

INSTITUTE FOR SURVIVOR CARE, INC.
dba INSTITUTE FOR SHELTER CARE
LA GRANGE, KENTUCKY

AUDITED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

HICKS & ASSOCIATES CPAS, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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Hicks & Associates CPAs, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Institute for Survivor Care, Inc.
La Grange, Kentucky

Opinion

We have audited the accompanying financial statements of Institute for Survivor Care, Inc. (Organization) (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 financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 within one year after the date that the financial statements are available to be 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 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 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 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 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.

Hicks & Associates CPAs, PLLC

Lexington, Kentucky

May 13, 2026

INSTITUTE FOR SURVIVOR CARE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 508,892
Accounts receivable	8,936
Prepaid expenses	13,656
Unconditional promises to give	750,000
	750,000

TOTAL CURRENT ASSETS 1,281,484

OTHER ASSETS

Beneficial interest in assets held by others	33,323
Cash and cash equivalents - restricted	150,135
	150,135

TOTAL OTHER ASSETS 183,458

TOTAL ASSETS \$ 1,464,942

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Payroll liabilities	\$ 11,167
Deferred revenue	43,502
	43,502

TOTAL CURRENT LIABILITIES 54,669

NET ASSETS

Without donor restrictions	1,260,138
With donor restrictions	150,135
	150,135

TOTAL NET ASSETS 1,410,273

TOTAL LIABILITIES AND NET ASSETS \$ 1,464,942

See Notes to Financial Statements.

INSTITUTE FOR SURVIVOR CARE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 1,106,175	\$ -	\$ 1,106,175
Event income	12,669	-	12,669
Foundation grants and awards	684,302	150,135	834,437
In-kind support	72,282	-	72,282
Interest income	53,701	-	53,701
Investment income, net	257	-	257
Management fee	16,987	-	16,987
Program fees	325,017	-	325,017
Net assets released from restrictions	484,941	(484,941)	-
	<hr/>	<hr/>	<hr/>
TOTAL SUPPORT AND REVENUE	2,756,331	(334,806)	2,421,525
 EXPENSES			
Program services	1,796,557	-	1,796,557
Management and general	164,521	-	164,521
Fundraising	176,208	-	176,208
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	2,137,286	-	2,137,286
 CHANGE IN NET ASSETS			
	619,045	(334,806)	284,239
 NET ASSETS, BEGINNING OF YEAR			
	641,093	484,941	1,126,034
	<hr/>	<hr/>	<hr/>
NET ASSETS, END OF YEAR	\$ 1,260,138	\$ 150,135	\$ 1,410,273
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See Notes to Financial Statements.

INSTITUTE FOR SURVIVOR CARE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES
EXPENSES				
Salaries	\$ 584,912	\$ 109,395	\$ 100,899	\$ 795,206
Payroll tax	47,407	8,969	7,687	64,063
Employee benefits	7,741	1,464	1,255	10,460
	<u>640,060</u>	<u>119,828</u>	<u>109,841</u>	<u>869,729</u>
Advertising	13,210	646	3,553	17,409
Bad debt	2,434	-	-	2,434
Bank charges	4,056	1,168	104	5,328
Contract services	198,627	2,546	56,094	257,267
Dues and subscriptions	-	1,450	-	1,450
Facilities and equipment	4,759	1,304	107	6,170
Fiscal sponsorship	60,140	-	-	60,140
Insurance	20,056	2,518	1,180	23,754
International agency grants	378,165	-	-	378,165
Meals and entertainment	17,356	1,258	116	18,730
Professional services	17,618	2,090	1,066	20,774
Rent	54,000	18,000	-	72,000
Scholarships	142,270	-	-	142,270
Supplies	5,919	2,742	67	8,728
Taxes and licenses	6,129	721	361	7,211
Technology	150,114	5,332	-	155,446
Training and development	248	412	34	694
Travel and meetings	77,873	4,090	3,478	85,441
Utilities	3,523	416	207	4,146
TOTAL EXPENSES	<u>\$ 1,796,557</u>	<u>\$ 164,521</u>	<u>\$ 176,208</u>	<u>\$ 2,137,286</u>

See Notes to Financial Statements.

INSTITUTE FOR SURVIVOR CARE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in total net assets	\$ 284,239
Adjustments to reconcile change in total net assets to net change in cash from operating activities:	
Bad debt expense	2,434
In-kind support	(72,282)
In-kind expenses	72,282
Interest and dividends reinvested	(257)
Changes in operating assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	197,909
Grants receivable	250,000
Prepaid expenses	(3,522)
Unconditional promises to give	(750,000)
Increase (decrease) in:	
Accounts payable and accrued expenses	(58,793)
Payroll liabilities	6,690
Deferred revenue	21,615
NET CHANGE IN CASH FROM OPERATING ACTIVITIES	<u>(49,685)</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	 (49,685)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>708,712</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 <u><u>\$ 659,027</u></u>
 Cash paid for interest during the year	 <u><u>\$ -</u></u>

See Notes to Financial Statements.

INSTITUTE FOR SURVIVOR CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Institute for Survivor Care, Inc., herein referred to as the Organization, is a nonstock, nonprofit organization formed in 2007 in Baltimore, Maryland. The Organization is a national Christian organization providing restorative care to survivors and bringing about an end to domestic human trafficking through awareness, prevention, and advocacy.

The Organization previously operated transitional and restorative shelter programs for women recovering from domestic human trafficking with emphasis on life-rebuilding, personal accomplishments, social re-entry, and spiritual reconciliation.

In 2019, the Organization began phasing down its residential programs. In 2022, the Organization rebranded as The Institute for Shelter Care and moved its headquarters from Maryland to Kentucky. The Organization launched the National Case Management System (NCMS) to consistently and accurately collect and report shelter data for program evaluation and improvement. In 2025, the Organization officially changed its name to the Institute for Survivor Care, Inc., dba Institute for Shelter Care. The Organization continues to focus on equipping shelter programs by offering training and resources, serving victims of sexual exploitation and conducting national research to improve our nation's response to victim care.

Basis of Financial Statements

The accompanying financial statements have been prepared on the accrual basis of accounting. The Organization is required to report information regarding their financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could vary from the estimates that were used.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less and not held within the investment portfolio to be cash and cash equivalents.

The following table provides a reconciliation of cash and restricted cash reported within the statement of financial position that sum to the total in the statement of cash flows as of December 31, 2025:

Cash in bank:	
Unrestricted	\$508,892
Restricted	<u>150,135</u>
Total cash and cash equivalents	<u>\$659,027</u>

INSTITUTE FOR SURVIVOR CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounts Receivable

Accounts receivable are uncollateralized obligations and generally require payment within thirty days from the invoice date. Payments of accounts receivable are applied to the specific invoices identified on the grantor's remittance advice or, if unspecified, to the earliest unpaid invoices. The allowance for expected credit losses is based on management's assessment of the collectability of specific accounts and the aging of the accounts receivable. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to bad debt expense. No allowance for expected credit losses is provided for accounts receivable because management does not deem it necessary based on historical collection experience. The balance of accounts receivable as of the beginning and end of the year was \$209,279 and \$8,936, respectively. Bad debt expense for the year ended December 31, 2025 was \$2,434.

Grants Receivable

Grants receivable represents funds earned and/or awarded in accordance with the grant requirements but not yet received. The balance of grants receivable as of the beginning and end of the year was \$250,000 and \$0, respectively.

Promises to Give

Unconditional promises to give are recognized as revenue in the period the promise is received. Conditional promises to give are recognized as revenue as the related conditions are met. The Organization evaluates outstanding promises to give and records bad debt expense for amounts deemed uncollectible. No allowance for expected credit losses on pledges is provided because management does not deem it necessary based on historical collection experience. The balance of unconditional promises to give as of the beginning and end of the year was \$0 and \$750,000, respectively.

Property and Equipment

Property and equipment are recorded at cost if purchased, or fair value on the date of the gift, if donated. The Organization capitalizes assets acquired for \$2,500 or more. These assets are depreciated over their estimated useful lives using the straight-line method. The Organization had no property or equipment as of December 31, 2025. Depreciation expense for the year ended December 31, 2025 was \$0.

Compensated Absences

Employees of the Organization are entitled to paid compensated absences, depending on job classification, length of service and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the financial statements. The Organization's policy is to recognize the cost of compensated absences when actually paid.

INSTITUTE FOR SURVIVOR CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred Revenue

The Organization, on occasion, receives fees for its training and subscriptions in advance. The funds are deferred and recognized on a straight-line basis over the subscription term. The balance of deferred revenue as of the beginning and end of year was \$21,888 and \$43,502, respectively.

Revenue Recognition - Contributions, Grants, and Other Revenue

Contributions are defined as voluntary, non-reciprocal transfers. Unrestricted contributions are recognized as support when received or pledged, if applicable. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization acts as a fiscal sponsor on behalf of a non-exempt entity wherein donations flow through the Organization on behalf of the non-exempt entity. The Organization subsequently passes the funds on to a third organization. In exchange for these services, the Organization retains a management fee of 3% of the total donations collected. For the year ended December 31, 2025, total contribution revenue related to this agreement was \$60,140 and management fee revenue recognized was \$1,860.

Grant revenue is deemed to be earned and reported when awarded. On occasion, the Organization receives grant revenues which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses and grant revenues are recognized as the conditions are met.

Program fees consist of fees for classroom-based training events, subscription and individual course fees for ShelterU, the online learning platform, and subscription fees for the National Case Management System (NCMS) database as well as conference registration fees. Classroom-based training fees are recorded at the time of the purchase with income deferred for events which have not yet taken place as of year-end. Subscription fees are recorded on a straight-line basis over the subscription period. Any funds paid in advance are deferred and recorded as earned.

Donated Facilities and Services

Donated services are recognized as contributions in accordance with GAAP, as the management of the Organization believes such services require specialized skills and would otherwise be purchased. Donated services and facilities, including the donated use of office space, are recognized as contributions and expenses at their estimated fair value on the date of the donation. For the year ended December 31, 2025, donated use of office space and in-kind rent expense totaled \$72,000. Additionally, the Organization received \$282 of in-kind support related to utilities paid on its behalf. Total in-kind support for the year ended December 31, 2025 was \$72,282.

INSTITUTE FOR SURVIVOR CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Advertising Costs

The Organization expenses advertising costs as incurred. Advertising expense for the year ended December 31, 2025 was \$17,409.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized in the statement of activities. The statement of functional expenses presents the natural classification of detail of expenses by function. Accordingly, certain costs have been allocated, on a reasonable basis by management, among the programs and supported services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied and reviewed annually by management.

Leases

Lease payments for leases with a term of twelve months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized.

Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It is, however, subject to income taxes on "unrelated business income", of which management has determined there was none for the year ended December 31, 2025.

As of December 31, 2025, the Organization has no uncertain tax positions that qualify for disclosure in the financial statements. Tax years still open under federal and state statute of limitations remain subject to review and change.

NOTE B - NET ASSETS

Net Assets without Donor Restrictions:

Available for general activities and daily obligations of the Organization.

Total net assets without donor restrictions as of December 31, 2025 were \$1,260,138.

Net Assets with Donor Restrictions:

Specific purpose - restricted by donors or funding sources to be used for an intended purpose.

Total net assets with donor restrictions as of December 31, 2025 were \$150,135.

INSTITUTE FOR SURVIVOR CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B - NET ASSETS - CONTINUED

Net Assets with Donor Restrictions - continued:

Net assets with donor restrictions as of December 31, 2025 are restricted for the following purposes:

California shelters scholarship	\$ 20,000
CityGate scholarship	9,010
Meetings & conferences	75,000
Prison to Placement program	25,000
Research	<u>21,125</u>
Total	<u>\$150,135</u>

NOTE C - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Organization holds a beneficial interest in assets that are not held in its name but are administered and controlled by the National Christian Foundation of Kentucky (Foundation). The assets are held in a donor-advised fund. The funds available to distribute are invested in accordance with the investment selection for the fund and remain available until a grant is distributed from the fund.

Any grants distributed from the fund must be approved by the Organization's board Treasurer and requested from the Foundation.

As of December 31, 2025, the estimated value of the beneficial interest is \$33,323. The Organization does not have legal title to these assets, nor does it have unilateral control over their management or disposition.

Distributions from the fund totaled \$0 during the year ended December 31, 2025.

Changes in the fair value of the beneficial interest have been reflected in the statement of activities in investment income and the statement of cash flows. Summarized below are the components of the changes in the fair value of the beneficial interest for the year ended December 31, 2025:

Interest and dividends	\$ 617
Administrative fees	<u>(360)</u>
Changes in fair value of the beneficial interest	<u>\$ 257</u>

NOTE D - RETIREMENT PLAN

The Organization provides a 401k retirement benefit plan for all full-time employees. A full-time employee is eligible to participate after three months of employment. The Organization does not make matching contributions.

INSTITUTE FOR SURVIVOR CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE E - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures within one year of the December 31, 2025 statement of financial position date comprise the following:

Financial assets at year-end:	\$1,451,286
Less those unavailable for general expenditures within one year:	
Beneficial interest in assets held by others	(33,323)
Cash and cash equivalents - restricted	<u>(150,135)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$1,267,828</u>

As part of the Organization's liquidity management, financial assets are structured to be available as its general expenditures, liabilities, and other obligations come due.

NOTE F - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

Concentration of Revenue

During the year ended December 31, 2025, the Organization received \$1,428,264 from two anonymous entities. This amount represents 59% of the Organization's total revenue for the year ended December 31, 2025.

Concentration of Credit Risk

The Organization has a concentration of credit risk in that it periodically maintains cash deposits in a single financial institution in excess of amounts insured by the FDIC. The Organization has not experienced any losses on such accounts and does not believe that it is subject to significant credit risk related to the accounts.

NOTE G - RELATED PARTY TRANSACTIONS

During the year ended December 31, 2025, the Organization received the free use of a residential property owned by the Executive Director, which was utilized as office space. As a result, the Organization recorded in-kind contributions and rent expense of \$72,000. The arrangement is considered a related party transaction as the Executive Director is key management personnel of the Organization.

NOTE H - EMPLOYEE RETENTION CREDIT

On March 27, 2020, Congress passed the CARES Act, which contained the Employee Retention Credit (ERC), a refundable payroll tax credit available to employers that have experienced hardship in their operations due to COVID-19. During 2023, the Organization filed ERC claims for the last three quarters in the year ended December 31, 2020 and the first three quarters in the year ended December 31, 2021 for an aggregate credit amount of \$378,583.

INSTITUTE FOR SURVIVOR CARE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE H - EMPLOYEE RETENTION CREDIT - CONTINUED

The Organization recorded the credit as accounts receivable and revenue as of and for the years ended December 31, 2020 and 2021. The Organization received \$183,304 of the credit along with \$41,170 in interest during the year ended December 31, 2024. During the year ended December 31, 2025, the Organization received the remaining credit balance of \$195,279 along with \$53,529 in interest. The balance of the receivable as of December 31, 2025 is \$0.

NOTE I - COMMITMENT

In December 2025, the Organization entered into an operating lease agreement for professional offices. The lease requires payments of \$3,000 per month beginning January 1, 2026 through December 31, 2028. Future minimum lease payments under this agreement are as follows:

2026	\$ 36,000
2027	36,000
2028	<u>36,000</u>
Total	<u>\$108,000</u>

NOTE J - DATE OF MANAGEMENT'S REVIEW

The Organization's subsequent events have been evaluated by management through May 13, 2026, which is the date the financial statements were available to be issued.