

**MARYLAND CRIME VICTIMS'
RESOURCE CENTER, INC.
FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

MARYLAND CRIME VICTIMS'
RESOURCE CENTER, INC.

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Independent Auditor's Report

To the Board of Directors
Maryland Crime Victims' Resource Center, Inc.
Upper Marlboro, MD 20774

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Maryland Crime Victims' Resource Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, 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 Maryland Crime Victims' Resource Center Inc. as of June 30, 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 Maryland Crime Victims' Resource Center, 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 Statement

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.

To the Board of Directors of
Maryland Crime Victims' Resource Center, Inc.
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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 Maryland Crime Victims' Resource Center, 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 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 Maryland Crime Victims' Resource Center, 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 Maryland Crime Victims' Resource Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

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Maryland Crime Victims' Resource Center, Inc.
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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.

Clark and Anderson, P.A.

CLARK AND ANDERSON, P.A.
Certified Public Accountants

Glen Burnie, Maryland

February 27, 2026

MARYLAND CRIME VICTIMS' RESOURCE CENTER, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

ASSETS

	<u>2025</u>	<u>2024</u>
Current Assets		
Cash and cash equivalents	\$ 378,971	\$ 306,864
Grants receivable	353,761	361,198
Other receivable	1,136	882
Prepaid expenses	-	26,260
Total Current Assets	<u>733,868</u>	<u>695,204</u>
Property and Equipment- Net	20,060	26,370
Other Assets		
Deposits	450	450
Operating lease right-of-use asset	624,155	706,436
Other asset	54,727	5,741
Total Other Assets	<u>679,332</u>	<u>712,627</u>
Total Assets	<u>\$ 1,433,260</u>	<u>\$ 1,434,201</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Line of credit	\$ 19,807	\$ 33,314
Accounts payable	73,043	40,220
Accrued payroll expenses	165,469	156,260
Accrued vacation	119,381	99,416
Lease liability - current portion	96,456	96,456
Other current liabilities	5,741	5,741
Notes payable - current portion	13,773	20,659
Total Current Liabilities	493,670	452,066
Long-Term Liabilities		
Lease liability - noncurrent portion	527,699	609,980
Notes payable - noncurrent portion	-	13,773
Total Long-Term Liabilities	<u>527,699</u>	<u>623,753</u>
Total Liabilities	1,021,369	1,075,819
Net Assets Without Donor Restrictions		
Board designated	27,591	37,238
Undesignated	335,314	321,144
Total Net Assets Without Donor Restrictions	362,905	358,382
Net Assets With Donor Restrictions	48,986	-
Total Net Assets	<u>411,891</u>	<u>358,382</u>
Total Liabilities and Net Assets	<u>\$ 1,433,260</u>	<u>\$ 1,434,201</u>

-See independent auditor's report and accompanying notes-

MARYLAND CRIME VICTIMS' RESOURCE CENTER, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Revenues, Gains and Other Support Without Donor Restrictions		
Grant income - federal	\$ 104,030	\$ 1,205,159
Grant income - other	4,561,819	2,207,884
Contributions	39,509	29,107
Fundraising	110,871	125,390
In-kind contributions	49,801	44,251
Other income	35	4,500
	<hr/>	<hr/>
Total Revenues, Gains and Other Support Without Donor Restrictions	4,866,065	3,616,291
Expenses and Losses		
Program services	4,491,227	3,259,901
Management and general	294,733	207,595
Fundraising expenses	75,582	90,153
	<hr/>	<hr/>
Total Expenses and Losses	4,861,542	3,557,649
Increase in Net Assets Without Donor Restrictions	<hr/> 4,523	<hr/> 58,642
Net Assets With Donor Restrictions		
Contributions	48,986	-
	<hr/>	<hr/>
Increase in Net Assets With Donor Restrictions	48,986	-
Increase in Net Assets	<hr/> 53,509	<hr/> 58,642
Net Assets, Beginning of Year	<hr/> 358,382	<hr/> 299,740
Net Assets, End of Year	<u>\$ 411,891</u>	<u>\$ 358,382</u>

-See independent auditor's report and accompanying notes-

MARYLAND CRIME VICTIMS' RESOURCE CENTER, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025 Supporting Services</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Related Expenses				
Salaries	\$ 2,907,423	\$ 96,716	\$ 20,194	\$ 3,024,333
Payroll taxes	264,310	4,307	1,932	270,549
Employee benefit	<u>477,227</u>	<u>25,461</u>	<u>3,233</u>	<u>505,921</u>
Total Salaries and Related Expenses	3,648,960	126,484	25,359	3,800,803
Other Expenses				
Advertising	81,526	335	337	82,198
Consultants	402,086	81,725	-	483,811
Depreciation and amortization	6,310	-	-	6,310
Dues and subscriptions	4,297	-	-	4,297
Equipment rental	3,022	-	-	3,022
Fundraising	-	-	49,368	49,368
Insurance	13,498	3,319	-	16,817
Interest	-	2,919	-	2,919
Miscellaneous	6,550	17,887	518	24,955
Occupancy	119,477	24,700	-	144,177
Professional fees	12,101	19,550	-	31,651
Software and support	54,931	1,800	-	56,731
Supplies	54,178	2,977	-	57,155
Telephone	8,753	12,161	-	20,914
Travel	<u>75,538</u>	<u>876</u>	<u>-</u>	<u>76,414</u>
Total Other Expenses	<u>842,267</u>	<u>168,249</u>	<u>50,223</u>	<u>1,060,739</u>
Total Expenses	<u>\$ 4,491,227</u>	<u>\$ 294,733</u>	<u>\$ 75,582</u>	<u>\$ 4,861,542</u>

-See independent auditor's report and accompanying notes-

2024 Supporting Services

<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
\$ 2,121,802	\$ 71,073	\$ 12,137	\$ 2,205,012
188,491	5,224	1,944	195,659
<u>344,678</u>	<u>13,334</u>	<u>1,214</u>	<u>359,226</u>
2,654,971	89,631	15,295	2,759,897
21,275	1,010	-	22,285
235,438	45,682	-	281,120
5,179	-	-	5,179
3,023	-	-	3,023
8,720	-	-	8,720
-	-	73,947	73,947
11,226	2,477	-	13,703
-	5,018	-	5,018
11,383	5,936	911	18,230
89,564	24,000	-	113,564
12,373	18,000	-	30,373
44,876	-	-	44,876
84,893	3,755	-	88,648
6,867	12,086	-	18,953
<u>70,113</u>	<u>-</u>	<u>-</u>	<u>70,113</u>
<u>604,930</u>	<u>117,964</u>	<u>74,858</u>	<u>797,752</u>
<u>\$ 3,259,901</u>	<u>\$ 207,595</u>	<u>\$ 90,153</u>	<u>\$ 3,557,649</u>

MARYLAND CRIME VICTIMS' RESOURCE CENTER, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 53,509	\$ 58,642
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	6,310	5,179
Other asset	(48,986)	-
(Increase)decrease in operating assets		
Grants receivable	7,437	(104,227)
Other receivable	(254)	(700)
Prepaid expenses	26,260	(21,760)
Deposits	-	375
Increase(decrease) in operating liabilities		
Accounts payable	32,823	15,723
Accrued payroll expenses	9,209	71,137
Accrued vacation	19,965	35,356
Deferred revenue	-	(13,508)
Net Cash Provided By Operating Activities	<u>106,273</u>	<u>46,217</u>
Cash Flows From Investing Activities		
Property and equipment purchases	<u>-</u>	<u>(27,327)</u>
Net Cash Used By Investing Activities	<u>-</u>	<u>(27,327)</u>
Cash Flows From Financing Activities		
Net decrease in line of credit	(13,507)	(12,066)
Principal payments on financing	<u>(20,659)</u>	<u>(20,659)</u>
Net Cash Used By Financing Activities	<u>(34,166)</u>	<u>(32,725)</u>
Net Increase(Decease) in Cash	72,107	(13,835)
Cash Beginning of Year	<u>306,864</u>	<u>320,699</u>
Cash End of Year	<u>\$ 378,971</u>	<u>\$ 306,864</u>

-See independent auditor's report and accompanying notes-

MARYLAND CRIME VICTIMS' RESOURCE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 1 – Nature of Organization

Maryland Crime Victims' Resource Center, Inc. (the "Center") was incorporated under the laws of the state of Maryland in 1983 and has been recognized by the Internal Revenue Service (IRS) as a tax-exempt, publicly supported Organization, as defined by section 501(c)(3) of the Internal Revenue Code (IRC), and therefore is not a private foundation.

The Center was created to provide general advice and guidance of legal rights to victims of crime. The Center focuses on victim advocacy and legal advocacy programs which inform victims of their lawful rights, provide legal referrals and social services to eligible victims, provide support and encouragement to victims, and facilitate healing and resolution for victims and survivors.

Note 2 - Summary of Significant Accounting Policies

- (a) Basis of Accounting – The financial statements of the Center are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America whereby revenues are recognized when earned and expenses are recognized when incurred.
- (b) Uses of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.
- (c) Financial Statement Presentation – The Center presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 – Not-for-Profit Entities. Accordingly, the Center reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. A description of the two net asset categories are as follows:

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. At June 30, 2025 and 2024, the governing board had designated funds to support cold cases in the amount of \$27,591 and \$37,238.

With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released

MARYLAND CRIME VICTIMS' RESOURCE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of donor restrictions on the net assets are reported as reclassifications between the applicable classes of net assets. It is the policy of the Center to treat donor restricted contributions for which the restrictions were satisfied in the year received as net assets without donor restrictions.

- (d) Cash and Cash Equivalents – The Center considers all short-term investments with an original maturity of three months or less to be cash equivalents.
- (e) Grants and Other Receivables – Grants and other receivables are recorded net of an allowance for credit losses. The allowance for credit losses is based on historical account write-off trends, facts about the current financial condition of the debtor, forecasts of future operating results based upon current trends and macroeconomic factors. Credit quality is monitored through the timing of payments compared to payment terms and known facts regarding the financial condition of debtors. If management deems it necessary, a valuation allowance is recognized to reduce the carrying value of grants receivable to reflect management's best estimate of the expected amounts to be collected. Based on management's assessments, the amount of uncollectible grants receivable at June 30, 2025 and 2024 is considered negligible; thus, no valuation allowance for credit loss has been recognized.
- (f) Property and Depreciation – Property is stated at cost or, if donated, at the approximate fair value at the date of donation, less accumulated depreciation. Expenditures for maintenance and routine repairs are charged to expense as incurred; expenditures for improvements and major repairs that materially extend the useful lives of assets are capitalized. The Center's threshold for capitalization is any acquisition that meets the above criteria and is greater than or equal to \$10,000. Depreciation expense amounted to \$6,310 and \$5,179 for the years ended June 30, 2025 and 2024, respectively. Depreciation on furniture and equipment is computed using the straight-line method over the estimated lives of five years.

MARYLAND CRIME VICTIMS' RESOURCE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Property and equipment are detailed as follows:

	<u>2025</u>	<u>2024</u>
Furniture and Equipment	\$ 44,906	\$ 48,977
Less Accumulated Depreciation	<u>(24,846)</u>	<u>(22,607)</u>
Property and Equipment, Net	<u>\$ 20,060</u>	<u>\$ 26,370</u>

- (g) Website Development Costs – Costs associated with the development of the Center's website applications, infrastructure, graphics, and content are capitalized and amortized under the straight-line method over a period of three years. Costs related to planning and operating the website are expensed as incurred. The Center had capitalized costs of \$21,300. For the years ended June 30, 2025 and 2024, accumulated amortization amounted to \$21,300.
- (h) Revenue Recognition – The Center derives revenue primarily from contributions and grants. Unconditional contributions are recognized in the year the contributions are pledged and/or received. Conditional grants are earned and recognized as revenue in proportion to the related expenditures incurred or when all conditions of the grant have been substantially met. Grants and contributions earned but not yet received are recorded as grant receivables. Grant proceeds received in advance and not yet earned are recorded as deferred revenue.
- (i) Leases – The Center accounts for leases in accordance with FASB ASC 842. Leases are evaluated using the criteria outlined in FASB ASC 842 to determine whether they will be classified as operating leases or finance leases. The Center determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Center determines if an arrangement conveys the right to use an identified asset and whether the Center obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Center recognizes a lease liability and Right-of-Use (ROU) asset at the commencement date of the lease.
- (j) Donated Services and Space – Donated services are recognized as contributions only if the services create or enhance nonfinancial assets or require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Center. Donated services are valued at comparable fair value billing rates times the number of hours provided and are used to provide social and legal services for crime victims. Donated space is recorded at the estimated fair value of the rent for the occupied space.

MARYLAND CRIME VICTIMS' RESOURCE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

At June 30, the Center received the following in-kind donations for the years ended:

	<u>2025</u>	<u>2024</u>
Professional Services	\$25,801	\$16,701
Supplies	-	3,550
Rent	<u>24,000</u>	<u>24,000</u>
Total In-Kind Donations	<u>\$49,801</u>	<u>\$44,251</u>

(k) Functional Expense Allocation – Expenses that can be identified with specific programs or support services are allocated directly. Expenses that cannot be specifically identified with a particular function and that benefit more than one functional category are allocated based on estimates, such as time and effort, or other criteria.

(l) Advertising Costs – The Center has only non-direct response advertising costs, which are expensed as incurred. For the years ended June 30, 2025 and 2024, advertising costs amounted to \$82,198 and \$22,285, respectively.

Note 3 – Short-Term Bank Borrowings

The Center has a line of credit with Wells Fargo Bank in the amount of \$75,000. Amounts outstanding under the line of credit are payable on demand and bear interest at the Wall Street Journal prime rate plus the bank's rate. No advances were outstanding at June 30, 2025 and 2024.

The Center has a line of credit with a PNC Bank in the amount of \$100,000. Amounts outstanding under the line of credit are payable on demand and bear interest rate of nine point one three percent (9.13%) as of June 30, 2025, and nine-point eighty-eight percent (9.8%) as of June 30, 2024, which is payable monthly. The outstanding balance as of June 30, 2025 and 2024 was \$19,807 and \$33,314, respectively.

Note 4 – Note Payable

On February 24, 2021, the Center received a Payroll Protection Program loan in the amount of \$255,810. The loan is eligible for forgiveness under the terms of the loan program. The loan was partially forgiven in December 2021 in the amount of \$169,730. The loan has an interest rate of one percent (1%).

MARYLAND CRIME VICTIMS' RESOURCE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

The note payable as of June 30 consist of the following:

	<u>2025</u>	<u>2024</u>
Payroll Protection Program Loan	\$ 13,773	\$ 34,432
Less Current Portion	<u>(13,773)</u>	<u>(20,659)</u>
Noncurrent Portion	\$ _____ -	<u>\$ 13,773</u>

Principal payments on the note payable are due as follows:

Year Ending June 30, 2026	\$13,773
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Note 5 – Net Assets With Donor Restriction

The Center received a donation of burial plots to be used to assist the family of a victim in need. In valuing the plots, the Center used fair market value from local cemeteries. For the years ended June 30, 2025 and 2024, the donated burial plots included in other assets amounted to \$48,986 and zero.

Note 6 - Retirement Plan

The Center sponsors a retirement plan that qualifies under Section 403(b) of the Internal Revenue Code, and which covers all eligible employees as defined in the plan document. The Center matches voluntary employee contributions up to three percent (3%) of compensation and fifty percent (50%) of the next two percent (2%) of compensation. The Center's matching contributions for the years ended June 30, 2025 and 2024 amounted to \$104,802 and \$73,438, respectively.

Note 7 – Income Taxes

The Center is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Center is classified as a public charity and not a private foundation; therefore, contributions made to the Center are tax deductible by the donors.

The Center follows the guidance of the Financial Accounting Standards Board Accounting Standards Codification 740-10, *Accounting for Uncertainty in Income Taxes* which clarifies the accounting for the recognition and measurement of the benefits of individual tax positions in the financial statements, including those of non-profit organizations. Tax positions must meet a recognition threshold of more-likely-than-not in order for the benefit of those tax positions to be recognized in the financial statements.

The Center analyzes tax positions taken, including those related to the requirements set forth in IRC Section 501(c) to qualify as a tax-exempt organization, activities performed by

MARYLAND CRIME VICTIMS' RESOURCE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

volunteers and board members, the reporting of unrelated business income, and its status as a tax-exempt organization under Maryland statute. The Center does not know of any tax benefits arising from uncertain tax positions and there was no effect on the Center's financial position or changes in net assets as a result of analyzing its tax positions. The Center returns remains open for three (3) years for federal examination, from date of filing.

Note 8 – Concentrations of Risk

Concentration of Credit Risk – The Center maintains accounts at several institutions that are secured by the Federal Deposit Insurance Corporation (FDIC). The balances in excess of the FDIC limits amounted to \$127,729 and \$51,375 at June 30, 2025 and 2024, respectively. The Center has not experienced any losses in such accounts and believes it is not exposed to significant risk of its cash balances.

Concentrations of Revenue – For the year ended June 30, 2025, the Center's support consisted of approximately eighty-one percent (81%) state grants. For the year ended June 30, 2024, the Center's support consisted of approximately thirty-three percent (33%) federal grants and forty-six percent (46%) state grants. Any reduction in the level of support from these grants could affect the Center's program activities.

Note 9 - Operating Lease Commitments

The Center entered into an operating lease agreement for the location of its Baltimore office for a five-year term on January 1, 2024. The lease has the option to extend the term for one additional term of five years ending on December 31, 2033. The Center is reasonably certain it will exercise these options; therefore, they have been included in determining the right of use asset and lease liabilities.

The Center entered into an annual operating lease agreement for the location of its Columbia office expiring on February 28, 2026.

The Center entered into an operating lease agreement with a related party (reference Note 10) for the location of its Upper Marlboro office. The lease has the option to extend the term for three additional terms of three years ending on December 31, 2031. The Center is reasonably certain it will exercise these options; therefore, they have been included in determining the right of use asset and lease liabilities.

While all of the agreements provide for minimum lease payments, some include variable payments. Variable payments are not determinable at lease commencement and are not included in the measurement of the lease assets and liabilities. The lease agreements do not

MARYLAND CRIME VICTIMS' RESOURCE CENTER, INC.

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include any material residual value guarantees or restrictive covenants. The Center has elected to use a risk-free discount rate for a comparable lease term. The Center's lease agreements may contain both lease and non-lease components, which the Center has elected to combine and account for as a single component for its leases.

The Center has elected to account for short-term leases by recognizing the lease payments over the term of the lease and are expensed as incurred.

The components of operating lease expenses that are included with occupancy expense in the statements of functional expenses are as follows for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Operating Lease Cost	\$ 96,456	\$ 82,456
Short-Term Lease Cost	5,650	9,059

The maturities of operating lease liabilities are as follows for the years ended June 30:

2026	\$ 96,456
2027	96,456
2028	96,456
2029	96,456
2030	96,456
Thereafter	<u>194,684</u>
Total Lease Payments	676,964
Less: Present Value Adjustment	<u>(52,809)</u>
Present Value of Lease Liability	<u>\$624,155</u>

The following summarizes the cash flow information related to operating leases for the year ended June 30,

	<u>2025</u>	<u>2024</u>
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating cash flows for operating leases	\$ 96,456	\$ 67,618
Right-of-Use Assets Obtained in Exchange for Lease Liabilities:		
Operating leases	\$ -	\$423,337

MARYLAND CRIME VICTIMS' RESOURCE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Weighted average lease term and discount rate as of June 30, were as follows:

	<u>2025</u>	<u>2024</u>
Weighted Average Remaining Lease Term	7.06 years	8.04 years
Weighted Average Discount Rate	2.19%	2.17%

Note 10 – Related Party

The Center entered into a lease agreement with the Maryland Crime Victims' Resource Foundation, Inc. (the Foundation) for its office space located in Upper Marlboro, Maryland. The Foundation was created to acquire the real estate which is leased to the Center. The Foundation has a separate board, independent from the Center and thus, the Center does not exercise control over the Foundation. Related party rent expense amounted to \$72,456 and \$57,618 for both years ended June 30, 2025 and 2024.

Note 11 – Compliance with Grantor Restrictions

Financial assistance from Federal, State, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Center for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

Note 12 – Additional Disclosures for Statement of Cash Flows

	<u>2025</u>	<u>2024</u>
Interest Paid	\$2,919	\$5,018
Income Taxes Paid	-	-

MARYLAND CRIME VICTIMS' RESOURCE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 13 - Liquidity and Availability of Resources

A summary of the financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date comprise the following:

	<u>2025</u>	<u>2024</u>
Cash	\$378,971	\$306,864
Grants Receivable	353,761	361,198
Other Receivable	<u>1,136</u>	<u>882</u>
	<u>733,868</u>	<u>668,944</u>
Less: Amounts Unavailable Within One Year:		
Board Designated	<u>(27,591)</u>	<u>(37,238)</u>
Financial Assets Available for General Expenditure	<u>\$706,277</u>	<u>\$631,706</u>

The Center manages its liquidity following two guiding principles: operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs.

Note 14 – Adoption of FASB AUS 2016-13 and Related Standards

At the beginning of 2024, the Center adopted FASB ASU 2016-13, *Financial Instruments – Credit losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Center adopted this new guidance utilizing the modified retrospective transition method. The adoption of the Standard did not have a material impact on the Center's financial statements but did change how the allowance for credit losses is determined.

Note 15– Subsequent Events

The Center evaluated events and transactions through the date the financial statements were available to be issued. The Center is not aware of any significant events that occurred subsequent to the date of the statement of financial position and prior to February 27, 2026 that would have a material impact on the financial statements.