

MOTHER'S REFUGE
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
SEPTEMBER 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mother's Refuge
Independence, Missouri

Opinion

We have audited the accompanying financial statements of Mother's Refuge (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of September 30, 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 Mother's Refuge as of September 30, 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

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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITOR'S REPORT (continued)

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 aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Marr and Company

Kansas City, Missouri
March 17, 2026

Marr and Company, P.C.
Certified Public Accountants

MOTHER'S REFUGE

STATEMENT OF FINANCIAL POSITION September 30, 2025

ASSETS

Cash and Cash Equivalents	\$ 375,375
Investments (Note 2)	3,613,363
Grants/Contracts Receivable	3,014,665
Prepaid Expenses	64,039
Beneficial Interest in Assets Held by Community Foundation	119,312
Property and Equipment, Net	<u>3,179,012</u>
TOTAL ASSETS	\$ <u>10,365,766</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts Payable	\$ 794,813
Accrued Expenses	<u>119,194</u>
Total Liabilities	914,007
Net Assets:	
Without Donor Restrictions:	
Undesignated	4,750,280
Board Designated Emergency Fund	52,981
Board Designated Endowment	<u>20,270</u>
Total Without Donor Restrictions	4,823,531
With Donor Restrictions (Note 6)	<u>4,628,228</u>
Total Net Assets	<u>9,451,759</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>10,365,766</u>

See Accompanying Notes to these Financial Statements.

MOTHER'S REFUGE

STATEMENT OF ACTIVITIES For the Year Ended September 30, 2025

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<u>Revenue, Gains and Other Support</u>			
Contributions and Grants	\$ 2,250,008	\$ 835,197	\$ 3,085,205
Non-cash Donations	20,000	0	20,000
Net Investment Income Gain/(Loss)	26,812	0	26,812
Other Income	353,313	0	353,313
Released from Restriction	<u>1,756,381</u>	<u>(1,756,381)</u>	<u>0</u>
Total Revenue, Gains and Other Support	4,406,514	(921,184)	3,485,330
 <u>Expenses</u>			
Program Services	1,788,372	0	1,788,372
Supporting Services:			
General & Administrative	260,897	0	260,897
Fundraising	<u>266,627</u>	<u>0</u>	<u>266,627</u>
Total Expenses	<u>2,315,896</u>	<u>0</u>	<u>2,315,896</u>
 Change in Net Assets	 2,090,618	 (921,184)	 1,169,434
 NET ASSETS, BEGINNING OF YEAR	 <u>2,732,913</u>	 <u>5,549,412</u>	 <u>8,282,235</u>
NET ASSETS, END OF YEAR	<u>\$ 4,823,531</u>	<u>\$ 4,628,228</u>	<u>\$ 9,451,759</u>

See Accompanying Notes to these Financial Statements.

MOTHER'S REFUGE

STATEMENT OF FUNCTIONAL EXPENSES For the Year Ended September 30, 2025

	Program Service	Supporting Services		
	Program	General & Administrative	Fundraising	Total
Salaries	\$1,110,029	\$ 235,400	\$ 51,025	\$ 1,396,454
Payroll Taxes	89,679	4,618	4,618	98,915
Employee Benefits	80,004	0	0	80,004
Capital Campaign	46,161	0	0	46,161
Seminars & Training	28,091	0	479	28,570
Food and Household Supplies	67,786	0	0	67,786
Printing	320	39	15,240	15,599
Postage	3,989	3,293	2,592	9,874
Advertising	1,516	338	5,262	7,116
Event Expense	1,590	75	125,673	127,338
Repairs and Maintenance	22,876	0	0	22,876
TLP Program	123,784	0	0	123,784
Rent	37,325	0	0	37,325
Utilities and Telephone	23,806	1,765	855	26,426
Office Expenses	5,367	0	26	5,393
Professional Fees	33,691	12,515	58,410	104,616
Bank Charges & Credit Card Fees	21,555	1,041	0	22,596
Travel	210	267	42	519
Insurance	30,142	1,546	2,252	33,940
Auto	21,516	0	153	21,669
Taxes and Licenses	264	0	0	264
Depreciation	38,671	0	0	38,671
Total	\$1,788,372	\$ 260,897	\$ 266,627	\$ 2,315,896

See Accompanying Notes to these Financial Statements.

MOTHER'S REFUGE

STATEMENT OF CASH FLOWS For the Year Ended September 30, 2025

<u>Cash Flows From Operating Activities</u>	
Change in total net assets	\$ 1,169,434
Adjustments to reconcile change in net assets to net cash flows	
Operating activities –	
Depreciation	38,671
(Increase)/Decrease in Assets:	
Grants/Contracts receivable	618,036
Prepaid expenses	(17,741)
Increase/(Decrease) in Liabilities:	
Accounts payable	773,642
Accrued expenses	<u>18,260</u>
Net Cash Provided by Operating Activities	2,600,302
 <u>Cash Flows From Investing Activities</u>	
Purchase of capital assets	(1,522,382)
Net sale of investments	(1,347,164)
Net Disposition of beneficial Interest in	
Assets held by Community Foundation	<u>(4,333)</u>
Net Cash Provided by Investing Activities	(2,873,879)
 <u>Cash Flows From Financing Activities</u>	
Principal payments of long-term debt	<u>(80,860)</u>
Net Cash Used by Financing Activities	<u>(80,860)</u>
 Net Decrease in Cash and Cash Equivalents	(354,437)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>729,812</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u><u>375,375</u></u>

See Accompanying Notes to these Financial Statements.

MOTHER'S REFUGE

NOTES TO FINANCIAL STATEMENTS September 30, 2025

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MOTHER'S REFUGE

NOTES TO FINANCIAL STATEMENTS September 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Mother's Refuge (the "Organization"), which is located in Independence, Missouri, was organized as a Missouri not-for-profit corporation in 1987. The Organization's mission is to shelter and educate homeless pregnant 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. This is accomplished through various programs and activities which include the following:

- Maternity Home
- Transitional Living Program
- Education
- Medical Care
- Launch to Independence
- After-Care Program

B. Financial Statement Presentation

The accompanying financial statements are presented on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The Organization accounts for net assets in accordance with Accounting Standards Codification (ASC) Topic 958-205, *Not-for-Profit Entities: Presentation of Financial Statements*. The Organization is required to report information regarding its financial position and activities according to two classes of net assets, which follows.

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions

Net assets subject to donor (or certain grantor) imposed restrictions. Donor-imposed restrictions may be temporarily in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions may be perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. When a donor-imposed 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, 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 of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

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 September 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, checking and savings accounts, and money market accounts. For the purposes of the statement of cash flows, the Organization considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents. Deposits held in the Organization's checking accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization had \$41,970 of deposits in excess of insurance levels at September 30, 2025.

D. Accounts and Grants Receivable

Accounts and grants receivable are stated at the amount management expects to collect. Management makes a regular assessment of the collectability of outstanding receivables and if deemed necessary, establishes an allowance for credit losses. At September 30, 2025, the Organization considered all receivables fully collectible.

E. Property and Equipment

Property and equipment are recorded at cost, if acquired, or fair value, if donated. The Organization's policy is to capitalize property and equipment with a cost of \$10,000 or more and a useful life of one year or more. Depreciation is calculated over the estimated useful lives of the respective assets on a straight-line basis.

	<u>Years</u>
Furniture and Equipment	5-10
Buildings and Improvements	10-40
Vehicles	5

Depreciation expense for the year ended September 30, 2025, was \$38,671.

F. Beneficial Interest in Assets Held by Community Foundation

The Organization has investments which are held by the Truman Heartland Community Foundation (THCF). The Organization occasionally transfers assets to the THCF for the benefit of the Organization. In accordance with Accounting Standards Codification Topic 958-605, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*, the Organization records the beneficial interest in THCF assets at fair value (see Note 2). These funds will be used to support the programs of the Organization. In accordance with the agreements, the assets of the funds are invested pursuant to the Organization's governing instrument and investment policies. These accounts are not FDIC insured.

MOTHER'S REFUGE

NOTES TO FINANCIAL STATEMENTS September 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Beneficial Interest in Assets Held by Community Foundation (continued)

Amounts reported in the statement of financial position as beneficial interest in assets held by community foundation include the net cumulative transfers by the Organization to THCF as well as earnings thereon. THCF holds and invests the funds on behalf of the Organization. THCF has no variance power over the funds. Instead, the funds are distributed to the Organization upon request.

G. Revenue and Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Contributions are recorded as net assets with donor restriction or net assets without donor restriction depending on the existence or nature or any donor restriction. When a restriction expires, net assets with donor restriction are released and reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Contributions having donor stipulations that are satisfied in the period the contribution is received are reported as net assets without donor restrictions.

A portion of revenue is derived from cost-reimbursable government contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

H. Leases

The Organization reports leases in accordance with FASB ASC 842. For leases with a lease term greater than one year, the Organization recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation. The Organization determines whether an arrangement is or contains a lease at contract inception. The Organization includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. Operating leases with a duration greater than one year are included in operating lease right-of-use ("ROU") assets and operating lease liabilities in the Organization's statement of financial position at September 30, 2025. Operating lease right-of-use assets and operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Organization used the elected risk-free rate.

MOTHER'S REFUGE

NOTES TO FINANCIAL STATEMENTS September 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Leases (continued)

The Organization considers the lease term to be the noncancelable period that it has the right to use the underlying asset, including all periods covered by an option to (1) extend the lease if the Organization is reasonably certain to exercise the option, (2) terminate the lease if the Organization is reasonably certain not to exercise that option, and (3) extend, or not to terminate, the lease in which exercise of the option is controlled by the lessor.

At September 30, 2025, the Organization did not have any leases greater than 12 months meeting the criteria for recognition.

I. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Organization has adopted the provisions of the FASB ASC 740-10 as it might apply to the Organization's financial transactions. The Organization's policy is to record a liability for any tax position that is beneficial to the Organization, including any related interest and penalties, when it is more likely than not the position taken by management with respect to the transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of September 30, 2025 and, accordingly, no liability has been accrued.

J. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. Donated Property, Materials and Services

Donated property and materials are reflected as a contribution at their estimated fair value at the date of receipt. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are 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 as it does not meet the above criteria. However, because recognition of contributed services as revenue would also involve recognition of corresponding expenses, there would be no effect on net assets.

L. 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.

MOTHER'S REFUGE

NOTES TO FINANCIAL STATEMENTS September 30, 2025

NOTE 2: INVESTMENTS

The Organization has adopted ASC 820, *Fair Value Measurements and Disclosures*. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three-tier hierarchy of inputs is summarized in the following three broad levels.

Level 1 - Inputs are unadjusted quoted market prices in active independent markets for identical assets and liabilities.

Level 2 - Inputs are directly or indirectly observable estimates from quotes or similar but not identical assets and liabilities, market trades for identical assets not actively traded or other external independent means.

Level 3 - Inputs are unobservable and reflect assumptions on the part of the reporting entity.

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 need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for level 2 and level 3 assets measured at fair value. There have been no changes in the methodologies used from the previous period.

Beneficial interest in assets held by Community Foundation (Pooled funds at THCF): The fair value of the pooled accounts are based on the proportion of the number of shares held in that fund compared to the total outstanding fund's shares multiplied times the net asset value (NAV) per share as of the reporting date. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

Certificates of Deposit – The deposits are valued at original cost plus accrued interest, which approximates fair value.

The following table sets forth information about the level within the fair value hierarchy at which the Organization's financial assets and liabilities are measured on a recurring basis at September 30, 2025:

	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
<u>Investments</u>				
Equity Funds	\$ 131,177	\$ 131,177	\$ 0	\$ 0
Fixed Income Funds	2,254,000	0	2,254,000	0
Certificates of Deposit	76,208	0	76,208	0
Money Market Funds	1,151,605	1,151,605	0	0
U.S. Treasury Bills	<u>373</u>	<u>373</u>	<u>0</u>	<u>0</u>
Total	3,613,363	1,283,155	2,330,208	0
Pooled Funds at THCF:				
Equity Funds	15,203	0	0	15,203
Fixed Income Funds	5,067	0	0	5,067
Money Market Funds	<u>99,042</u>	<u>0</u>	<u>0</u>	<u>99,042</u>
Total Pooled Funds at THCF	119,312	0	0	119,312
Total Investments	\$ <u>3,732,675</u>	\$ <u>1,283,155</u>	\$ <u>2,330,208</u>	\$ <u>119,312</u>

MOTHER'S REFUGE

NOTES TO FINANCIAL STATEMENTS September 30, 2025

NOTE 2: INVESTMENTS (continued)

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, 2025:

Balance, beginning of year	\$ 114,979
Investment Income	3,187
Net Realized/Unrealized Gain (Loss)	1,822
Administrative Fees	<u>(676)</u>
Total Level 3 Investments at Fair Value	\$ <u>119,312</u>

NOTE 3: 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 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.

NOTE 4: ENDOWMENT

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.

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 supplied 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 on 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 September 30, 2025

NOTE 4: 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.

Net assets without donor restriction designated by the Board as endowments for future board projects were \$20,270 at September 30, 2025. Composition of and change in endowment net assets for 2025 were as follows:

Board-designated endowment net assets, beginning of year:	\$ 18,181
Investment Income	454
Net Realized Gain (Loss)	66
Net Unrealized Gain (Loss)	1,756
Administrative Fees	<u>(187)</u>
Board-designated endowment net assets, end of year:	<u>\$ 20,270</u>

NOTE 5: PROPERTY AND EQUIPMENT

Capital assets consisted of the following as of September 30, 2025:

Land	\$ 20,000
Buildings and improvements	1,678,963
Construction in progress	1,681,666
Furniture and equipment	65,452
Vehicles	<u>153,086</u>
	3,599,167
Less accumulated depreciation	<u>(420,155)</u>
Property and Equipment, Net	<u>\$ 3,179,012</u>

NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of investments, cash, receivables, and cash equivalents at September 30, 2025 and were restricted by the donors for the following purpose:

Capital campaign – transitional housing	\$ 3,629,318
Program shelter	409,622
TLP Program	579,255
Program/education expenses	<u>10,033</u>
Total	<u>\$ 4,628,228</u>

MOTHER'S REFUGE

NOTES TO FINANCIAL STATEMENTS September 30, 2025

NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS (continued)

The following are sources of net assets released from donor restriction by incurring expenses satisfying the restricted purpose or by occurrence of events specified by the donors during the year ended September 30, 2025:

Capital campaign – transitional housing	\$ 1,582,625
Program shelter	82,058
TLP Program	86,704
Program/education expenses	<u>4,994</u>
Total	\$ <u>1,756,381</u>

NOTE 7: LONG-TERM DEBT

In December 2022, the Organization signed a promissory note with a bank for \$1,007,276 in connection with purchasing a building. The note has an interest rate of 6.15% through December of 2027. The note requires monthly interest-only payments through January of 2024, then monthly payments of principal and interest of \$7,357 through maturity in December of 2027. During 2025 the Organization paid off the loan. Interest expense was \$2,617 for the year ended September 30, 2025 and is included with bank charges on the statement of functional expenses.

NOTE 8: LIQUIDITY AND AVAILABILITY

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in money market, certificates of deposits, U.S. Treasury Bills, and fixed income funds. Financial assets available for general expenditure, that is, without donor or other restrictions or board designations limiting their use, within one year of the balance sheet date, comprise of the following:

Cash and Cash Equivalents	\$ 375,375
Investments	3,613,363
Grants Receivable	3,014,665
Prepaid Expenses	64,039
Beneficial Interest in Assets Held at Community Foundation	<u>119,312</u>
Total Financial Assets	7,186,754
Less: Donor Restricted Funds	4,628,228
Less: Board Designated	<u>73,251</u>
Financial Assets Available for General Expenditure	\$ <u>2,485,275</u>

NOTE 9: SUBSEQUENT EVENTS

Management has evaluated subsequent events to March 17, 2026, which is the date the financial statements were available for issuance.