



MOTHER'S REFUGE

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2022 and 2021

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MOTHER'S REFUGE

Table of Contents

Independent Auditor's Report	1-2
Statements of Net Position	3
Statement of Activities – September 30, 2022	4
Statement of Activities – September 30, 2021	5
Statement of Functional Expenses – September 30, 2022	6
Statement of Functional Expenses – September 30, 2021	7
Statements of Cash Flows	8
Notes to Financial Statements	9-19



Independent Auditor's Report

To the Board of Directors
Mother's Refuge

Opinion

We have audited the accompanying financial statements of Mother's Refuge (a nonprofit organization), which comprise the statements of net position as of September 30, 2022 and 2021, and the related statements of activities, 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 Mother's Refuge as of September 30, 2022 and 2021, 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

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 Mother's Refuge 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.

Responsibility 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 Mother's Refuge 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 Mother's Refuge 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 Mother's Refuge ability to continue as a going concern for a reasonable period of time.

Accounting Solutions Group, LLC

Accounting Solutions Group, LLC

March 28, 2023
Gladstone, Missouri

MOTHER'S REFUGE
STATEMENTS OF NET POSITION
September 30, 2022 and 2021

	2022	2021
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 2,068,993	\$ 1,611,948
Grants/Contracts Receivable	71,395	38,228
Prepaid Expenses	3,110	7,317
Other Investments	14,114	3,749
Beneficial Interest in Assets Held by Community Foundation	93,051	92,675
Total Current Assets	2,250,663	1,753,917
Property and Equipment		
Land	20,000	20,000
Building and Improvements	392,475	392,475
Furniture and Equipment	42,277	42,277
Vehicles	101,598	101,598
	556,350	556,350
Less Accumulated Depreciation	(350,013)	(315,732)
	206,337	240,618
OTHER ASSETS		
Beneficial Interest in Assets Held by Community Foundation	12,982	15,705
Total Other Assets	12,982	15,705
Total Assets	\$ 2,469,982	\$ 2,010,240
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 3,593	\$ 3,505
Accrued Expenses	72,619	60,001
Total Current Liabilities	76,212	63,506
Net Assets		
Without Donor Restrictions	2,327,807	1,878,048
Board Designated Emergency Fund	52,981	52,981
Board Designated Endowment	12,982	15,705
Total Without Donor Restrictions Net Assets	2,393,770	1,946,734
With Donor Restrictions	-	-
Total Net Assets	2,393,770	1,946,734
Total Liabilities and Net Assets	\$ 2,469,982	\$ 2,010,240

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

MOTHER'S REFUGE
STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2022

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions, Grants and Other Support	\$ 1,467,232	\$ 520,931	\$ 1,988,163
Net Gain on Beneficial Interest in			
Community Foundation	(2,422)	-	(2,422)
Other Investment Income	1,233	-	1,233
Other Income	1,313	-	1,313
Less: Event Expenses	<u>(96,911)</u>	<u>-</u>	<u>(96,911)</u>
Total Revenues and Support	1,370,445	520,931	1,891,376
NET ASSETS RELEASED FROM RESTRICTIONS			
Restrictions Satisfied by Payments	<u>520,931</u>	<u>(520,931)</u>	<u>-</u>
Total Revenues	1,891,376	-	1,891,376
EXPENSES			
Program Services	1,210,754	-	1,210,754
Supporting Services			
Management and General	146,526	-	146,526
Fundraising	<u>87,060</u>	<u>-</u>	<u>87,060</u>
Total Expenses	<u>1,444,340</u>	<u>-</u>	<u>1,444,340</u>
Change in Net Assets	447,036	-	447,036
Net Assets, Beginning of Year	<u>1,946,734</u>	<u>-</u>	<u>1,946,734</u>
Net Assets, End of Year	<u>\$ 2,393,770</u>	<u>\$ -</u>	<u>\$ 2,393,770</u>

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

MOTHER'S REFUGE
STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2021

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions, Grants and Other Support	\$ 1,174,714	\$ 232,360	\$ 1,407,074
Net Gain on Beneficial Interest in			
Community Foundation	2,129	-	2,129
Other Investment Income	5,284	-	5,284
Other Income	4,188	-	4,188
PPP Loan Forgiveness	<u>116,000</u>	<u>-</u>	<u>116,000</u>
Total Revenues and Support	1,302,315	232,360	1,534,675
NET ASSETS RELEASED FROM RESTRICTIONS			
Restrictions Satisfied by Payments	<u>239,560</u>	<u>(239,560)</u>	<u>-</u>
Total Revenues	1,541,875	(7,200)	1,534,675
EXPENSES			
Program Services	944,579	-	944,579
Supporting Services			
Management and General	93,300	-	93,300
Fundraising	<u>78,630</u>	<u>-</u>	<u>78,630</u>
Total Expenses	<u>1,116,509</u>	<u>-</u>	<u>1,116,509</u>
Change in Net Assets	425,366	(7,200)	418,166
Net Assets, Beginning of Year	<u>1,521,368</u>	<u>7,200</u>	<u>1,528,568</u>
Net Assets, End of Year	<u>\$ 1,946,734</u>	<u>\$ -</u>	<u>\$ 1,946,734</u>

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

MOTHER'S REFUGE
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended September 30, 2022

	Program Service	Supporting Services		Total Expenses
		Management and General	Fundraising	
Salaries	\$ 795,582	\$ 137,987	\$ 35,817	\$ 969,386
Payroll Taxes	63,147	3,115	3,012	69,274
Total Salaries and Related Expenses	858,729	141,102	38,829	1,038,660
Advertising	1,041	200	972	2,213
Auto	18,967	-	-	18,967
Bank Charges & Credit Card Fees	8,861	673	163	9,697
Depreciation and Amortization	34,281	-	-	34,281
Employee Benefits	62,711	-	-	62,711
Food and Household Supplies	61,995	-	91	62,086
Insurance	25,870	2,155	1,482	29,507
Office Expenses	5,637	-	1,932	7,569
Postage	2,468	-	4,208	6,676
Printing	1,951	-	4,515	6,466
Professional Fees	24,967	35	33,417	58,419
Rent	19,907	629	629	21,165
Repairs and Maintenance	16,316	-	-	16,316
Seminars and Training	11,512	-	-	11,512
Taxes and Licenses	154	-	-	154
TLP Program	34,403	-	-	34,403
Utilities and Telephone	20,984	1,732	822	23,538
Total Expenses	<u>\$ 1,210,754</u>	<u>\$ 146,526</u>	<u>\$ 87,060</u>	<u>\$ 1,444,340</u>

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

MOTHER'S REFUGE
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended September 30, 2021

	Program Service	Supporting Services		Total Expenses
		Management and General	Fundraising	
Salaries	\$ 621,697	\$ 82,323	\$ 22,107	\$ 726,127
Payroll Taxes	47,151	1,912	1,902	50,965
Total Salaries and Related Expenses	668,848	84,235	24,009	777,092
Advertising	1,481	-	2,734	4,215
Auto	13,788	-	-	13,788
Bank Charges & Credit Card Fees	6,790	1,038	199	8,027
Depreciation and Amortization	38,303	-	-	38,303
Employee Benefits	61,230	-	-	61,230
Event Expenses	-	-	40,250	40,250
Food and Household Supplies	48,903	491	321	49,715
Insurance	14,905	4,231	1,013	20,149
Miscellaneous	-	79	-	79
Office Expenses	7,926	-	-	7,926
Postage	5,214	8	1,264	6,486
Printing	-	45	4,077	4,122
Professional Fees	27,674	115	2,305	30,094
Rent	6,377	1,420	1,420	9,217
Repairs and Maintenance	16,590	-	-	16,590
Seminars and Training	7,724	-	300	8,024
Taxes and Licenses	290	-	-	290
Travel	-	-	-	-
Utilities and Telephone	18,536	1,638	738	20,912
Total Expenses	<u>\$ 944,579</u>	<u>\$ 93,300</u>	<u>\$ 78,630</u>	<u>\$ 1,116,509</u>

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

MOTHER'S REFUGE
STATEMENTS OF CASH FLOWS
For The Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 447,036	\$ 418,166
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	34,281	38,303
Net Change in Assets and Liabilities		
Grants/Contracts Receivable	(33,167)	(18,722)
Prepaid Expenses	4,207	3,687
Other Assets	(10,365)	(353)
Accounts Payable and Accrued Expenses	12,706	18,076
Net Cash Provided by Operating Activities	<u>454,698</u>	<u>459,157</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Disposition of Beneficial Interest in Assets Held by Community Foundation	2,347	(2,860)
Purchase of Property and Equipment	<u>-</u>	<u>-</u>
Net Cash Provided by Investing Activities	<u>2,347</u>	<u>(2,860)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from PPP Loan	<u>-</u>	<u>(116,000)</u>
Net Increase in Cash and Cash Equivalents	457,045	340,297
Cash and Cash Equivalents, Beginning of Year	<u>1,611,948</u>	<u>1,271,651</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,068,993</u>	<u>\$ 1,611,948</u>

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

MOTHER'S REFUGE
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE 1 – ORGANIZATION

Organization

Mother's Refuge (the Organization), which is located in Independence, Missouri, was formed in 1987. The Organization's mission is to shelter and educate homeless pregnant and parenting young women by providing comprehensive services, empowering them to make successful life decisions for themselves and their babies. The Program is primarily funded through grants from private foundations and government agencies, as well as donations from individuals and organizations.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization uses the accrual basis of accounting which is in accordance with generally accepted accounting principles in the United States of America. Revenue is recognized when earned and expenses are recognized when incurred. Pledges are recorded as revenue in the period the pledges are received. Fixed assets with a useful life longer than one year are capitalized and depreciated.

Under accounting standards for not-for-profit organizations, net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restrictions 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-restricted contributions and investment income whose restrictions are met in the same reporting period as the contributions/income are received and recorded as additions to net assets without donor restrictions.

MOTHER'S REFUGE
NOTES TO FINANCIAL STATEMENTS – CONTINUED
September 30, 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Net assets with donor restrictions include net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization is exempt from state income tax under a similar provision of state law. As of September 30, 2022, no amounts have been recognized for uncertain income tax positions. The Organization's returns from the 2019 fiscal year and forward are subject to the usual review by the appropriate authorities.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as revenues and net assets without donor restrictions. Gifts received with donor stipulations that limit their use are reported as revenues and net assets with donor restrictions. When a donor 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. Gifts having donor stipulations that are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions.

Contributed Services

The Organization recognizes as contributions those donated services that create or enhance non-financial assets and those that require specialized skills, provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Unpaid volunteers have made significant contributions of their time to the Organization's program, administrative and fundraising efforts. The value of this time is not reflected in these statements since it does not meet the above criteria.

MOTHER'S REFUGE
NOTES TO FINANCIAL STATEMENTS – CONTINUED
September 30, 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

However, because recognition of contributed services as revenue would also involve recognition of corresponding expenses, there would be no effect on net assets.

Cash Equivalents

For the purpose of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. At September 30, 2022 and 2021, cash equivalents consisted of money market accounts.

Property and Equipment

Major property and equipment purchases that have a useful life of greater than one year have been capitalized. Property and equipment is recorded at cost, if purchased and at fair market value as established by the donor, if donated. Property and equipment is being depreciated over their appropriate useful lives on a straight-line basis.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

Reclassification

Certain items previously reported in the prior year consolidated Statements of Net Position and Statement of Activities have been reclassified to conform to the current financial statement presentation.

Subsequent Events

Subsequent events have been evaluated through March 28, 2023, which is the date the financial statements were issued.

MOTHER'S REFUGE
NOTES TO FINANCIAL STATEMENTS – CONTINUED
September 30, 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Functional Allocation of Expenses

The costs of providing the various programs, fundraising and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program, management and general and fundraising activities benefited. The allocations are based on management's estimate of usage.

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS

As of September 30, net assets with donor restrictions restricted net assets are available for the following purposes:

	<u>2022</u>	<u>2021</u>
Grant for program expenses	\$ 0	\$ 0
	<u>\$ 0</u>	<u>\$ 0</u>

During the year ended September 30, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors as follows:

	<u>2022</u>	<u>2021</u>
Grant for Mental Health	\$ 65,500	\$ 83,192
Grant for Program Shelter	131,366	0
Grant for Technology	10,453	3,000
Grant for TLP Program	162,600	0
Grant for program/education expenses	<u>151,012</u>	<u>236,560</u>
	<u>\$ 520,931</u>	<u>\$ 239,560</u>

NOTE 4 – RENT/LEASE EXPENSE

Effective October 15, 2010, the Organization signed a two-year lease agreement for their current office location for \$3,110 per month. Rental expense under this lease was \$21,165 for the year ended September 30, 2022. Rental expense under this lease was \$9,217 for the year ended September 30, 2021. The lease has continued month to month since ending in October 2012.

MOTHER'S REFUGE
NOTES TO FINANCIAL STATEMENTS – CONTINUED
September 30, 2022

NOTE 5 – ADVERTISING EXPENSE

Mother's Refuge expenses all advertising costs when paid. Advertising expense for the year ended September 30, 2022 is \$2,213. Advertising expense for the year ended September 30, 2021 was \$4,215.

NOTE 6 – GRANTS/CONTRACTS

As of September 30, 2022 the Organization has Grants/Contracts receivable as follows:

Receivable in less than one year	\$ 71,395
Total Grants/Contracts at September 30, 2022	<u>\$ 71,395</u>

All Grants/Contracts are expected to be collected within one year. All Grants/Contracts recorded as receivables at September 30, 2022 are expected to be fully collectible based on previous experience.

NOTE 7 – CONCENTRATIONS

Approximately 35.91% of the Organization's support for the year ended September 30, 2022 (27.91% for 2021) was received from the combined funding of the Missouri Department of Social Services and the State of Missouri. This percentage has been significant in prior years as well. If these Organizations terminated their relationships with Mother's Refuge it would have a significant impact on the Organization's operations.

NOTE 8 – BENEFICIAL INTEREST IN NET ASSETS HELD BY COMMUNITY FOUNDATION

The Organization signed an agreement with the Truman Heartland Community Foundation (the Foundation) to establish the Mother's Refuge Fund (the Fund) with two sub funds; the Mother's Refuge Operating Reserve Fund and the Mother's Refuge Endowment Fund, whereby the Organization originally transferred funds in the amount of \$90,100 to the Foundation. The original purpose of the Operating Reserve Fund was to receive assets of the Organization that have been earmarked for short term investment, with the annual net income from the fund to be distributed to the Organization on an as needed basis at the request of Mother's Refuge. The original purpose of the Endowment Fund was to receive assets of the Organization that have been earmarked for long term investment, with the annual net income from

MOTHER'S REFUGE
NOTES TO FINANCIAL STATEMENTS – CONTINUED
September 30, 2022

NOTE 8 – BENEFICIAL INTEREST IN NET ASSETS HELD BY COMMUNITY FOUNDATION - CONTINUED

the fund to be distributed to the Organization on an as needed basis at the request of Mother's Refuge.

The agreement requires requests for distributions from the Fund may be made upon the Foundation's receipt of the written recommendation of two of the following officers of Mother's Refuge: President, Vice President, Secretary or Treasurer. The agreement further states that the Foundation reserves the right to make the final decision regarding distributions from the Fund.

NOTE 9 – ENDOWMENT

Endowment Overview

The Organization endowment consist of an investment account and a portion of the cash balance established for future Board projects. The endowment includes only funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions, of which none exist currently.

NOTE 10 – ENDOWMENT – CONTINUED

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include board-designated funds. Under this policy, the endowment assets are invested in a manner that is intended to produce reasonable return while assuring a moderate level of investment risk. The Organization expects its endowment fund, over time, to provide an average rate of return greater than 5 percent annually. Actual returns in any given year may vary from this amount.

MOTHER'S REFUGE
NOTES TO FINANCIAL STATEMENTS – CONTINUED
September 30, 2022

NOTE 10 – ENDOWMENT – CONTINUED

Strategies Employed for Achieving Objectives

To satisfy their long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Endowment assets are placed in the Mother's Refuge Endowment Fund at the Truman Heartland Community Foundation.

At September 30, 2022 unrestricted net assets were designated by the Board as endowments were as follows:

Endowments:	
Future Board Projects	<u>\$ 12,982</u>

Composition of and change in endowment net assets for the year ended September 30, 2022 was as follows:

Board-designated endowment net assets beginning of year:	\$ 15,705
Investment Income	376
Net Realized Gain (Loss)	0
Net Unrealized Gain (Loss)	(2,949)
Administrative Fees	<u>(150)</u>
Board-designated endowment net assets, end of year:	<u>\$ 12,982</u>

At September 30, 2021 unrestricted net assets were designated by the Board as endowments were as follows:

MOTHER'S REFUGE
NOTES TO FINANCIAL STATEMENTS – CONTINUED
September 30, 2022

NOTE 10 – ENDOWMENT – CONTINUED

Endowments:	
Future Board Projects	<u>\$ 15,705</u>

Composition of and change in endowment net assets for the year ended September 30, 2021 was as follows:

Board-designated endowment net assets beginning of year:	\$ 13,576
Investment Income	316
Net Unrealized Gain (Loss)	41
Net Unrealized Gain (Loss)	1,923
Administrative Fees	<u>(151)</u>
Board-designated endowment net assets, end of year:	<u>\$ 15,705</u>

NOTE 11 – FAIR VALUE MEASUREMENTS

FASB ASC 820, Fair Value Measurements and Disclosures, establishes a 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 fair value hierarchy are described as follows:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date.
- Level 2: Directly or indirectly observable inputs as of the reporting date through correlation with market data, including quoted prices for similar assets and liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities that are valued using models or other pricing methodologies that do not require significant judgment since

MOTHER'S REFUGE
NOTES TO FINANCIAL STATEMENTS – CONTINUED
September 30, 2022

NOTE 11 – FAIR VALUE MEASUREMENTS – CONTINUED

- the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data from actively quoted markets for substantially the full term of the financial instrument.
- Level 3: Unobservable inputs that are supported by little or no market activity and reflect the use of significant management judgment.

The asset 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 needed to maximize the use of observable inputs and minimize the unobservable inputs.

Following is a description of the asset methodologies used for assets measured at fair value:

Beneficial interest in assets held by Community Foundation: Valued at contract value, which approximates fair value. Contract value represents contributions made under the contract, plus investment income and appreciation (depreciation), less withdrawals and administrative expenses.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2022:

	Assets at Fair Value as of September 30, 2022			
	Level 1	Level 2	Level 3	Total
Mutual Funds/Equities	\$ 14,114	\$ -	\$ -	\$ 14,114
Beneficial interest in assets held by Community Foundation	-	-	106,033	106,033
Total	\$ 14,114	\$ -	\$ 106,033	\$ 120,147

The mutual funds are presented as "other investments" in the statement of financial position.

The following table sets forth a summary of changes in the fair value of the Organization's level 3 assets for the year ended September 30, 2022:

MOTHER'S REFUGE
NOTES TO FINANCIAL STATEMENTS – CONTINUED
September 30, 2022

NOTE 11 – FAIR VALUE MEASUREMENTS – CONTINUED

	Year Ended September 30, 2022 Beneficial Interest in Assets Held by Community Foundation
Balance, beginning of year	\$ 108,380
Contribution	175
Investment Income	1,045
Net Realized/Unrealized Gain (Loss)	(2,949)
Administrative Fees	<u>(618)</u>
Total Assets at Fair Value	<u>\$ 106,033</u>

	Assets at Fair Value as of September 30, 2021			
	Level 1	Level 2	Level 3	Total
Mutual Funds/Equities	\$ 3,749	\$ -	\$ -	\$ 3,749
Beneficial interest in assets held by Community Foundation	<u>-</u>	<u>-</u>	<u>108,380</u>	<u>108,380</u>
Total	<u>\$ 3,749</u>	<u>\$ -</u>	<u>\$ 108,380</u>	<u>\$ 112,129</u>

The mutual funds are presented as “other investments” in the statement of financial position.

The following table sets forth a summary of changes in the fair value of the Organization’s level 3 assets for the year ended September 30, 2021:

	Year Ended September 30, 2021 Beneficial Interest in Assets Held by Community Foundation
Balance, beginning of year	\$ 105,520
Contribution	100
Investment Income	1,526
Net Unrealized Gain (Loss)	1,964
Administrative Fees	<u>(730)</u>
Total Assets at Fair Value	<u>\$ 108,380</u>

MOTHER'S REFUGE
NOTES TO FINANCIAL STATEMENTS – CONTINUED
September 30, 2022

NOTE 12 – LIQUIDITY AND AVAILABILITY

The following table reflects the Organization's financial assets as of September 30, 2022 and 2021, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of Board designations or donor imposed restrictions. The Organization receives significant contributions each year from donors, which are available to meet annual cash needs for general expenditures. The Organization has a policy to designate substantial net assets without donor restrictions, which results in a shortfall of financial assets to meet cash needs as shown below. All Board designated funds can be made available to meet operating needs if necessary.

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 2,068,993	\$ 1,611,948
Grants Receivable	71,395	38,228
Prepaid Expenses	3,110	7,317
Investments at Fair Value	<u>120,417</u>	<u>112,129</u>
Total Financial Assets	\$ 2,263,915	\$ 1,769,622
Donor-Restricted/Board-Designated Net Assets	<u>(65,963)</u>	<u>(68,686)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 2,197,952</u>	<u>\$ 1,700,936</u>