

Chicago Eco House



Financial Statements

For the Year Ended
December 31, 2025



Chicago Eco House
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Independent Auditor's Report

To the Board of Directors
Chicago Eco House
Chicago, Illinois

Opinion on the Financial Statements

We have audited the accompanying financial statements of Chicago Eco House, which comprise the statements of financial position as of December 31, 2025 and the related statements of activities, functional expenses and cash flows for the year 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 Chicago Eco House as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion on the Financial Statements

We conducted our audit 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 Chicago Eco House and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Chicago Eco House'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, including omissions, 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 Chicago Eco House'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 Chicago Eco House'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.

IL NFP Audit & Tax, LLP

Chicago, Illinois

March 6, 2026

Chicago Eco House
Statement of Financial Position
December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 796,261	\$ 580,814	\$ 1,377,075
Investments - Cryptocurrency	33,405	0	33,405
Accounts Receivable	100,000	135,000	235,000
Grants Receivable	16,804	0	16,804
Prepaid Expenses	77,557		77,557
Total Current Assets	1,024,027	715,814	1,739,841
Fixed Assets, Net	87,216	0	87,216
Operating Lease Right-of-Use Asset, Net	248,177	0	248,177
Other Assets			
Security Deposit	2,317	0	2,317
Total Other Assets	2,317	0	2,317
Total Assets	\$ 1,361,737	\$ 715,814	\$ 2,077,551
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ 24,745	\$ 0	\$ 24,745
Accrued Liabilities	8,509	0	8,509
Accrued Payroll	27,012	0	27,012
Operating Lease Obligation	33,934	0	33,934
Total Current Liabilities	94,200	0	94,200
Non-Current Liabilities			
Operating Lease Obligation - Long Term	228,579	0	228,579
Total Non-Current Liabilities	228,579	0	228,579
Total Liabilities	322,779	0	322,779
Total Net Assets	1,038,958	715,814	1,754,772
Total Liabilities and Net Assets	\$ 1,361,737	\$ 715,814	\$ 2,077,551

Chicago Eco House
Statement of Activities
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support and Gains			
Grants and Contributions	\$ 693,122	\$ 445,814	\$ 1,138,936
Event Income	499,431	0	499,431
Earned Income	174,694	0	174,694
Miscellaneous	35,573	0	35,573
In-Kind Donations	28,050	0	28,050
Gain on Fixed Asset Disposal	10,097	0	10,097
Net Investment Income	(7,402)	0	(7,402)
Net Assets Released from Restrictions:			
Satisfaction of Program Restriction	30,000	(30,000)	0
Expiration of Time Restrictions	506,458	(506,458)	0
Total Revenue, Support and Gains	1,970,023	(90,644)	1,879,379
Functional Expenses			
Program Services	1,309,485	0	1,309,485
Management and General	384,494	0	384,494
Fundraising	96,960	0	96,960
Total Functional Expenses	1,790,939	0	1,790,939
Change in Net Assets	179,084	(90,644)	88,440
Net Assets,			
Beginning of Year	900,017	166,458	1,066,475
Change in Accounting Principle	(40,143)	640,000	599,857
Beginning of Year, Restated	859,874	806,458	1,666,332
End of Year	\$ 1,038,958	\$ 715,814	\$ 1,754,772

Chicago Eco House
Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program Services	Management and General	Fundraising	Total
Functional Expenses				
Personnel				
Salaries	\$ 613,494	\$ 72,176	\$ 36,088	\$ 721,758
Payroll Taxes	41,530	4,886	2,443	48,859
Employee Benefits	21,960	2,584	1,292	25,836
Total Personnel	<u>676,984</u>	<u>79,646</u>	<u>39,823</u>	<u>796,453</u>
Advertising and Marketing	18,996	856	0	19,852
Assistance to Others	2,500	0	0	2,500
Bank and Processing Fees	9,833	8,608	1,094	19,535
Depreciation	17,662	4,416	0	22,078
Dues and Subscriptions	14,769	10,448	699	25,916
Insurance	500	1,779	0	2,279
Licenses and Fees	1,350	4,183	0	5,533
Occupancy	64,533	21,629	0	86,162
Office	5,655	8,471	114	14,240
Postage	41,357	1,853	0	43,210
Printing	840	1,165	0	2,005
Professional Fees	171,870	190,665	55,230	417,765
Supplies and Materials	247,077	5,363	0	252,440
Travel and Meetings	35,559	45,412	0	80,971
Total Functional Expenses	<u><u>\$ 1,309,485</u></u>	<u><u>\$ 384,494</u></u>	<u><u>\$ 96,960</u></u>	<u><u>\$ 1,790,939</u></u>

Chicago Eco House
Statement of Cash Flows
For the Year Ended December 31, 2025

Cash Flows from Operating Activities

Received from Supporters and Other Sources	\$ 2,274,977
Interest Received	268
Paid to Suppliers and Employees	(1,834,032)
Interest Paid	(5,875)
Income Taxes Paid	0
	435,338

Net Cash Provided by Operating Activities

435,338

Cash Flows from Investing Activities

Payments for the Purchase of Fixed Assets	(27,794)
	(27,794)

Net Cash Used in Investing Activities

(27,794)

Cash Flows from Financing Activities

Payments Operating Lease Liability	(10,485)
	(10,485)

Net Cash Used in Financing Activities

(10,485)

Net Increase in Cash

397,059

Cash and Cash Equivalents

Beginning of Year	980,016
	980,016

End of Year	\$ 1,377,075
	1,377,075

Total In-Kind Donated Space

\$ 28,050

Chicago Eco House
Statement of Cash Flows (Continued)
For the Year Ended December 31, 2025

**Reconciliation of Change in Net Assets to Net Cash
Provided by Operating Activities**

Change in Net Assets	\$ 88,440
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Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation of Fixed Assets	22,078
Amortization of Right-of-Use Asset	12,559
Unrealized Loss on Investments	7,670
Changes in Certain Assets and Liabilities:	
Accounts Receivable	(16,804)
Grants Receivable	405,000
Prepaid Expenses	(77,557)
Accounts Payable	(2,365)
Accrued Liabilities	8,509
Accrued Payroll	(12,192)
<hr/>	
Total Adjustments	346,898
<hr/>	
Net Cash Provided by Operating Activities	\$ 435,338
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Chicago Eco House
Notes to the Financial Statements
For the Year Ended December 31, 2025

Note 1 - Principal Activity and Significant Accounting Policies

Organization and Nature of Activities

Chicago Eco House (the “Organization”) is an Illinois not-for-profit corporation incorporated in 2014. The Organization’s mission is to leverage sustainable solutions to alleviate poverty. The Organization has four off-grid commercial flower farms throughout Chicago and one in Detroit. The Organization also operates an in-house flower shop.

Basis of Accounting

The Organization’s accounts are maintained on the accrual basis of accounting. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has not designated any amounts from net assets without donor restrictions as of December 31, 2025.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Chicago Eco House
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2025

Note 1 - Principal Activity and Significant Accounting Policies (Continued)

Investments and Net Investment Return

Investments are originally recorded at cost if purchased or, if donated, at fair value on the date of donation. Thereafter, investments in marketable equity securities with readily determinable fair values are stated at fair value and real estate investments and equity securities without readily determinable fair values are stated at cost.

Net investment return restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized. Net investment return consists of interest and dividend income, and when applicable, unrealized gains and losses, realized gains and losses, and investment fees.

Receivables, Allowance for Uncollectible Promises to Give and Credit Losses

The Organization records receivables that are expected to be collected within one year at net realizable value. Receivables that are expected to be collected in more than one year are recorded at present value. Generally accepted accounting principles prescribe receivables expected to be collected in more than one year to be initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset; in subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. The Organization determines the allowance for credit losses based on historical credit loss percentages for different aging categories; the Organization typically records a credit loss for trade receivables that are aged more than 365 days.

Fixed Assets

The Organization records fixed asset additions at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using a straight-line depreciation method over the estimated useful lives of the assets of 5-10 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term.

Chicago Eco House
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2025

Note 1 - Principal Activity and Significant Accounting Policies (Continued)

Fixed Assets (Continued)

When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. The Organization reviews the carrying values of fixed assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset.

Leases

Operating leases are included in operating lease right-of use (“ROU”) assets and operating lease obligation liabilities in the statement of financial position. The Organization has no finance leases. ROU assets represent the Organization’s right to use an underlying asset for the lease term and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Organization’s incremental borrowing rate is used in determining the present value of lease payments. The implicit rate is used when readily determinable. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Deferred Revenue

Exchange transactions in which a reciprocal transfer of assets occurs are recorded as deferred revenue if a corresponding performance obligation is yet to be fulfilled by the Organization.

Functional Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The Organization allocates functional expenses mainly on the basis of estimates of time and effort.

Chicago Eco House
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2025

Note 1 - Principal Activity and Significant Accounting Policies (Continued)

Interfund Balance

In an effort to increase transparency and to simplify its financial statements, the Organization presents its statement of financial position on a fund basis which comprises of the following funds: Net Assets with Donor Restrictions and Net Assets without Donor Restrictions.

As of December 31, 2025, no interfund payables or receivables exists between the Net Assets without Donor Restrictions Fund and the Net Assets with Donor Restrictions Fund.

Revenue Recognition - Grants and Contributions

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Conditional promises to give are not recognized until they become unconditional. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or 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-imposed contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization when the restrictions are released.

Revenue Recognition - Registrations and Sponsorships

The Organization typically hosts events and meetings during the course of the year. Registration fees for these events are billed to the participant at the time of registration. The event revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing the registrant access to the event and event materials. Revenue from these events are recognized at the point in time the event is held and the Organization's performance obligation to hold the event is completed. The Organization also provides members the opportunity to sponsor their events. Event sponsors pay for sponsorship packages for events in exchange for access for their representatives to the event itself, access to the event materials, and access to the members attending the events to promote their own businesses.

Chicago Eco House
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2025

Note 1 - Principal Activity and Significant Accounting Policies (Continued)

Revenue Recognition - Registrations and Sponsorships (Continued)

Registration and sponsorships for the Organization’s events open months before the events are scheduled to be held. Cash receipts for registrations and sponsorships collected in advance of the events and meetings are deferred as contract liabilities until the event is held, at which point the revenue is recognized.

Revenue Recognition - Program Fees

Program fees are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for services. The Organization bills for services prior to the delivery of services. Revenue is recognized as the underlying performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges.

Revenue Recognition - Disaggregation of Revenue

The following table disaggregates the Organization’s revenue from contracts with customers based on the timing of satisfaction of performance obligations for the year ended December 31, 2025:

Revenue Recognized over Time	\$	0
Revenue Recognized at a Point in Time		674,125
		<hr/>
	\$	674,125
		<hr/> <hr/>

Income Taxes

The Organization is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code, therefore, the financial statements do not include a provision for income taxes. The Organization reviews income tax positions taken or expected to be taken in income tax returns to determine if there are any income tax uncertainties. This includes positions that the entity is exempt from income taxes or not subject to income taxes on unrelated business income. The Organization recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by taxing authorities, based on the technical merits of the positions.

Chicago Eco House
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2025

Note 1 - Principal Activity and Significant Accounting Policies (Continued)

Income Taxes (Continued)

The Organization has identified no significant income tax uncertainties. The Organization files information returns as a tax-exempt organization. Should that status be challenged in the future, all years since inception could be subject to review by the IRS.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. As of December 31, 2025, the Organization holds \$1,097,713 of deposits above federally insured limits. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with receivables and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from reputable donors highly supportive of the Organization's mission. When applicable, although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Advertising costs

The Organization uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed the first time the advertising takes place, except for direct-response advertising, which is capitalized and amortized over its expected period of future benefits. The Organization had no direct-response advertising during the year ended December 31, 2025.

Chicago Eco House
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2025

Note 2 - Investments and Net Investment Return

As of December 31, 2025, investments comprise of the following:

Cryptocurrency	\$	33,405
		33,405
		33,405

For the year ended December 31, 2025, net investment return comprises of the following:

Interest	\$	268
Unrealized Loss on Investments		(7,670)
		(7,402)
		(7,402)

Note 3 - Fair Value Measurements and Disclosures

When appropriate, the Organization reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value 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 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 based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Chicago Eco House
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2025

Note 3 - Fair Value Measurements and Disclosures (Continued)

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3: Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

When appropriate, the Organization utilizes net asset value (NAV) per share, or its equivalents, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain investments e.g. hedge funds, private equity funds, funds of funds, and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using the NAV per share as a practical expedient are not classified in the fair value hierarchy. The Organization has no investments valued at net asset value as of December 31, 2025.

The following assets are measured at fair value as of December 31, 2025:

	Balance at December 31, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cryptocurrency	\$ 33,405	\$ 0	\$ 33,405	\$ 0
	<u>\$ 33,405</u>	<u>\$ 0</u>	<u>\$ 33,405</u>	<u>\$ 0</u>

Note 4 - Accounts and Grants Receivable

At December 31, 2025, receivables comprise of the following and are estimated to be collected as follows:

Collectible During 2026 Calendar Year	\$ 251,804
Less: Discount to Net Present Value	0
Less: Allowance for Credit Losses/Uncollectibles	0
Total Receivables	<u>\$ 251,804</u>

Chicago Eco House
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2025

Note 5 - Fixed Assets

At December 31, 2025, fixed assets comprise of the following:

Vehicles	\$	93,440
Land		23,130
Machinery and Equipment		16,041
Furniture and Fixtures		8,227
Total Cost		140,838
Less: Accumulated Depreciation		(53,622)
Fixed Assets, Net	\$	87,216

Depreciation expense for fixed assets amounts to \$22,078 for the year ended December 31, 2025.

Note 6 - Right-of-Use Asset

At December 31, 2025, Right-of-Use Asset consist of the following:

Represented by Right-of-Use of:	
Operating Lease Obligation	299,728
Less: Accumulated Amortization	
Right-of-Use of Operating Lease Obligation	(51,551)
Total Right-of-Use Asset, Net	\$ 248,177

Amortization related to the right-of-use asset amounts to \$12,559 and is included in occupancy expense. Future amortization of the right-of-use asset is detailed in Note 8.

Note 7 - In-Kind Donations

Donated Goods, Donated Space, and Donated Services

Donated goods are recorded at fair value on the date of donation. No donated goods were received by the Organization during the year ended December 31, 2025.

Chicago Eco House
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2025

Note 7 - In-Kind Donations (Continued)

Donated Goods, Donated Space, and Donated Services (Continued)

Donated space is recorded at its estimated fair value on the date of donation. The Organization received \$28,050 in donated space during the year ended December 31, 2025. Donated space revenue is recorded within in-kind donations on the statement of activities and within occupancy expense on the statement of functional expenses.

Donated services are recognized as revenues at their estimated fair value when they create or enhance nonfinancial assets or they require specialized skills which would need to be purchased if they were not donated. Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. The Organization received no donated services during the year ended December 31, 2025.

Note 8 - Leases Commitments

The Organization leases its office space under a ten-year lease agreement commencing on September 1, 2021 and expiring on August 31, 2031. The lease calls for initial monthly rent payments of \$1,158 with annual increase thereafter.

The Organization also leases additional space under a seven-year lease agreement commencing on January 1, 2025 and expiring on December 31, 2031. The lease calls for initial monthly rent payments of \$2,337 with annual increases thereafter. Rent for the first year of the seven year lease i.e. for 2025, is fully abated.

The Organization reports the provisions of the ASU No. 2016-02 Leases assuming that the renewal option is not exercised. Accordingly, the property right-of-use asset, the related liability, and amortized lease expense are reflected in the financial statements as of December 31, 2025 using this limited expected period of occupancy. Lease expense for the year ended December 31, 2025 amounts to \$18,434.

Chicago Eco House
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2025

Note 8 - Leases Commitments (Continued)

Future minimum lease payments are as follows:

For the Year Ended December 31, 2026	\$	46,782
2027		49,832
2028		51,873
2029		54,000
2030		56,217
2031		50,250
		50,250
	\$	308,954

The operating lease transaction creates a operating lease right-of-use asset and operating lease liability on the Statement of Financial Position.

Future recognition of ROU amortization and lease expense are as follows:

	ROU Amortization Recognized in Occupancy Expense	Lease Liability Interest Expense Recognized in Occupancy Expense	Total Lease Expense
For the Year Ended December 31, 2026	37,279	12,848	\$ 50,127
2027	38,503	11,624	50,127
2028	40,710	9,417	50,127
2029	43,159	6,968	50,127
2030	45,869	4,259	50,128
2031	42,657	1,326	43,983
	\$ 248,177	\$ 46,442	\$ 294,619
	248,177	46,442	294,619

Chicago Eco House
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2025

Note 8 - Leases Commitments (Continued)

Future principal payments on lease are as follows:

For the Year Ended December 31, 2026	\$	33,934
2027		38,208
2028		42,456
2029		47,032
2030		51,959
2031		48,924
		48,924
	\$	262,513

Note 9 - Concentration of Funding

The Organization continuously attempts to diversify its donor and revenue base, and as such, does not have a major revenue concentration from a specific funder for the year ended December 31, 2025.

Note 10 - Change in Accounting Principle

Effective January 1, 2025, the Organization changed its basis of accounting from the cash basis to the accrual basis to conform with U.S. GAAP. Management believes the accrual basis provides a more complete presentation of its financial position by recognizing revenue when earned and expenses when incurred. This change in accounting principle was applied retrospectively, resulting in a cumulative effect adjustment to beginning net assets as follows:

	Increase (Decrease)		
	Assets	Liabilities	Net Assets
Grants Receivable	\$ 640,000	\$ 0	\$ 0
ROU Asset - Cost	299,728	0	0
ROU Asset - Accumulated Depreciation	(38,992)	0	0
Accrued Payroll	0	27,881	0
Operating Lease Liability	0	272,998	0
Net Assets Without Donor Restrictions	0	0	(40,143)
Net Assets With Donor Restrictions	0	0	640,000

Chicago Eco House
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2025

Note 11 - Net Asset Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at December 31, 2025:

Net Asset Restrictions - Temporary

Subject to Expenditure for Specific Purpose:

Youth Flower Experience Project - Africa Trip	\$ 15,000
Total Subject to Expenditure for Specific Purpose	15,000

Subject to Passage of Time:

For the Year Ended December 31, 2026	622,064
For the Year Ended December 31, 2027	78,750
Total Subject to Passage of Time	700,814
Total Net Assets with Restrictions	\$ 715,814

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions or by the occurrence of the passage of time or other events specified by donors during the year ended December 31, 2025:

Purpose Restrictions Accomplished:

Westfield Garfield Park Expansion	\$ 30,000
Total Purpose Restrictions Accomplished	30,000

Time Restrictions Satisfied:

For the Year Ended December 31, 2025	506,458
Total Time Restrictions Satisfied	506,458
Total Restrictions Released	\$ 536,458

Note 12 - Liquidity and Availability of Financial Assets

At December 31, 2025, the Organization has \$1,662,284 of financial assets, excluding non-spendable financial assets, available for general expenditures within one year of the balance sheet date. Of this amount, \$715,814 of financial assets are subject to donor timing or purpose restrictions, excluding general operation restrictions, expiring within one year. No other contractual restrictions exist that make current financial assets unavailable for general expenditure within one year of the balance sheet date.

Chicago Eco House
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2025

Note 12 - Liquidity and Availability of Financial Assets (Continued)

As of December 31, 2025, the Organization does not expect that its liquidity will deteriorate. Financial assets available within one year of the balance sheet for general expenditures comprise of the following:

Financial Assets Available for General Expenditure:	
Cash and Cash Equivalents	\$ 1,377,075
Investments - Cryptocurrency	33,405
Accounts Receivable	16,804
Grants Receivable	235,000
Total Financial Assets Available for General Expenditure	1,662,284
Less: Assets Pledged as Collateral	0
Less: Assets Subject to Donor Timing or Purpose Restrictions Excluding General Operation Restrictions	(715,814)
Total Financial Assets Available to Meet Cash Needs for General Use Within One Year	\$ 946,470

Note 13 - Recent and Upcoming Accounting Pronouncements

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-08, *Intangibles - Goodwill And Other Crypto Assets (Subtopic 350-60): Accounting For And Disclosure Of Crypto Assets* in relation to accounting for and disclosure of crypto assets. The accounting pronouncement requires that an entity measure crypto assets that are within the scope of FASB's amendments at fair value each reporting period with changes in fair value recognized in net income. The FASB amendments also require that an entity provide disclosures about significant holdings, contractual sale restrictions, and changes during the reporting period. The adoption of this accounting pronouncement did not have a material impact on the Organization's financial statements. Adoption of this accounting pronouncement was completed during the year ended December 31, 2025.

Chicago Eco House
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2025

Note 13 - Recent and Upcoming Accounting Pronouncements (Continued)

Upcoming Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which enhances the transparency of income tax disclosures. The accounting pronouncement requires that an entity provide more detailed information in its rate reconciliation and disaggregate income taxes paid by federal, state, and foreign jurisdictions. For not-for-profit organizations, these requirements primarily impact the disclosure of taxes related to unrelated business income and specific jurisdictional tax payments. The adoption of this accounting pronouncement is not expected to have a material impact on the Organization's financial statements. Adoption of this accounting pronouncement will be completed during the year ended December 31, 2026.

Note 14 - Subsequent Events

The date to which events occurring after December 31, 2025, the date of the most recent balance sheet, have been evaluated for possible adjustment or disclosure is March 6, 2026, which is the date on which the financial statements were available to be issued.