ANOTHER CHANCE HOUSE OF REFUGE, INC.

FINANCIAL STATEMENTS
DECEMBER 31, 2025

Prepared by KME Consulting Company LLC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Another Chance House of Refuge, Inc.

Charlotte, NC

Report on the Financial Statements

We have audited the accompanying financial statements of Another Chance House of Refuge, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2025, the related statement of activity, functional expenses, and cash flow for the year then ended, and the related notes to the financial statements.

Management's Responsibilities 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. This includes 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.

Although these financial statements are the responsibility of Another Chance House of Refuge, Inc., management has asked that we prepare the statements and accompanying footnotes on their behalf.

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion.

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Another Chance House of Refuge, Inc. as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Courtney Scurry, CPA

Courtney Scurry, CPA

Date: September 9, 2026

Another Chance House of Refuge, Inc.
Statement of Financial Position
As of December 31, 2025

ASSETS		
Current Assets		
Cash	$	3,271
Accounts receivable, net		1,922
Grants receivable		10,105
Total Current Assets	**$**	**15,298**
Right-of-use assets, net (Note 6)		139,043
TOTAL ASSETS	**$**	**154,341**
LIABILITIES AND NET ASSETS		
Liabilities		
Lease liabilities — current portion (Note 6)	$	67,787
Lease liabilities — net of current portion (Note 6)		71,256
Total Liabilities	**$**	**139,043**
Net Assets		
Without Donor Restrictions	$	5,193
With Donor Restrictions		10,105
Total Net Assets	**$**	**15,298**
TOTAL LIABILITIES AND NET ASSETS	**$**	**154,341**

See accompanying notes to financial statements and independent auditor's report.

Another Chance House of Refuge, Inc.
Statement of Activities
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions and grants	$ —	$ 383,756	$ 383,756
Program service revenue (room and program fees)	132,248	—	132,248
Net assets released from restrictions	373,651	(373,651)	—
Total Revenue and Support	**$ 505,899**	**$ 10,105**	**$ 516,004**
Expenses			
Program services	495,593	—	495,593
Management and general	7,265	—	7,265
Total Expenses	**$ 502,858**	**$ —**	**$ 502,858**
Change in Net Assets	**$ 3,041**	**$ 10,105**	**$ 13,146**
Net Assets, Beginning of Year	2,152	—	2,152
Net Assets, End of Year	**$ 5,193**	**$ 10,105**	**$ 15,298**

See accompanying notes to financial statements and independent auditor's report.

Another Chance House of Refuge, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program Services	Management and General	Total
Grants and assistance to individuals	$ 115,006	—	$ 115,006
Salaries and wages	174,809	—	174,809
Employee benefits	20,093	—	20,093
Payroll taxes	63,740	—	63,740
Legal fees	1,751	—	1,751
Accounting fees	3,496	—	3,496
Office expenses	1,138	1,037	2,175
Information technology	4,975	2,500	7,475
Occupancy	87,297	598	87,895
Travel	3,353	748	4,101
Insurance	1,353	—	1,353
Supplies	7,661	2,382	10,043
Fuel	1,006	—	1,006
Payroll processing fees	8,679	—	8,679
Bank and merchant fees	1,236	—	1,236
Total Expenses	**$ 495,593**	**$ 7,265**	**$ 502,858**

See accompanying notes to financial statements and independent auditor's report.

Another Chance House of Refuge, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2025

Cash Flows from Operating Activities		
Change in net assets	$	13,146
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) in accounts receivable		(1,922)
(Increase) in other assets		(10,105)
Net Cash Provided by Operating Activities	**$**	**1,119**
Net Increase in Cash	**$**	**1,119**
Cash, Beginning of Year		2,152
Cash, End of Year	**$**	**3,271**
Supplemental disclosure of noncash activity:		
Recognition of right-of-use assets and lease liabilities	$	139,043

See accompanying notes to financial statements and independent auditor's report.

Another Chance House of Refuge, Inc.
Notes to Financial Statements
December 31, 2025

Note 1 — Nature of Activities

Another Chance House of Refuge, Inc. (the "Organization") is a North Carolina nonprofit corporation organized in 2019 and exempt under Section 501(c)(3) of the Internal Revenue Code. The Organization provides supportive services to individuals and families experiencing housing instability in the Charlotte, North Carolina area. The Organization carries out its mission through the following programs:

Transitional Housing Program – Men

Provides safe, structured, and supportive housing for up to 12 adult men experiencing homelessness, for a period of up to 24 months. Services include individualized case management, life-skills and financial-literacy training, employment readiness and job-placement support, benefits enrollment, and referrals to workforce, mental health, and substance-use services.

Transitional Housing Program – Women

Provides trauma-informed transitional housing for adult women and families experiencing homelessness, fleeing domestic violence, or navigating housing instability, for a period of up to 24 months. Services include case management, life-skills workshops, employment and educational support, childcare and legal-aid referrals, and family-stability and housing-exit planning.

Rental Subsidy Assistance Program (Pathway to Progress)

Provides short- to medium-term rental assistance to low-income individuals and families in Mecklenburg County at risk of eviction or homelessness, including payment of rental arrears or current rent, intake and financial screening, case management, and linkage to longer-term affordable-housing resources. The program is sponsored by the Foundation For The Carolinas A Way Home Endowment.

Nutritional Support Program

Addresses food insecurity among program participants and the broader community through the ACHR Community Garden, food distribution and pantry referrals, and nutritional-education workshops covering meal planning, healthy eating, and food budgeting.

Future Forward: Workforce Empowerment Project

Prepares adults facing employment barriers for sustainable employment through vocational training and certification preparation, resume and interview coaching, job-readiness workshops, employer matching, re-entry support, digital-literacy training, and post-placement retention coaching.

During 2025, the Organization operated a women's home serving 10 women and a men's facility serving 12 men.

Note 2 — Summary of Significant Accounting Policies

Basis of Accounting. The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The Organization's Form 990 information return is prepared on the cash basis of accounting; accordingly, the return does not reflect the accounts receivable, other assets, and liabilities recognized under GAAP. A reconciliation of net assets between the two bases is presented in Note 3.

Basis of Presentation. The financial statements are presented in accordance with FASB ASC 958, Not-for-Profit Entities. Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions as net assets without donor restrictions and net assets with donor restrictions.

Cash. Cash consists of amounts held in the Organization's operating bank account.

Accounts Receivable. Accounts receivable represent transitional housing room and program fees billed and unpaid at year-end. In accordance with the Organization's accounting policy, receivables are considered fully collectible and no allowance for doubtful accounts has been recorded.

Revenue Recognition. Program service revenue consists of transitional housing room and program fees, generally assessed at $750 per month for a single room and $650 per month for a double room, and is recognized over the period in which housing and support services are provided. Amounts earned but not yet received are recorded as accounts receivable; amounts received but not yet earned are recorded as deferred revenue. Contributions are recognized when received or unconditionally promised.

Leases. The Organization determines whether an arrangement is or contains a lease at inception. Right-of-use assets and lease liabilities are recognized for leases with terms greater than 12 months, measured at the present value of future lease payments. The Organization has elected the short-term lease exception for leases with a term of 12 months or less, which are expensed on a straight-line basis over the lease term. See Note 6.

Functional Allocation of Expenses. The costs of the Organization's programs and supporting activities are summarized on a functional basis in the statement of activities. Expenses directly attributable to a program or supporting function are charged to that function; expenses common to more than one function are allocated on a reasonable basis consistently applied.

Income Taxes. The Organization is exempt from federal income tax under Section 501(c)(3) and is not a private foundation.

Use of Estimates. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

Note 3 — Reconciliation of Cash Basis (Form 990) to Accrual Basis (GAAP)

The Organization's 2025 Form 990 is prepared on the cash basis of accounting, while the accompanying financial statements are prepared on the accrual (GAAP) basis. The principal differences relate to accounts receivable and other assets recognized under GAAP but not under the cash basis. Net assets reported on each basis at December 31, 2025 are reconciled as follows:

Net assets, end of year — cash basis (Form 990)	$	3,721
Adjustments to accrual (GAAP) basis:		
Accounts receivable		1,922
Other assets		10,105
Cash confirmed to bank		(450)
Net assets, end of year — accrual (GAAP) basis	**$**	**15,298**

The change in net assets for the year on each basis is reconciled as follows:

Change in net assets — cash basis (Form 990)	$	1,569
Adjustments to accrual (GAAP) basis:		
Increase in accounts receivable		1,922
Increase in other assets		10,105
Cash confirmed to bank		(450)
Change in net assets — accrual (GAAP) basis	**$**	**13,146**

Note 4 — Correction of Error

During the year, the Organization identified and corrected errors in the accounts receivable subsidiary ledger and in a bank-clearing (“undeposited funds”) account. Amounts originating in periods prior to 2025 have been corrected against beginning net assets.

Note 5 — Net Assets With Donor Restrictions

During 2025, the Organization received a grant from the Foundation For The Carolinas A Way Home Endowment, restricted for the Organization's rental subsidy and housing assistance programs. Contributions restricted by donors are reported as increases in net assets with donor restrictions. When a restriction is satisfied — that is, when the Organization incurs expenses for the restricted purpose — 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.

Net assets with donor restrictions are restricted for the rental subsidy and housing assistance programs and, at December 31, 2025, consist of amounts receivable under the grant. Activity for the year was as follows:

Net assets with donor restrictions, beginning of year	$ —
Contributions with donor restrictions	383,756
Net assets released from restrictions	(373,651)
Net assets with donor restrictions, end of year	**$ 10,105**

This single grantor represented approximately 74% of total revenue and support for the year.

Note 6 — Commitments — Leases

The Organization leases residential facilities used in its transitional housing programs, a storage unit, and, from time to time, vehicles and equipment. Significant lease arrangements in effect during 2025 were as follows:

Premises / Item	Lessor / Operator	Monthly	Term
1818 Kennesaw Dr, Charlotte (men's facility & garden)	Nobel Investments LLC	$3,900	1-yr, renews annually
2320 Olando St, Charlotte (residential)	Brian Kovaleski	$2,200	1-yr, renews annually
Storage unit G426, Charlotte	SecurCare (NSA Storage)	$120	Month-to-month

The Organization also entered into short-term vehicle rentals during 2025, each for a term of one day, which are expensed as incurred.
Management has determined that renewal of the facility leases is reasonably certain. Accordingly, the Organization accounts for these leases as right-of-use assets and lease liabilities, measured at the present value of the remaining lease payments using an estimated remaining lease term of two years and a discount rate of 5%. The storage unit and short-term vehicle rentals are expensed as incurred under the short-term lease exception.

Future minimum lease payments under the facility leases are as follows:

Year ending December 31, 2026	$ 73,200
Year ending December 31, 2027	73,200
Total undiscounted lease payments	**$ 146,400**
Less: imputed interest	(7,357)
Present value of lease liabilities	**$ 139,043**

The Organization is the substantive obligor on the leases summarized above, and the related lease payments are recorded in the Organization's financial records, although certain of the agreements are titled in the name of the Organization's chief executive officer individually.

Note 7 — Subsequent Events

Management has evaluated subsequent events through September 9, 2026, the date of the financial statements were available to be issued.