
GATEWAY TO HOPE

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

GATEWAY TO HOPE
DECEMBER 31, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Gateway to Hope
St. Louis, Missouri

Opinion

We have audited the financial statements of **Gateway to Hope** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Gateway to Hope** as of December 31, 2025 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 (GAAS). 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 **Gateway to Hope** 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.

Other Matter

The financial statements of **Gateway to Hope** for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 14, 2025.

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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' 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 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.

In performing an audit in accordance with GAAS, 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 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 judgment, 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.

Kiefer Bonfanti & Co. LLP

St. Louis, Missouri
April 16, 2026

GATEWAY TO HOPE

STATEMENTS OF FINANCIAL POSITION

	Assets	
	December 31,	
	2025	2024
Current Assets		
Cash and cash equivalents	\$ 784,090	\$ 711,881
Unconditional promises to give	705,986	511,764
Prepaid expenses	16,436	9,913
Total Current Assets	1,506,512	1,233,558
Property and Equipment, Net	7,115	8,684
Other Assets		
Investments, at fair value	5,245,352	5,438,362
Unconditional promises to give, net	773,753	639,648
Right-of-use asset - operating, net	574,695	142,782
Other assets	5,675	4,875
Total Other Assets	6,599,475	6,225,667
Total Assets	\$ 8,113,102	\$ 7,467,909
Liabilities and Net Assets		
Current Liabilities		
Current maturity of lease liability - operating	\$ 84,388	\$ 59,622
Accounts payable	16,331	30,997
Accrued expenses	62,915	52,264
Total Current Liabilities	163,634	142,883
Long-Term Liabilities		
Lease liability - operating, net of current maturity	505,572	95,617
Total Liabilities	669,206	238,500
Net Assets		
Without Donor Restrictions		
Undesignated	376,899	582,851
Board designated endowment	4,932,625	5,028,561
Total Without Donor Restrictions	5,309,524	5,611,412
With Donor Restrictions	2,134,372	1,617,997
Total Net Assets	7,443,896	7,229,409
Total Liabilities and Net Assets	\$ 8,113,102	\$ 7,467,909

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**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support			
Contributions	\$ 1,262,051	1,194,033	\$ 2,456,084
Grants	532,782	-	532,782
In-Kind contributions	4,075	-	4,075
Investment income, net	174,435	-	174,435
Net gain on investments	479,629	-	479,629
Support and Revenue Available	2,452,972	1,194,033	3,647,005
Net assets released from restrictions	677,658	(677,658)	-
Total Support and Revenue	3,130,630	516,375	3,647,005
Expenses			
Program services	2,477,338	-	2,477,338
Management and general	352,442	-	352,442
Fundraising and development	602,738	-	602,738
Total Expenses	3,432,518	-	3,432,518
Increase (Decrease) in Net Assets	(301,888)	516,375	214,487
Net Assets, Beginning of Year	5,611,412	1,617,997	7,229,409
Net Assets, End of Year	\$ 5,309,524	2,134,372	\$ 7,443,896

GATEWAY TO HOPE

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support			
Contributions	\$ 553,575	1,285,000	\$ 1,838,575
Grants	521,835	-	521,835
Investment income, net	134,148	-	134,148
Special events, net of expenses of \$65,481 in 2024	248,701	-	248,701
Net gain on investments	408,317	-	408,317
Support and Revenue Available	1,866,576	1,285,000	3,151,576
Net assets released from restrictions	508,718	(508,718)	-
Total Support and Revenue	2,375,294	776,282	3,151,576
Expenses			
Program services	1,977,327	-	1,977,327
Management and general	302,081	-	302,081
Fundraising and development	449,767	-	449,767
Total Expenses	2,729,175	-	2,729,175
Increase (Decrease) in Net Assets	(353,881)	776,282	422,401
Net Assets, Beginning of Year	5,965,293	841,715	6,807,008
Net Assets, End of Year	\$ 5,611,412	1,617,997	\$ 7,229,409

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**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025**

	<u>Supporting Services</u>				<u>Total</u>
	<u>Total Program Services</u>	<u>Management and general</u>	<u>Fundraising and development</u>	<u>Total Supporting Services</u>	
Salaries	\$ 1,134,638	152,005	302,182	454,187	\$ 1,588,825
Employee benefits	170,958	17,950	35,276	53,226	224,184
Payroll taxes	89,406	12,633	24,181	36,814	126,220
Total Salaries and Related Expenses	1,395,002	182,588	361,639	544,227	1,939,229
Professional fees	326,165	132,890	122,918	255,808	581,973
Direct assistance	485,226	-	1,277	1,277	486,503
Marketing	74,037	263	59,777	60,040	134,077
Occupancy	63,667	5,026	15,079	20,105	83,772
Computer services	47,612	11,661	11,932	23,593	71,205
Supplies	29,855	1,899	6,361	8,260	38,115
Travel	19,415	2,197	536	2,733	22,148
Utilities	12,638	3,277	2,631	5,908	18,546
Development fee	313	-	17,935	17,935	18,248
Staff and volunteer appreciation	11,972	4,104	281	4,385	16,357
Insurance	5,915	1,347	-	1,347	7,262
Printing and publications	2,302	982	1,433	2,415	4,717
Bank fees	-	3,323	310	3,633	3,633
Bad debt	306	2,325	-	2,325	2,631
Conferences, conventions, and meetings	387	44	303	347	734
Miscellaneous	-	200	10	210	210
Total Expense Before Depreciation	2,474,812	352,126	602,422	954,548	3,429,360
Depreciation	2,526	316	316	632	3,158
Total Expenses	\$ 2,477,338	352,442	602,738	955,180	\$ 3,432,518
% of Total Expenses	72.2%	10.3%	17.5%	27.8%	100.0%

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**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024**

	<u>Supporting Services</u>				<u>Total</u>
	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Total Supporting Services</u>	
Salaries	\$ 929,908	102,584	236,541	339,125	\$ 1,269,033
Payroll taxes	74,641	8,466	19,380	-	74,641
Employee benefits	125,939	9,048	64,202	73,250	199,189
Total Salaries and Related Expenses	1,130,488	120,098	320,123	440,221	1,570,709
Professional fees	194,327	100,304	56,395	156,699	351,026
Direct assistance	391,094	-	-	-	391,094
Marketing	85,670	24,301	28,940	53,241	138,911
Occupancy	46,546	3,780	8,910	12,690	59,236
Computer services	62,826	10,069	9,877	19,946	82,772
Supplies	4,021	-	366	366	4,387
Travel	19,961	3,064	1,207	4,271	24,232
Utilities	11,671	2,829	2,148	4,977	16,648
Development fee	2,775	289	17,580	17,869	20,644
Staff and volunteer appreciation	5,406	5,449	1,456	6,905	12,311
Insurance	2,626	10,086	-	10,086	12,712
Printing and publications	2,136	1,544	516	2,060	4,196
Bank fees	-	4,921	-	4,921	4,921
Bad debt	4,100	-	-	-	4,100
Conferences, conventions, and meetings	2,682	276	66	342	3,024
Miscellaneous	8,472	14,755	1,867	16,622	25,094
Total Expense Before Depreciation	1,974,801	301,765	449,451	751,216	2,726,017
Depreciation	2,526	316	316	632	3,158
Total Expenses	\$ 1,977,327	302,081	449,767	751,848	\$ 2,729,175
% of Total Expenses	72.5%	11.1%	16.4%	27.5%	100.0%

GATEWAY TO HOPE

STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ 214,487	\$ 422,401
Adjustments:		
Depreciation	3,158	3,158
Donation of stock	(38,625)	-
Gain on investments	(479,629)	(408,317)
Noncash lease expense	2,808	(2,282)
(Increase) decrease in assets		
Unconditional promises to give	(328,327)	(282,503)
Prepaid expenses	(6,523)	966
Other assets	(800)	-
Increase (decrease) in liabilities		
Accounts payable	(14,666)	7,364
Accrued expenses and other current liabilities	10,651	22,191
Net Cash Used by Operating Activities	(637,466)	(237,022)
Cash Flows from Investing Activities		
Net proceeds from sale of investments	2,341,506	2,159,663
Purchase of investments	(1,630,242)	(1,903,612)
Purchase of fixed assets	(1,589)	-
Net Cash Provided by Investing Activities	709,675	256,051
Net Increase in Cash and Cash Equivalents	72,209	19,029
Cash and Cash Equivalents, Beginning of Year	711,881	692,852
Cash and Cash Equivalents, End of Year	\$ 784,090	\$ 711,881

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

ORGANIZATION'S DESCRIPTION

Gateway to Hope (the "Organization") is a not-for-profit organization whose mission is to champion change by removing barriers to affordable, timely, quality breast healthcare, and empowering people to live full and healthy lives.

Description of Program Services

The Organization's programs remove barriers to lifesaving breast healthcare for people across Missouri and Southern Illinois. The Organization's navigators provided comprehensive case management to approximately 700 individuals undergoing treatment for breast cancer, and to approximately 400 individuals in need of access to life-saving early detection care in 2025. The Organization's staff had nearly 16,000 forms of contact with our patients throughout the year.

As a result of the Organization's programs and support, the Organization's patients are two to four times more likely to adhere to their prescribed care, such as mammogram appointments and infusions. Individuals served by the Organization report being better able to cope with the stress of cancer, better able to navigate and afford care, and better focused on their health. Furthermore, with the Organization's analysis and sharing of public health and program outcomes data, the Organization is leading the way to ensure adequate care is delivered to all those who need it. With these outcomes, the Organization knows it is having a lasting impact for women and families across its service area and beyond.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The Organization uses the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization 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 its information regarding financial position and activities according to the following net asset classifications:

Net assets without donor restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions

Net assets subject to stipulation imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The donors of these resources permit the Organization to use all, or part of the income earned, including capital appreciation, on related investments for purposes with or without restrictions. At December 31, 2025 and 2024, the Organization did not have any net assets with donor restrictions that were perpetual in nature.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Organization classifies as cash and cash equivalents all checking, savings, money market accounts, and all highly liquid investments purchased with a maturity of three months or less.

Investments

The Organization carries investments at fair value with unrealized holding gains and losses included in earnings. Realized gains and losses are included in earnings and are derived using the average cost method for determining the cost of securities sold. Dividend and interest income is recognized when earned.

Unconditional Promises to Give

Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using risk-free interest rates applicable to the years in which the unconditional promises to give are to be received.

The Organization provides an allowance for doubtful unconditional promises to give equal to the estimated losses that will be incurred in the collection of the unconditional promises to give. This estimate is based on historical experience coupled with a review of the current status of existing unconditional promises to give. The allowance and associated promises are reduced when the promises are determined to be uncollectible. Currently, the Organization considers unconditional promises to give to be fully collectible.

Property and Equipment

Property and equipment are recorded at cost as of the date of acquisition or fair value as of the date of receipt in the case of contributed items. The Organization capitalizes all property and equipment with a purchase price or fair value of \$2,500 or more. Maintenance and repairs are expensed as incurred. When assets are sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts. Any gain or loss arising from such disposition is included as income or expense in the year of disposition.

Depreciation is computed on a straight-line method over the estimated useful lives of the assets as follows:

Office equipment and furniture	5 Years
Website	3 Years

Leases

The Organization leases office space. The Organization assesses whether an arrangement qualifies as a lease (conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms or conditions of the arrangement are modified. The Organization recognizes a liability representing the future lease payments and a right-of-use (ROU) asset representing its right to use the underlying asset for the lease term. The Organization has elected to treat leases with a lease term of 12 months or less as short-term leases and are not recorded on the statement of financial position. Lease expense is recognized on a straight-line basis over the lease term for short term leases, and variable lease expenses are recognized in the period in which they are incurred.

The Organization's lease includes one or more options to renew, with renewal terms that can extend the lease term from 5 to 10 years. The exercise of lease renewal options is at the Organization's sole discretion. At December 31, 2025, the Organization has not made a decision to exercise the lease renewal option.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Endowment

The State of Missouri enacted the State Prudent Management of Institutional Funds Act (“SPMIFA”) effective August 28, 2009. The Organization follows FASB guidance on accounting for the net assets classification of endowment funds for a not-for-profit organization that is subject to the enacted version of SPMIFA. The Organization has determined that the board designated endowment fund meets the definition of endowment funds under SPMIFA.

The Organization has interpreted the SPMIFA as requiring the preservation of original restricted gift amounts, if any. As a result of this interpretation, the Organization classifies as net assets with donor restrictions, the original value of restricted gifts donated to the endowment. Board designated amounts are classified as net assets without donor restrictions. Funds not required to be maintained in perpetuity are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

Support and Revenue

Contributions are recorded as received, and unconditional promises to give are recorded as the promise is made. All contributions are available for general activities unless specifically restricted by the donor. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions with donor restrictions in which the restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying financial statements.

Grants are generally recognized as income in the period that specific services are provided. The Organization has a grant agreement with the Missouri Department of Health and Senior Services that includes optional grant years through 2028.

Donated Services and Supplies

Contributed services are recognized in the financial statements if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would be purchased if not provided by donation. Contributed services are recorded at the estimated fair value on the date of the contribution. The Organization has a number of unpaid volunteers who have made significant contributions of their time in the administration and programs of the Organization which go directly to help the mission. The value of these contributed services is not reflected in these statements as they do not meet the requirements for recognition according to the Not-for-Profit Entities guidance of the FASB ASC. Any donated supplies are recorded as support at the estimated fair value on the date of donation and reported as unrestricted support unless the donor has restricted the donation.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present the natural classification detail of expenses by function. Expenses that can be identified with a specific program or supporting service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on estimates made by management.

Income Taxes

The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. As such, the Organization can only be taxed on the income from any business activities unrelated to its charitable purposes, if any.

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Notes to Financial Statements (continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (continued)

Financial accounting standards for uncertain tax positions prohibit financial statement recognition of the impact of a tax position if the position is not “more likely than not” to be sustained on audit, based on the technical merits of the position. The Organization’s federal Form 990s’ remain subject to examination by taxing authorities, generally for three years after they have been filed. As of April 16, 2026, no returns have been selected for examination.

Subsequent Events

The Organization has evaluated subsequent events through April 16, 2026, the date which the financial statements were available to be issued, for possible recognition or disclosure.

NOTE 2 AVAILABILITY AND LIQUIDITY

The Organization’s financial assets available within one year of the Statements of Financial Position date for general expenditures are as follows:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 784,090	\$ 711,881
Pledge receivable	705,986	1,151,412
Investments	5,245,352	5,438,362
Total Financial Assets	6,735,428	7,301,655
Less amounts not available to be used within one year:		
Net assets with donor restrictions	2,134,372	1,617,997
Board designated	4,932,625	5,028,561
Less net assets with time and purpose restrictions to be met in less than one year	(651,000)	-
Total amounts not available to be used within one year	6,415,997	6,646,558
Financial assets available to meet general expenditures over the next twelve months	\$ 319,431	\$ 655,097

The endowment fund consists of funds designated by the Board of Directors as endowments. The board designated endowment of \$4,932,625 and \$5,028,561 at December 31, 2025 and 2024, respectively, is subject to discretionary spending. Although the Organization does not intend to spend from this board designated endowment (other than amounts appropriated for general expenditure as part of the Board of Directors’ annual budget approval and appropriation), these amounts could be made available if necessary.

NOTE 3 FAIR VALUE MEASUREMENTS

Financial accounting standards establish 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 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

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Notes to Financial Statements (continued)

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

The three levels of the fair value hierarchy under the standards are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are significant unobservable inputs.

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 assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

- Mutual funds – valued at the daily closing price reported on the principal, active market on which the mutual fund is traded.
- Exchange traded funds – valued at the quoted prices in active markets in which the individual security is traded. When quoted prices are not available, fair value is determined using a valuation model.

The inputs or methodologies used for valuing investments may not be an indication of the risk associated with investing in those securities. Furthermore, management believes its valuation methods are appropriate and consistent. The use of different methodologies or assumptions could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets that are measured at fair value:

Descriptions	Total	Fair Value Measurements at		
		Level 1	Level 2	Level 3
December 31, 2025				
Mutual funds	\$ 1,949,661	1,949,661	-	\$ -
Exchange traded funds	3,295,691	3,295,691	-	-
Total	\$ 5,245,352	5,245,352	-	\$ -
December 31, 2024				
Mutual funds	\$ 2,460,905	2,460,905	-	\$ -
Exchange traded funds	2,977,457	2,977,457	-	-
Total	\$ 5,438,362	5,438,362	-	\$ -

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Notes to Financial Statements (continued)

NOTE 4 UNCONDITIONAL PROMISES TO GIVE

	December 31,	
	2025	2024
Less than one year	\$ 705,986	\$ 511,764
One to five years	812,764	675,691
Undiscounted promises to give	1,518,750	1,187,455
Less unamortized discount	(39,011)	(36,043)
Net Unconditional Promises to Give	\$ 1,479,739	\$ 1,151,412

Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 3.55% and 4.25% based on daily treasury rates at December 31, 2025 and 2024, respectively. Unconditional promises to give are classified on the statements of financial position as follows:

	December 31,	
	2025	2024
Unconditional promises to give - current	\$ 705,986	\$ 511,764
Unconditional promises to give - long-term	773,753	639,648
Total Unconditional Promises to Give	\$ 1,479,739	\$ 1,151,412

NOTE 5 PROPERTY AND EQUIPMENT

	December 31,	
	2025	2024
Office equipment	\$ 15,790	\$ 15,790
Website	7,000	7,000
Furniture	1,589	-
Property and Equipment at Cost	24,379	22,790
Less accumulated depreciation	(17,264)	(14,106)
Property and Equipment, Net	\$ 7,115	\$ 8,684

Depreciation expense was \$3,158 for each of the years ended December 31, 2025 and 2024.

NOTE 6 LEASES

The Organization has an operating lease for office space. During 2025, the Organization entered into an additional lease with the current landlord to expand the office space. The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	2025	2024
Weighted Average Remaining Lease Term Operating Lease	5.5 years	2.5 years
Weighted Average Discount Rate Operating Lease	3.23%	2.75%

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Notes to Financial Statements (continued)

NOTE 6 LEASES (CONTINUED)

The maturities of lease liabilities as of December 31, 2025 are as follows:

Years Ending December 31,	
2026	\$ 101,922
2027	109,428
2028	116,184
2029	118,440
2030	120,696
Thereafter	71,252
Total lease payments	637,922
Less present value discount	47,962
Total Lease Liability	\$ 589,960

The components of lease expenses for the years ended December 31 are as follows:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Operating lease expense	\$ 83,772	\$ 59,218
Short-term lease expense	140	1,018
Total Lease Expense	\$ 83,912	\$ 60,236

NOTE 7 RESTRICTIONS ON NET ASSETS

The Organization receives contributions which are restricted to support the mission of the Organization. Accordingly, such contributions are recorded as net assets with donor restrictions. When expenditures are made or time has passed which meet the restrictions, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

The following donor-imposed restrictions were received by the Organization during the years ended:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Time Restrictions	\$ 115,000	\$ 1,025,000
Purpose Restrictions	1,079,033	259,480
Total	\$ 1,194,033	\$ 1,284,480

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors as follows during the years ended:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Time Restrictions	\$ 232,500	\$ 157,500
Purpose Restrictions	445,158	351,218
Total Released	\$ 677,658	\$ 508,718

GATEWAY TO HOPE

Notes to Financial Statements (continued)

NOTE 7 RESTRICTIONS ON NET ASSETS (CONTINUED)

Net assets with donor restrictions were available for the following purposes:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Time Restrictions	\$ 980,000	\$ 1,097,500
Purpose Restrictions	1,154,372	520,497
Total Net Assets with Donor Restrictions	\$ 2,134,372	\$ 1,617,997

NOTE 8 NET ASSETS WITHOUT DONOR RESTRICTIONS – BOARD DESIGNATED

At December 31, 2025 and 2024, the Board of Directors designated net assets without donor restrictions of \$4,932,625 and \$5,028,561, respectively, for endowment purposes.

NOTE 9 CONTRIBUTED SERVICES AND ITEMS

Significant qualifying services, materials, and equipment are contributed to the Organization annually and are recorded at fair value upon receipt. For the years ended December 31, 2025 and 2024, the Organization recognized in-kind support as follows:

	<u>Years Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Services	\$ 3,000	\$ -
Supplies and materials	1,075	-
Total In-Kind Contributions	\$ 4,075	\$ -

NOTE 10 EMPLOYEE BENEFIT PLAN

The Organization maintains a contributory retirement savings plan under Section 403(b) of the Code covering employees who meet certain eligibility requirements. Employer contributions to the plan totaled \$55,570 and \$37,728 for the years ended December 31, 2025 and 2024, respectively.

NOTE 11 ENDOWMENT FUND

The Organization established an endowment fund consisting of funds that have been designated for endowment by the Board of Directors. As required by GAAP, net assets associated with endowment funds, including 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. Certain donor contributions restricted for a specific purpose are considered by the Board of Directors as quasi-endowments and are included in net assets with donor restrictions.

NOTE 11 ENDOWMENT FUND (CONTINUED)

The Board of Directors has interpreted SPMIFA as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2025 and 2024, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted SPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no underwater endowments at December 31, 2025 or 2024.

The Organization has adopted investment and spending policies for the endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the endowment investments. The target minimum rate of return is based in stated benchmarks over a five-year moving period. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yields (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

The Organization uses an endowment spending-rate formula to determine the maximum amount to spend from the Endowment, including those endowments deemed to be underwater, each year. The rate, determined and adjusted from time to time by the Board of Directors, is applied to the average fair value of the Endowment investments for the prior 12 quarters at December 31 of each year to determine the spending amount for the upcoming year. During 2025 and 2024, the spending rate maximum without further Board of Directors' approval was 4.5 percent. In establishing this policy, the Organization considered the long-term expected return on the endowment and set the rate with the objective of maintaining the purchasing power of the endowment over time.

GATEWAY TO HOPE

Notes to Financial Statements (continued)

NOTE 11 ENDOWMENT FUND (CONTINUED)

Changes in endowment net assets for the years ended December 31 are as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Endowment net assets, beginning of year	\$ 5,028,561	-	\$ 5,028,561
Investment income, net	174,435	-	174,435
Net appreciation	479,629	-	479,629
Amounts appropriated for expenditure	(750,000)	-	(750,000)
Endowment net assets, end of year	\$ 4,932,625	-	\$ 4,932,625

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Endowment net assets, beginning of year	\$ 5,086,096	-	\$ 5,086,096
Investment income, net	134,148	-	134,148
Net appreciation	408,317	-	408,317
Amounts appropriated for expenditure	(600,000)	-	(600,000)
Endowment net assets, end of year	\$ 5,028,561	-	\$ 5,028,561

NOTE 12 RISK AND UNCERTAINTIES

Concentrations

During the year ended December 31, 2025, contributions from three donors were approximately 61% of the Organization's contributions. During the year ended December 31, 2024, contributions from two donors were approximately 65% of the Organization's contributions. Unconditional promises to give from two donors were approximately 81% of the Organization's unconditional promises to give at December 31, 2025. Unconditional promises to give from three donors were approximately 88% of the Organization's unconditional promises to give at December 31, 2024.

Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents, investments, and unconditional promises to give. The Organization maintains its cash primarily with two financial institutions. Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 under the FDIC's general deposit insurance rules. At times, balances may exceed coverage limits. At December 31, 2025, cash balances exceeded FDIC limits by approximately \$434,844. Although the Organization is directly affected by the financial stability of its donor base, management does not believe significant credit risk exists at December 31, 2025.

The Organization maintains its investments with one brokerage firm. Investments are insured by the Securities Investor Protection Corporation ("SIPC"), which protects investors from exposure of losing cash and securities, up to \$500,000. There were investment balances of \$4,745,353 in excess of SIPC limits at the brokerage firm at December 31, 2025. Although the Organization is directly affected by the financial stability of the brokerage firms, management does not believe significant credit risk exists at December 31, 2025.