707	13,124	86,562
Payroll taxes	19,122	20,343	3,733	43,198	863	4,605	48,666
Total Personnel	300,128	290,422	60,097	650,647	30,964	79,010	760,621
Operating							
Specific assistance	19,720	20,396	2,081	42,197	662	139	42,998
Utilities and trash	13,717	7,945	7,741	29,403	7,882	2,740	40,025
Insurance	8,340	9,452	2,620	20,412	13,577	2,502	36,491
Professional services	10,644	12,657	1,518	24,819	8,135	3,183	36,137
Depreciation	5,320	18,620	1,596	25,536	532	532	26,600
Repair and maintenance	7,489	4,448	8,560	20,497	2,040	1,144	23,681
Dues and subscriptions	4,135	5,350	1,060	10,545	10,415	2,235	23,195
Rent (Note 8)	-	22,853	-	22,853	-	-	22,853
Telephone and communications	4,651	6,628	620	11,899	3,566	1,395	16,860
Professional fees - fundraising	-	-	-	-	-	13,324	13,324
Supplies, printing, and postage	3,225	4,221	677	8,123	1,951	2,196	12,270
Bank fees	-	-	7	7	6,200	2,656	8,863
Advertising and promotion	135	-	-	135	-	6,505	6,640
Interest expense	1,063	1,215	1,672	3,950	810	304	5,064
Real estate taxes	-	4,644	-	4,644	-	-	4,644
Miscellaneous	-	2,503	26	2,529	1,328	-	3,857
Travel, conferences, and meetings	223	280	20	523	1,928	44	2,495
Total Operating	78,662	121,212	28,198	228,072	59,026	38,899	325,997
Total Expenses	$ 378,790	$ 411,634	$ 88,295	$ 878,719	$ 89,990	$ 117,909	$1,086,618

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

Genesis of Pittsburgh, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2024	Program Services				Supporting Activities		
	Genesis House	Outreach Services	Adoption	Total Programs	Management and General	Fundraising	Total
Personnel							
Salaries	$ 211,229	$ 249,910	$ 28,880	$ 490,019	$ 15,346	$ 65,350	$ 570,715
Employee benefits	26,862	16,269	4,455	47,586	2,609	13,126	63,321
Payroll taxes	16,580	19,963	2,270	38,813	2,798	4,863	46,474
Total Personnel	254,671	286,142	35,605	576,418	20,753	83,339	680,510
Operating							
Professional services	18,374	21,980	3,722	44,076	16,441	5,949	66,466
Insurance	10,854	12,302	1,447	24,603	12,696	3,251	40,550
Utilities and trash	12,181	13,516	562	26,259	5,619	2,140	34,018
Repair and maintenance	8,873	12,631	1,258	22,762	2,921	1,566	27,249
Depreciation	5,405	18,919	1,622	25,946	540	540	27,026
Specific assistance	10,480	15,388	1,059	26,927	46	-	26,973
Dues and subscriptions	4,687	5,380	613	10,680	7,407	3,106	21,193
Rent (Note 8)	-	19,971	-	19,971	-	-	19,971
Telephone and communications	4,829	6,680	611	12,120	3,509	1,374	17,003
Supplies, printing, and postage	4,629	3,920	570	9,119	1,852	1,685	12,656
Bank fees	-	7	-	7	5,925	2,290	8,222
Interest expense	1,174	3,019	168	4,361	895	335	5,591
Advertising and promotion	-	538	-	538	-	4,947	5,485
Real estate taxes	-	4,358	-	4,358	-	-	4,358
Travel, conferences, and meetings	298	848	69	1,215	872	95	2,182
Miscellaneous	146	452	60	658	1,303	-	1,961
Real Alternatives contribution	734	1,032	-	1,766	-	-	1,766
Professional fees - fundraising	-	-	-	-	-	617	617
Total Operating	82,664	140,941	11,761	235,366	60,026	27,895	323,287
Total Expenses	$ 337,335	$ 427,083	$ 47,366	$ 811,784	$ 80,779	$ 111,234	$ 1,003,797

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

Genesis of Pittsburgh, Inc.

Statements of Cash Flows

For the Years Ended December 31,	2025	2024
Cash Flows from Operating Activities		
Change in net assets	$ (604,285)	$ (329,883)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation expense	26,600	27,026
Noncash lease expense	16,471	13,420
Unrealized (gain) loss on investments	1,466	(233)
Changes in		
Grants receivable	161,000	(118,621)
Promises to give	8,093	12,193
Other receivables	69,375	189,545
Prepaid expenses	(12,273)	6,024
Inventory	(4,837)	-
Accounts payable and accrued expenses	(7,866)	(41)
Lease liability	(16,471)	(13,420)
Cash Provided By (Used for) Operating Activities	(362,727)	(213,990)
Cash Flows from Investing Activities		
Purchase of equipment	(1,290)	-
Purchase of investments	209,074	(91,872)
.		
Cash Provided By (Used for) Investing Activities	207,784	(91,872)
Cash Flows from Financing Activities		
Payments on long-term debt	(17,353)	(14,798)
Payments received from note receivable	-	7,900
Security deposit payments received	1,350	-
Cash Provided By (Used for) Financing Activities	(16,003)	(6,898)
Increase (Decrease) in Cash	(170,946)	(312,760)
Cash and Equivalents - Beginning of Year	350,807	663,567
Cash and Equivalents - End of Year	$ 179,861	$ 350,807

Noncash Investing and Financing Activities

Interest paid	$ 5,064	$ 5,548

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

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

Genesis of Pittsburgh, Inc. (Genesis or the Organization) provides counseling and support services to women facing an unplanned pregnancy. Many women find they are able to carry their unborn children to birth with the encouragement and practical assistance provided by the Genesis professional staff and community partners. Services include adoption, housing during pregnancy, and the provision of baby equipment, clothing, formula and food. All services are confidential and free of charge, with the exception of the adoption facilitation fee charged to adoptive families.

Genesis was founded in 1973 as a telephone referral service. In 1983, Genesis House, a maternity residence, was opened. At Genesis House, residents participate in a program of parenting/prenatal instruction and intensive counseling. Residents participate in future planning for themselves and their unborn child.

Genesis also operates four community resource centers, one in Washington County and three in Allegheny County. At these centers, clothing and equipment are distributed without an appointment. At the Learning Centers, examples of parenting and prenatal classes include childbirth, nutrition, budgeting, parenting, and infant CPR.

Genesis clients are assisted in developing post-delivery plans for themselves and their babies and are encouraged to complete their education, seek employment, and become self-sufficient. Genesis of Pittsburgh has become an important resource for other social service agencies in the community.

Genesis depends heavily upon individuals in the community for volunteer assistance and financial support. Every year, these individual efforts have a positive impact in the lives of many pregnant young women and their families in the Greater Pittsburgh and Washington areas.

Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return.

Note 1 - Summary of Significant Accounting Policies (Continued)

Under the provisions of Topic 958, revenues, gains and losses, and net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions
Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions
Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

In May 2014, FASB issued Accounting Standard Codification (ASC) Topic 606 - Revenue from Contracts with Customers (ASC 606). ASC 606 is a new comprehensive revenue recognition model that expands disclosure requirements and requires an organization to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services.

Prior to 2024, the majority of the Organization's revenue fell within the scope of ASC 606. This program revenue is earned by providing services to eligible clients and is reimbursed on a fee-for-service model by the Organization that administers the Pregnancy and Parenting Support Services Program for Pennsylvania. Those services that fall within the scope of ASC 606 are recognized as revenue as the Organization satisfies its obligation to the customer. In 2024 this program was eliminated, refer to Note 11 for further discussion. The Organization's other sources of revenue come from contributions and donations, grants, and fundraising events that are outside the scope of ASC 606.

Leases
In February 2016, the FASB issued ASU 2016-02, Leases (ASC 842), which supersedes existing guidance for accounting for leases under Topic 840, Leases. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

The Organization adopted ASC 842 effective January 1, 2021, and utilized all of the available practical expedients. The adoption had a material impact on the Organization's statement of financial position but did not have a material impact on the statement of activities.

Note 1 - Summary of Significant Accounting Policies (Continued)

Income Taxes

Genesis of Pittsburgh, Inc. is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code; and, as such, no provision for federal income taxes has been made in the financial statements. The Organization's information returns (Federal Form 990) for tax years 2022 and beyond remain subject to examination by the Internal Revenue Service.

Other Current Payroll Assets

Other current payroll assets represent funds advanced to the payroll service provider for future payroll and related tax disbursements.

Fixed Assets and Depreciation

Land, buildings, and equipment are recorded at cost or fair market value at date of gift for donated assets. Depreciation is provided on the straight-line method over the estimated useful lives of the depreciable assets. It is the Organization's policy to capitalize expenditures for furniture and equipment of $1,000 or more.

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Revenue

Genesis provides counseling programs and services to promote childbirth and assist pregnant women in their decision regarding parenting or adoption. Services provided to eligible clients, with the exception of adoption planning, are reimbursed on a fee-for-service model by the Organization that administers the Pregnancy and Parenting Support Services Program for Pennsylvania. The Organization's other sources of revenue come from contributions and donations, grants, adoption facilitation fees charged to adoptive families, and fundraising events.

Note 1 - Summary of Significant Accounting Policies (Continued)

Donated Services and Expenses

A number of volunteers have donated significant amounts of their time in the Organization's administrative operations and program services. In accordance with requirements of FASB ASC 958, no amounts have been reflected in the financial statements for those services.

Functional Expenses

Expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include; salaries and wages, payroll taxes and employee benefits, which are allocated on the basis of reasonable estimates made by management; and depreciation, amortization, interest and insurance, which are allocated based on a simplified allocation method, utilizing total personnel cost as the equitable distribution base.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. Actual results could differ from those estimates.

Note 2 - Land, Property, and Equipment

Land, property, and equipment which are stated at cost, or fair market value at date of gift for donated assets, consisted of the following at December 31:

	2025	2024
Land	$ 46,500	$ 46,500
Buildings	422,787	422,787
Improvements	461,646	461,646
Vehicles	23,300	23,300
Furniture and equipment	36,606	35,316
Total	990,839	989,549
Accumulated depreciation	(623,433)	(596,833)
Total land, property, and equipment	$ 367,406	$ 392,716

Note 3 - Retirement Plan

Genesis has a qualified retirement plan known as a 401(k) plan. All employees are eligible to participate in the plan after one (1) year of service. The Organization provides for employees pre-tax deferral contributions, employee after-tax Roth contributions, and employer matching funds (dollar-for-dollar up to 4%). Participating employees are always 100% vested in the plan. Total employer matching expense was $20,770 for the year ended December 31, 2025 and $18,484 for the year ended December 31, 2024.

Note 4 - ERC Receivable

Genesis was eligible for the Employee Retention Credit (ERC) under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) of 2020. The Organization filed for the credit in 2023 and because all conditions associated with the ERC eligibility had been met, Genesis recognized $258,920 as a receivable as of December 31, 2023.

In September 2023, the IRS enacted a moratorium on processing new ERC claims received on and after September 14, 2023. Claims filed prior to September 14, 2023, are still being processed. The Organization received $189,545 of the ERC funds during 2024. The remaining ERC balance of $69,375 was received in 2025. During 2024, interest received as part of the ERC funds was $41,537 and during 2025, interest received totaled $19,206.

Note 5 - Concentrations

Cash

Genesis of Pittsburgh, Inc. maintains bank accounts at local banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. From time to time cash at these institutions exceed federally insured limits.

As of December 31, the Organization's bank balances were exposed to custodial credit risk as follows:

	2025	2024
Insured	$ 170,070	$ 336,076
Uninsured and collateralized	-	5,833
Total:	$ 170,070	$ 341,909

Note 6 - Investments

The Organization has certain investments through Huntington Investment Company. The composition of investments held at December 31 are as follows:

	2025	2024
Treasury Obligation Fund	$ 597,039	$ 808,601
US Treasury Obligations	251,085	250,063
Total:	$ 848,124	$1,058,664

The investments are reported on the Statements of Financial Position at fair market value as reported by Huntington Investment Company in their asset detail at December 31, 2025 and 2024. Investment income or loss is reported in the Statements of Activities as an increase or decrease in net assets without donor restrictions unless restricted by donor or law.

Fair Value Measurements Investments

FASB ASC 820 provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
- quoted prices for 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.

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 to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest 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.

Note 6 - Investments (Continued)

There have been no changes in the methodologies used at December 31, 2025 and 2024. The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Furthermore, although management believes its valuation methods 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 value measurement at the reporting date.

All of the assets held by the Organization at December 31, 2025 and 2024 are classified as Level 1 investments.

Note 7 - Mortgage Note Payable

In April 2014, the Organization obtained a $205,000 mortgage note payable to Northwest Savings Bank for the purchase of a building. The mortgage note is due in monthly installments of $1,668 at an interest rate of 7.375% through April 2029. The approximate future principal payments on the mortgage note are due as follows:

Year Ending December 31,	
2026	$ 17,000
2027	18,000
2028	19,000
2029	4,000
	$ 58,000

Note 8 - Leases

The Organization adopted ASC 842 effective January 1, 2021. The accounting for finance leases remained substantially unchanged. Adoption of the standard required the Organization to restate amounts as of January 1, 2021, resulting in an increase in operating lease ROU assets of $31,821, an increase in other current and long-term liabilities of $45,402, and a decrease in net assets of $13,581.

The Organization leases certain commercial space. The Organization assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term. The Organization also has an insignificant lease for a copier, as well as, various month to month leases for monthly storage space and parking garage space, which are expensed as lease payments are made.

Note 8 - Leases (Continued)

During 2024, the Organization entered into a new lease agreement to extend the current commercial space lease for an additional two years. At the inception of the new lease the Organization recorded a right-of-use asset and related lease liability of approximately $34,000.

The financial position components of the lease were as follows:

	2025	2024
Operating leases		
Right-of-use assets	$ 13,173	$ 29,644
Operating lease liabilities - short-term	$ (13,173)	$ (16,471)
Operating lease liabilities - long-term	-	(13,173)
Total operating leases liabilities	$ (13,173)	$ (29,644)

The components of lease expense within the accompanying statements of activities and changes in net assets were as follows for the years ended December 31,

	2025	2024
Operating lease cost	$ 19,617	$ 18,108
Other lease costs	3,236	5,296
Total lease costs	$ 22,853	$ 23,404

The cash flow components of the lease were as follows for the years ended December 31,

	2025	2024
Operating cash flows - operating lease	$ 16,471	$ 13,420

As of December 31, 2025, the remaining lease term was 0.75 years and the discount rate was 7.375%.

As of December 31, 2025, approximate future minimum lease payments required under the operating lease for the year ending December 31, 2025 and thereafter were as follows:

Year Ending December 31,	Amount
2026	$ 14,000
Less: amount representing interest	(1,000)
Present value of total lease liability	13,000
Less: current portion of lease liability	(13,000)
Lease liability - long-term	$ -

Note 9 - Liquidity

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

	2025	2024
Cash and cash equivalents	$ 179,861	$ 350,807
Investments	848,124	1,058,664
Grant receivable	-	161,000
Inventory	4,837	-
Other receivables	3,902	81,370
Prepaid expenses	23,938	11,665
	1,060,662	1,663,506
Less those unavailable for general expenditures within one year due to:		
Restricted by donor with purpose restrictions	(18,354)	(171,532)
Total	$ 1,042,308	$ 1,491,974

The Organization's financial assets have been reduced by amounts not available for general use because of donor imposed restrictions within one year of the balance sheet date.

As part of Genesis of Pittsburgh, Inc.'s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

Note 10 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes for periods as of December 31:

	2025	2024
Subject to expenditure for a specified purpose:		
Program support	$ 18,354	$171,532

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose as of December 31:

	2025	2024
Purpose restrictions accomplished:		
Program support	$171,532	$ 41,874

Note 11 - Loss of Major Funding Source

During the year ended December 31, 2024, the Organization experienced a significant reduction in funding due to the loss of a major funding source. Effective December 31, 2023, Governor Shapiro announced that Pennsylvania ended its long-standing contract with Real Alternatives. Revenue from Real Alternatives accounted for approximately 50% of total revenue for the Organization. During 2024 and 2025, the Organization did not receive any revenue from Real Alternatives.

The Organization is actively pursuing alternative sources of funding to mitigate the impact of this loss. Management has implemented cost-reduction strategies and is exploring new programmatic partnerships and fundraising opportunities. While the loss of this major funding source has affected the Organization's operations, management believes that, with the steps taken and reserves available, the Organization will be able to continue to meet its mission and obligations for the foreseeable future.

Note 12 - Subsequent Events

Management evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through May 28, 2026, the day the financial statements were approved and authorized for issue. Management is not aware of any events subsequent to year end that would require disclosure or recognition in the financial statements.