SISTERS OF MARY BOYSTOWNS AND GIRLSTOWNS, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024

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Independent Auditor's Report

Board of Directors
Sisters of Mary Boystowns and Girlstowns, Inc.
Lanham, Maryland

Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sisters of Mary Boystowns and Girlstowns, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sisters of Mary Boystowns and Girlstowns, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sisters of Mary Boystowns and Girlstowns, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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 Sisters of Mary Boystowns and Girlstowns, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sisters of Mary Boystowns and Girlstowns, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Alta CPA Group, LLC

Annapolis, MD
June 1, 2026

SISTERS OF MARY BOYSTOWNS AND GIRLSTOWNS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and Cash Equivalents	$ 4,820,374	$ 1,642,867
Accounts Receivable	14,593	8,845
Promises to Give	41,000	25,000
Prepaid Expenses	264,654	134,514
Total Current Assets	5,140,621	1,811,226
Investments	23,846,577	22,785,881
Other Assets		
Right-Of-Use Asset	99,312	150,367
Deposit	4,160	4,160
Total Other Assets	103,472	154,527
Total Assets	$ 29,090,670	$ 24,751,634

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 1,627,327	$ 230,546
Accrued Wages and Leave Payable	28,006	26,498
Operating Lease Liability, Current Portion	56,485	54,840
Total Current Liabilities	1,711,818	311,884
Other Liabilities		
Operating Lease Liability, Net of Current Portion	44,483	95,802
Total Liabilities	1,756,301	407,686
NET ASSETS		
Without Donor Restrictions	9,631,552	7,090,527
With Donor Restrictions	17,702,817	17,253,421
Total Net Assets	27,334,369	24,343,948
Total Liabilities and Net Assets	$ 29,090,670	$ 24,751,634

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

SISTERS OF MARY BOYSTOWNS AND GIRLSTOWNS, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT FROM THE PUBLIC						
Active Contributions	$ 13,171,739	$ -	$ 13,171,739	$ 7,545,253	$ -	$ 7,545,253
Total Support From the Public	13,171,739	-	13,171,739	7,545,253	-	7,545,253
OTHER REVENUE						
Mailing List Rentals	20,909	-	20,909	31,364	-	31,364
Interest and Dividends	565,888	-	565,888	586,090	-	586,090
Net Investment Income	44,509	2,949,396	2,993,905	(1,688,700)	3,639,561	1,950,861
Other Income	82,945	-	82,945	30,232	-	30,232
Total Other Revenue	714,251	2,949,396	3,663,647	(1,041,014)	3,639,561	2,598,547
Net Assets Released from Restrictions	2,500,000	(2,500,000)	-	2,700,000	(2,700,000)	-
Total Support and Revenue	$ 16,385,990	$ 449,396	$ 16,835,386	$ 9,204,239	$ 939,561	$ 10,143,800
EXPENSES						
Program Services						
Sisters of Mary	$ 11,251,507	$ -	$ 11,251,507	$ 6,477,045	$ -	$ 6,477,045
Information Services	956,452	-	956,452	1,021,075	-	1,021,075
Total Program Services	12,207,959	-	12,207,959	7,498,120	-	7,498,120
Supporting Services						
Fundraising - Active	310,496	-	310,496	335,038	-	335,038
Fundraising - Donor Development	186,792	-	186,792	213,888	-	213,888
Total Fundraising	497,288	-	497,288	548,926	-	548,926
Management and General	1,139,718	-	1,139,718	945,479	-	945,479
Total Supporting Services	1,637,006	-	1,637,006	1,494,405	-	1,494,405
Total Expenses	$ 13,844,965	$ -	$ 13,844,965	$ 8,992,525	$ -	$ 8,992,525
Change in Net Assets	2,541,025	449,396	2,990,421	211,714	939,561	1,151,275
Net Assets, Beginning of Year	7,090,527	17,253,421	24,343,948	6,878,813	16,313,860	23,192,673
Net Assets, End of Year	$ 9,631,552	$ 17,702,817	$ 27,334,369	$ 7,090,527	$ 17,253,421	$ 24,343,948

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

SISTERS OF MARY BOYSTOWNS AND GIRLSTOWNS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Program Services		Supporting Services			
	Sisters of Mary	Information Services	Fundraising - Active	Fundraising - Donor Development	Management and General	Total
Grants to Sisters of Mary	$ 11,251,507	$ -	$ -	$ -	$ -	$ 11,251,507
Salaries and Employee Benefits	-	385,461	79,069	79,069	444,763	988,362
Printing, Envelopes, and Premiums	-	207,477	79,200	49,121	25,890	361,688
Postage	-	106,206	38,939	36,823	14,709	196,677
Rent Expense	-	21,045	5,005	1,666	37,622	65,338
Professional Fees	-	145,844	66,293	-	53,034	265,171
Travel, Meetings, and Dues	-	9,547	25,160	8,298	62,157	105,162
Bank Charges and Miscellaneous	-	14,662	1,629	4,817	124,459	145,567
List Rental and Exchange Fees	-	2,289	-	1,949	-	4,238
Office Supplies	-	-	-	-	262,800	262,800
Utilities	-	880	209	70	1,573	2,732
Repairs and Maintenance	-	4,710	1,120	373	8,419	14,622
Insurance	-	4,586	1,091	362	8,199	14,238
Events and Program Information	-	53,745	12,781	4,244	96,093	166,863
Total Expenses	$ 11,251,507	$ 956,452	$ 310,496	$ 186,792	$ 1,139,718	$ 13,844,965

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

SISTERS OF MARY BOYSTOWNS AND GIRLSTOWNS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services		Supporting Services			
	Sisters of Mary	Information Services	Fundraising - Active	Fundraising - Donor Development	Management and General	Total
Grants to Sisters of Mary	$ 6,477,045	$ -	$ -	$ -	$ -	$ 6,477,045
Salaries and Employee Benefits	-	528,349	135,159	135,159	430,051	1,228,718
Printing, Envelopes, and Premiums	-	140,964	53,810	33,374	17,590	245,738
Postage	-	83,082	30,461	28,806	11,507	153,856
Rent Expense	-	18,707	4,449	1,481	33,440	58,077
Professional Fees	-	182,410	82,914	-	66,330	331,654
Travel, Meetings, and Dues	-	5,957	15,699	5,178	38,784	65,618
Bank Charges and Miscellaneous	-	11,193	1,244	3,678	95,016	111,131
List Rental and Exchange Fees	-	2,885	-	2,457	-	5,342
Office Supplies	-	-	-	-	167,787	167,787
Repairs and Maintenance	-	6,238	1,483	494	11,151	19,366
Depreciation Expense	-	373	88	29	665	1,155
Insurance	-	4,628	1,101	366	8,275	14,370
Events and Program Information	-	36,289	8,630	2,866	64,883	112,668
Total Expenses	$ 6,477,045	$ 1,021,075	$ 335,038	$ 213,888	$ 945,479	$ 8,992,525

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

SISTERS OF MARY BOYSTOWNS AND GIRLSTOWNS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 2,990,421	$ 1,151,275
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities		
Depreciation	-	1,155
Net Investment Income	(2,993,905)	(1,950,861)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(5,748)	2,946
Pledges Receivable	(16,000)	389,792
Prepaid Expenses	(130,140)	(5,835)
Operating Lease Assets and Liabilities	1,381	275
Accounts Payable and Accrued Expenses	1,396,781	(593,100)
Accrued Wages and Leave Payable	1,508	(4,414)
Net Cash Provided by (Used for) Operating Activities	1,244,298	(1,008,767)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of Investments	2,949,396	2,089,561
Purchases of Investments	(1,016,187)	(1,568,497)
Net Cash Provided by Investing Activities	1,933,209	521,064
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net Change in Cash and Cash Equivalents	3,177,507	(487,703)
Cash and Cash Equivalents, Beginning of Year	1,642,867	2,130,570
Cash and Cash Equivalents, End of Year	$ 4,820,374	$ 1,642,867
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest Paid	$ -	$ -
Income Paxes Paid	$ -	$ -

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

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Sisters of Mary Boystowns and Girlstowns, Inc. (the Organization), is a charitable organization, founded in 1961 by Monsignor Aloysius Schwartz, which provides financial support for the charitable programs of the Sisters of Mary in Korea, the Philippines, Mexico, Guatemala, Brazil, Tanzania, and Honduras.

These programs include sixteen Boystowns and Girlstowns, which provide more than 20,000 poor and orphan children with food, clothing, shelter, and education. Older children also receive vocational training. This training helps them obtain higher quality jobs when they graduate in order to break free from a life of poverty and despair.

Additional programs include two full service hospitals for the poor, a live-in facility for destitute, homeless, and handicapped men, and a special education program for mentally challenged and handicapped children.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis.

Use of Estimates

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

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to the two net asset classes:

Net Assets Without Donor Restrictions – resources that are available for general operations and resources designated by Sisters of Mary Boystowns and Girlstowns, Inc.'s Board of Directors for approved expenditures.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Net Assets With Donor Restrictions – resources that are subject to donor-imposed restrictions; temporary or permanent. Temporary restrictions are those that either expire by passage of time or scan be fulfilled and removed by actions of the Organization, pursuant to those stipulations. Permanent restrictions are gifts to the Organization, whereby principal may not be used and income or capital gains from these funds is either without restriction or is to be used for purposes specified by the donor.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid deposit and money market accounts, including those in brokerage accounts, with an original term to maturity of three months or less.

Investments

Investments in debt and equity securities are carried at fair value. Equity securities and mutual funds are valued based on quoted prices on national exchanges. Debt securities include corporate bonds and are valued using interest rates and maturities of similar instruments. Alternative investments are valued based on the fair market value of the underlying assets of the funds as determined by the fund managers. The changes in net unrealized appreciation or depreciation of debt and equity securities for the year are reported as investment gains or losses. Gains (losses) on the sale of investments are reported on the first-in first-out basis (FIFO). Realized and unrealized gains and losses and investment fees are reported as net investment income on the statement of activities.

Property and Equipment

The Organization capitalizes all major purchases of buildings, improvements, furniture, fixtures, and equipment at or above $2,500 at cost, if purchased, or fair market value at date of donation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets (generally five years for furniture, fixtures, and equipment and minor improvements). When assets are retired or sold, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in the statement of activities.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Receivables as listed in the statement of financial position at December 31, 2025 and 2024 are comprised primarily of interest and dividends due on Sisters of Mary Boystowns and Girlstowns, Inc.'s investments and amounts due on other operating activities.

Outstanding balances are reduced by an allowance for doubtful accounts. Management annually evaluates the adequacy of the allowance for doubtful accounts by considering the Organization's past receivables loss experience and known and inherent risks in the accounts receivable population. As of December 31, 2025 and 2024, there was no allowance for doubtful accounts.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Unconditional promises to give are included in legacies, bequests, and pledges on the statement of activities. Amounts due over multiple years are discounted to their net present value using the applicable risk-adjusted interest rates if such discount would be material. Conditional promises to give are not included as support until the conditions are substantially met.

Amounts received for conditional promises to give are recorded as refundable advances until the conditions are met.

The allowance method is used to determine the uncollectible amounts. The allowance is based upon prior years' experience and management's analysis of subsequent collections. Promises to give are considered past due and allowances on promises to give are recorded when circumstances indicate collection is doubtful for particular promises to give or as a general reserve for all promises to give. Promises to give are written off if reasonable collection efforts prove unsuccessful.

Contributions

Contributions are recorded in the period in which they are received or promised and are reported without donor restriction or with donor restriction support depending on the existence and nature of any donor restrictions. Contributions are included in active contributions or donor development contributions on the statement of activities.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contracts with Customers - Fees and Rentals

Affiliate management fees are recognized as revenue for management services, such as marketing and accounting, at the point in time when the services are performed for affiliates.

Mailing list rental revenue is recognized over the period of time that the Organization rents out its mailing lists to other organizations.

Revenue from contracts with customers has been earned as follows:

	2025	2024
Revenue		
Mailing List Rentals	$ 20,909	$ 31,364
Total	$ 20,909	$ 31,364

Direct Mail Fundraising

The Organization derives a portion of its public support from direct mail solicitations. Direct mail fundraising involves two distinct functions that are reported separately in the financial statements. The functions are:

- Fundraising - Active
- Fundraising - Donor Development

The fundraising function includes the costs of developing, producing and processing mail appeals to current donors on the house file of Sisters of Mary Boystowns and Girlstowns, Inc.

The donor development function includes the costs of new donor acquisition or prospecting, including, but not limited to, sending an initial mailing to persons who have not previously contributed, or are no longer actively participating in the house mailings of Sisters of Mary Boystowns and Girlstowns, Inc. (former donors).

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Direct Mail Fundraising (Continued)

The Organization's management believes that a single functional reporting classification is not adequate to portray the activity relating to the public solicitation programs of the Organization. Segregation between the fund raising and donor development programs is necessary so that the performance of the two programs can be more accurately evaluated. This is due to the fact that different criteria and relationships are used in the financial evaluation of the aforementioned programs. The Organization believes it is appropriate to report public support and the related costs to obtain such, separately in these financial statements.

Functional Allocation of Expenses

The costs of providing the various activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation, benefits, and general expenses, which are allocated on the basis of estimates of time and effort by employees.

Program services, as presented in the statement of functional expenses, include the expenses directly related to the various projects of the Organization. Information services promote and educate donors and potential donors of the socio-economic plight of the poor, handicapped, sick, and homeless children and adults in Korea, the Philippines, Mexico, Guatemala, Brazil, and Honduras.

Supporting services include expenses indirectly related to the various projects and are of an administrative nature.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services, Materials and Facilities

Donated services are recognized as contributions if the services (a) create or enhance non-financial 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. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in kind contributions are offset by like amounts included in expenses or additions to property and equipment.

Donations of materials are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless a donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Income Taxes

Sisters of Mary Boystowns and Girlstowns, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization, and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended December 31, 2025 and 2024.

The Organization's policy would be to recognize interest and penalties, if any, on tax positions related to its unrecognized tax benefits in income tax expense in the financial statements. No interest and penalties were assessed or recorded during the years ended December 31, 2025 and 2024. The Organization is not required to file a Federal Form 990 due to its status as a foreign mission.

NOTE 2 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's cash flows have seasonal variations due to the timing of grants, contributions, program revenues, and vendor payments. The Organization manages its liquidity to meet general expenditures, liabilities, and other obligations as they become due. Excess cash flows not needed for day-to-day operations are invested in various investments. The Organization holds donor endowments that are restricted for specific purposes and, therefore, not available for general expenditure, except for amounts appropriated for general expenditure in line with donor restriction.

The following reflects the Organization's financial assets as of December 31, 2025 and 2024, reduced by amounts not available for general operating expenditure within one year:

		2025		2024
Total Assets	$	29,090,670	$	24,751,634
Less Amounts Not Available for General Operating Expenditure				
Prepaid Expenses		(264,654)		(134,514)
Donor Restricted Net Assets		(17,702,817)		(17,253,421)
Right-of-Use Asset		(99,312)		(150,367)
Deposit		(4,160)		(4,160)
Financial Assets and Liquidity Resources Available to Meet Cash Needs for General Expenditures within One Year	$	11,019,727	$	7,209,172

NOTE 3 - FINANCIAL RISK

The Organization maintains its cash and certificates of deposits accounts in banks that are insured by the Federal Deposit Insurance Corporation (FDIC) up to the maximum amount allowed by law. While the amounts, at times, exceed the amount insured by federal agencies and, therefore, bear some risk, the Organization has not experienced, nor does it anticipate, any loss of funds. As of December 31, 2025, the Organization exceeded FDIC limit by approximately $4,570,000.

The Organization invests in professionally managed portfolios that contain equity securities, mutual funds, corporate bonds, and alternative investments. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amount reported in the financial statements.

NOTE 4 - AFFILIATED ORGANIZATIONS

Affiliated foreign organizations are autonomous organizations in the Netherlands, Belgium, United Kingdom, and France that share some common Board Members. Due to their autonomy, these organizations' net assets, liabilities, revenues, and expenses are not reflected in the accompanying financial statements.

NOTE 5 - PREPAID EXPENSES

Prepaid solicitation expenses represent costs incurred for appeals, which will be mailed subsequent to the date of the statement of financial position.

NOTE 6 - PROPERTY AND EQUIPMENT

The depreciation expense for the years ending December 31, 2025 and 2024 was $0 and $1,155 respectively.

Property and equipment at December 31, consisted of the following:

	2025	2024
Leasehold Improvements	$ 20,875	$ 20,875
Furniture and Equipment	85,066	85,066
Total Property and Equipment	105,941	105,941
Less Accumulated Depreciation	(105,941)	(105,941)
Property and Equipment, Net	$ ---	$ ---

NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organization has categorized its financial instruments based on a three-level fair value hierarchy as follows:

Level 1 - values are based on quoted prices for identical assets in active markets (examples include equity securities and mutual funds).

Level 2 - values are based on quoted prices for similar assets in active or inactive markets (examples include corporate bonds).

Level 3 - values are based on unobservable inputs to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. The fair value measurement objective is to determine an exit price from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs reflect the Organization's judgment about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances, which might include the Organization's own data (examples include certain private equity securities).

The preceding methods described may provide a fair value estimate that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Management determines the fair value measurement valuation policies and procedures, including those for Level 3 recurring and nonrecurring measurements. The Organization's Board of Directors assesses and approves these policies and procedures. At least annually, the Organization's Board of Directors: (1) determines if the current valuation techniques used in fair value measurements are still appropriate, and (2) evaluates and adjusts the unobservable inputs used in the fair value measurements based on current market conditions and third-party information.

NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Fair values of assets measured on a recurring basis at December 31, are as follows:

2025	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash	$ 655,350	$ 655,350	$ ---	$ ---
Equity Securities	8,364,942	8,364,942	---	---
Mutual Funds	12,664,286	12,664,286	---	---
Municipal Bonds	97,416	97,416	---	---
US Government Bonds	127,989	127,989	---	---
Exchange-Traded Products	416,903	416,903	---	---
Corporate Bonds	1,237,967	1,237,967	---	---
Alternative Investments	281,724	---	---	281,724
Total	$ 23,846,577	$ 23,564,853	$ ---	$ 281,724

2024	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash	$ 1,293,407	$ 1,293,407	$ ---	$ ---
Equity Securities	6,163,193	6,163,193	---	---
Mutual Funds	11,933,133	11,933,133	---	---
Corporate Bonds	2,467,140	2,467,140	---	---
Alternative Investments	929,008	---	---	929,008
Total	$ 22,785,881	$ 21,856,873	$ ---	$ 929,008

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are as follows:

Beginning Balance, December 31, 2024	$ 929,008
Purchases of Investments	10,402
Total Net Unrealized Gain Included in Changes in Net Assets, in Investment Income,	(657,686)
Ending Balance, December 31, 2025	$ 281,724

NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Beginning Balance, December 31, 2023	$	927,966
Purchases of Investments		24,741
24 Total Net Unrealized Gain Included in Changes in Net Assets, in Investment Income, Attributable to Assets Held at Year End		(23,699)
Ending Balance, December 31, 2024	$	929,008

The Organization recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels during the year ended December 31, 2025.

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

For the year ended December 31, the purposes and changes in amounts of net assets with donor restrictions were as follows:

2025	Beginning Balance	Increases	Decreases	Ending Balance
Donor-Restricted Endowment Funds	$ 17,253,421	$ 2,949,396	$ (2,500,000)	$ 17,702,817
	$ 17,253,421	$ 2,949,396	$ (2,500,000)	$ 17,702,817

2024	Beginning Balance	Increases	Decreases	Ending Balance
Donor-Restricted Endowment Funds	$ 16,313,860	$ 3,639,561	$ (2,700,000)	$ 17,253,421
	$ 16,313,860	$ 3,639,561	$ (2,700,000)	$ 17,253,421

NOTE 9 - ENDOWMENT

The Organization's endowment consists of three gifts established as a donor-restricted endowment fund. Net assets associated with this endowment fund are classified and reported based on the existence of donor-imposed restrictions.

Investment Policy

The Organization invests the endowment with the objective of prudently managing the investments to protect the principal from decrease in actual terms. Recognizing the impact of inflation, the asset portfolio manager shall make every effort to protect the purchasing power of these assets. The general philosophy for the management of these funds is to maximize returns while minimizing risk.

Investment return earned by the endowment fund is recorded as increase or decrease to net assets without donor restrictions. Investment income is allocated to the endowment fund proportionally to the investments as a whole.

Interpretation of Relevant Law

The Board of the Organization, has interpreted the Maryland Uniform Prudent Management of Institutional Funds Act (MUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with permanent donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with permanent donor restrictions is classified as net assets with temporary donor restrictions until those amounts are appropriated for expenditure by the Organization, in a manner consistent with the standard of prudence prescribed by MUPMIFA.

In accordance with MUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The long- and short-term needs of the Organization in carrying out its purpose

(2) The Organization's present and anticipated financial requirements

(3) Expected total return on investments

(4) Price level trends

(5) General economic conditions

NOTE 9 - ENDOWMENT (CONTINUED)

Endowment net asset composition by type of fund as of December 31, was as follows:

2025

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
George Doty - Schwab	$ ---	$ 6,140,101	$ 6,140,101
Marie Doty - Schwab	---	2,082,733	2,082,733
George Doty - AAM	---	4,989,565	4,989,565
I AM Mercy - Schwab	---	4,490,418	4,490,418
Total Restricted Endowments	$ ---	$ 17,702,817	$ 17,702,817

2024

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
George Doty - Schwab	$ ---	$ 7,146,810	$ 7,146,810
Marie Doty - Schwab	---	1,806,122	1,806,122
George Doty - AAM	---	4,489,434	4,489,434
I AM Mercy - Schwab	---	3,811,055	3,811,055
Total Restricted Endowments	$ ---	$ 17,253,421	$ 17,253,421

NOTE 9 - ENDOWMENT (CONTINUED)

Changes in endowment net assets for the year ended December 31, were as follows:

2025	George Doty Schwab	George Doty AAM	Marie Doty Schwab	I AM Mercy Schwab	Total
Endowment Net Assets, Beginning of the Year	$ 7,146,810	$ 4,489,434	$ 1,806,122	$ 3,811,055	$ 17,253,421
Investment Gain	993,291	1,000,131	276,611	679,363	2,949,396
Contributions	---	---	---	---	---
Appropriation of Endowment For Expenditure	(2,000,000)	(500,000)	(---)	(---)	(2,500,000)
Endowment Net Assets, End of Year	$ 6,140,101	$ 4,989,565	$ 2,082,733	$ 4,490,418	$ 17,702,817

2024	George Doty Schwab	George Doty AAM	Marie Doty Schwab	I AM Mercy Schwab	Total
Endowment Net Assets, Beginning of the Year	$ 8,350,498	$ 4,110,653	$ 2,101,132	$ 1,751,577	$ 16,313,860
Investment Gain	796,312	378,781	204,990	709,478	2,089,561
Contributions	---	---	---	1,550,000	1,550,000
Appropriation of Endowment For Expenditure	(2,000,000)	(---)	(500,000)	(200,000)	(2,700,000)
Endowment Net Assets, End of Year	$ 7,146,810	$ 4,489,434	$ 1,806,122	$ 3,811,055	$ 17,253,421

NOTE 10 - RETIREMENT PLAN

Sisters of Mary Boystowns and Girlstowns, Inc. maintains a tax-deferred annuity [Section 403(b)] plan for its employees. All employees are eligible to participate in the Plan provided that the various stipulations have been met, in regard to age and length of service, employee contributions are eligible for employer matching and discretionary contributions in accordance with stated vesting policies. For the years ended December 31, 2025 and 2024, the Organization contributed $30,122 and $43,930 to the Plan, respectively.

NOTE 11 - RETIREE OBLIGATIONS

In addition to the above qualified plan, the Organization maintains a second, non-qualified, non-funded plan that provided monthly payments to a retired employee's beneficiary. The monthly benefit was determined by a formula that included salary history, length of service, and benefits under the qualified plan. This benefit for the retiree was unfunded and adjusted annually based on the United States Social Security Administration's adjustments.

The assets of the Organization were used to pay the benefits of the eligible retiree. Benefits paid to the retiree's beneficiary were $0 and $15,987 for the years ended December 31, 2025 and 2024, respectively. The retiree passed away in 2024, which relieved the Organization of the related pension obligation liability. Accordingly, no benefit payments were made during 2025, and no retiree obligation existed as of December 31, 2025.

NOTE 12 - DONATED SERVICES AND FACILITIES

The Organization received donated facilities, assets and supplies at their location during the years ended December 31, 2025 and 2024. The value of donated facilities, assets and supplies included as Other Income in the financial statements and the corresponding expenses for the years ended December 31, 2025 and 2024 are as follows:

2025	Program Services	Management and General	Fundraising	Total
Program Supplies	$ 37,986	$ ---	$ ---	$ 37,986
Total	$ 37,986	$ ---	$ ---	$ 37,986

2024	Program Services	Management and General	Fundraising	Total
Program Supplies	$ 19,323	$ ---	$ ---	$ 19,323
Total	$ 19,323	$ ---	$ ---	$ 19,323

NOTE 13 - LEASES

The Organization does not recognize short-term leases in the balance sheets. For these leases, the Organization recognizes the lease payments in net income on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. The Organization also does not separate non-lease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the non-lease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, the Organization uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

The Organization has entered into the following lease agreements:

Operating Leases

The Organization renewed their office space through October 2027. The lease includes a 3% annual rent escalation. The lease contains an option to extend the lease term for an agreed-upon period or continue on a month-to-month tenancy unless terminated.

During the years ended December 31, Organization recognized rent expense associated with its leases as follows:

	2025	2024
Lease Cost:		
Operating Lease Expense	$ 56,220	$ 52,192
Total Lease Cost	$ 56,220	$ 52,192

NOTE 13 - LEASES (CONTINUED)

During the years ended December 31, Organization had the following cash and non-cash activities associated with its leases:

		2025		2024
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:				
Operating Cash Flows from Operating Leases	$	54,840	$	48,683
Non-cash Operating Activities:				
Right-of-Use Assets Obtained in Exchange for Lease Liabilities	$	---	$	154,130
Weighted-Average Remaining Lease Term		1.83 years		2.83 Years
Weighted-Average Discount Rate		4.18%		4.18%

Future minimum payments due under operating leases as of December 31, 2025 are as follows:

2026	$	56,485
2027		48,242
Future Cash Payments		104,727
Discounting Effects		(3,759)
Lease Liability	$	100,968

NOTE 14 - TRANSACTIONS WITH RELATED PARTIES

Contributions from Board Members represented 1% and 14% of total contributions during 2025 and 2024, respectively.

NOTE 15 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through the date that the financial statements were available to be issued. The Organization is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to June 1, 2026 that would have a material impact on the financial statements.