CHILDREN'S SHELTER OF CEBU

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

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CHILDREN'S SHELTER OF CEBU
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Children's Shelter of Cebu
Shoreview, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Children's Shelter of Cebu, which comprise the statements of financial position as of December 31, 2024 and 2023, 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 Children's Shelter of Cebu as of December 31, 2024 and 2023, and the results of its operations 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Children's Shelter of Cebu and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Children's Shelter of Cebu's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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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 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 Children's Shelter of Cebu'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 Children's Shelter of Cebu'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 8, 2025

CHILDREN'S SHELTER OF CEBU
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	$ 932,108	$ 1,205,235
Pledges Receivable, Net	369	369
Total Current Assets	932,477	1,205,604
EQUIPMENT		
Equipment	31,285	30,257
Less: Accumulated Depreciation	(28,946)	(28,393)
Net Equipment	2,339	1,864
OTHER ASSETS		
Investments	3,403,259	2,978,348
Total Assets	$ 4,338,075	$ 4,185,816
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 1,693	$ 919
Accrued Payroll and Other Liabilities	4,258	3,687
Furlough Liability	9,600	8,495
Total Current Liabilities	15,551	13,101
NET ASSETS		
Without Donor Restrictions	3,690,390	3,580,519
With Donor Restrictions	632,134	592,196
Total Net Assets	4,322,524	4,172,715
Total Liabilities and Net Assets	$ 4,338,075	$ 4,185,816

See accompanying Notes to Financial Statements.

CHILDREN'S SHELTER OF CEBU
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Individual Contributions	$ 2,610,637	$ 3,500	$ 2,614,137	$ 2,454,930	$ -	$ 2,454,930
Banquet, Less Direct Expenses of $16,289 and $18,191, Respectively	85,879	-	85,879	87,653	-	87,653
Investment Return	245,147	36,438	281,585	190,943	35,998	226,941
Donated Securities	38,803	-	38,803	49,890	-	49,890
In-Kind Contributions	3,332	-	3,332	-	-	-
Miscellaneous Revenue	3,734	-	3,734	1,841	-	1,841
Total Revenue and Support	2,987,532	39,938	3,027,470	2,785,257	35,998	2,821,255
EXPENSE						
Program	2,461,188	-	2,461,188	2,272,635	-	2,272,635
Management and General Administrative	250,415	-	250,415	232,939	-	232,939
Fundraising	166,058	-	166,058	148,015	-	148,015
Total Expense	2,877,661	-	2,877,661	2,653,589	-	2,653,589
CHANGE IN NET ASSETS	109,871	39,938	149,809	131,668	35,998	167,666
Net Assets - Beginning of Year	3,580,519	592,196	4,172,715	3,448,851	556,198	4,005,049
NET ASSETS - END OF YEAR	$ 3,690,390	$ 632,134	$ 4,322,524	$ 3,580,519	$ 592,196	$ 4,172,715

See accompanying Notes to Financial Statements.

CHILDREN'S SHELTER OF CEBU
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program	Management and General Administrative	Fundraising	Total
Salaries	$ 161,006	$ 111,953	$ 109,300	$ 382,259
Benefits	57,138	20,660	20,210	98,008
Payroll Taxes	12,334	8,629	8,425	29,388
Total Personnel Costs	230,478	141,242	137,935	509,655
Program Support	2,195,166	-	-	2,195,166
Postage	1,886	3,592	3,502	8,980
Printing	3,612	6,880	6,708	17,200
Computer and Office Supplies	896	1,706	1,663	4,265
Telephone	665	1,267	1,236	3,168
Training	-	2,517	-	2,517
Travel	22,670	2,889	-	25,559
Auto	-	571	-	571
Insurance	707	1,347	1,314	3,368
Accounting, Legal, and Professional	-	41,719	-	41,719
Advertising	-	-	4,214	4,214
Rent	4,992	9,508	9,270	23,770
Miscellaneous	-	36,955	-	36,955
Depreciation	116	222	216	554
Special Event Expenses	-	-	16,289	16,289
Total	2,461,188	250,415	182,347	2,893,950
Less: Expenses Netted Against Revenues on the Statement of Activities: Special Event Expenses	-	-	(16,289)	(16,289)
Total Expense	$ 2,461,188	$ 250,415	$ 166,058	$ 2,877,661

See accompanying Notes to Financial Statements.

CHILDREN'S SHELTER OF CEBU
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program	Management and General Administrative	Fundraising	Total
Salaries	$ 177,454	$ 111,075	$ 91,254	$ 379,783
Benefits	50,546	26,667	20,237	97,450
Payroll Taxes	13,797	8,715	7,187	29,699
Total Personnel Costs	241,797	146,457	118,678	506,932
Program Support	1,994,867	-	-	1,994,867
Postage	3,152	3,559	3,457	10,168
Printing	6,555	7,401	7,189	21,145
Computer and Office Supplies	1,442	1,628	1,581	4,651
Telephone	934	1,055	1,025	3,014
Training	-	143	-	143
Travel	15,978	2,515	-	18,493
Auto	-	12	-	12
Insurance	958	1,082	1,051	3,091
Accounting, Legal, and Professional	-	28,785	-	28,785
Advertising	-	-	7,409	7,409
Rent	6,855	7,739	7,518	22,112
Miscellaneous	-	32,453	-	32,453
Depreciation	97	110	107	314
Special Event Expenses	-	-	18,191	18,191
Total	2,272,635	232,939	166,206	2,671,780
Less: Expenses Netted Against Revenues on the Statement of Activities: Special Event Expenses	-	-	(18,191)	(18,191)
Total Expense	$ 2,272,635	$ 232,939	$ 148,015	$ 2,653,589

See accompanying Notes to Financial Statements.

CHILDREN'S SHELTER OF CEBU
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 149,809	$ 167,666
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	554	314
Loss on Sale of Investments	8,727	66,239
Unrealized Gain on Investments	(107,379)	(187,678)
Contributions Restricted to Endowment	(3,500)	-
Increase (Decrease) in Current Liabilities:		
Accounts Payable	774	(4,364)
Accrued Payroll and Other Liabilities	571	(288)
Furlough Liability	1,105	401
Net Cash Provided by Operating Activities	50,661	42,290
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,029)	-
Proceeds from Sale of Investments	5,340,351	2,242,285
Purchase of Investments	(5,666,610)	(2,340,783)
Net Cash Used by Investing Activities	(327,288)	(98,498)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Received for Endowment	3,500	-
Net Cash Provided by Financing Activities	3,500	-
NET CHANGE IN CASH	(273,127)	(56,208)
Cash - Beginning of Year	1,205,235	1,261,443
CASH - END OF YEAR	$ 932,108	$ 1,205,235

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Children's Shelter of Cebu (the Organization) was incorporated in 1978 under the Minnesota Nonprofit Corporation Act. It is dedicated to meeting the physical, spiritual, social, and emotional needs of homeless, neglected, and impoverished Philippine children and their families. The Organization meets those needs through its support of Children's Shelter of Cebu – Philippines (CSC Philippines). CSC Philippines provides homes for 85 to 95 children at a time. This includes shelter, food, clothing, medical care, social work services, counseling, and other services needed to provide for the needs of children. CSC Philippines also operates the Cebu Children of Hope School (CCHS) for the children in its care. CCHS is a multi-age and inclusive elementary school that is licensed by the Philippine Department of Education. It was established to meet the unique education demands created when children are admitted with no educational background, with hopes of preparing them to attend school elsewhere due to adoption. CCHS meets the educational needs of children from preschool through elementary school. After graduating from CCHS, students are placed in public or private high schools to complete their education.

Financial Statement Presentation

Net assets and revenues, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. Those resources over which the board of directors has discretionary control. Designated amounts represent those revenues which the board has set aside for a particular purpose.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be satisfied by actions of the Organization or passage of time. Other donor-imposed restrictions will be held in perpetuity by the Organization. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restriction has been fulfilled, or both.

The Organization has elected to treat all contributions in which the restrictions are met in the current year as without donor-restricted contributions.

Cash

The Organization's cash is maintained at one financial institution located in Minnesota. At times, the accounts at this institution may exceed the Federal Deposit Insurance Corporation (FDIC) limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks on cash and cash equivalents.

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

Pledges Receivable

Pledges receivable are stated at net realizable value. Management has established an allowance for uncollectible pledges receivable as of December 31, 2024 and 2023 of $11,000. At December 31, 2024 and 2023, all pledges are considered current.

Property and Equipment

Property and equipment purchases over $2,500 are capitalized. Contributed items are recorded at fair market value at the date of donation. Depreciation is computed using the straight-line method over the useful lives of the asset, generally five to seven years.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values on the statements of financial position. Money market funds are recorded at cost. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Furlough Liability

Employees who work overseas at CSC Philippines are eligible for six weeks of furlough after one year of service or twelve weeks of furlough after two years of service. The employees reserve the right to determine which option they prefer. A furlough liability is accrued for the value of six to twelve weeks of the eligible employees' annual salaries each year that they are not on furlough.

Revenue Recognition

Revenue is recognized on the accrual basis and generally consists of contributions, banquet revenue, in-kind contributions, and other income.

Contributions, including unconditional promises to give, are recognized as without donor restrictions or with donor-restrictions support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in the net assets donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net asset with donor restricted are reclassified to net assets without donor-restrictions and reported in the statements of activities and changes in net assets as Release from Program Restrictions.

Unconditional contribution pledges are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional contributions are recognized when the conditions on which they depend are substantially met.

Banquet revenue consists of registrations, sponsorships and other contributions. Revenue is recognized when the event has occurred.

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

Donated Goods and Services

Contributions of donated noncash assets are recorded at their fair values in the period received. The Organization estimates the fair value of program support in-kinds on the basis of estimates of the current market rates for similar goods in the Organization's market. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and are provided by individuals possessing those skills are recorded at their fair values in the period received. In addition to the in-kind service contributions recognized in the financial statements, a substantial number of volunteers donated a significant amount of their time in the Organization's program and fundraising campaigns.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2024 and 2023 was $4,214 and $7,409, respectively.

Functional Allocation of Expenses

Salaries and related expenses are allocated based on job descriptions and the best estimates of management. Program support that directly supports CSC Philippines is considered program expenses. Expenses, other than salaries and related expenses and program support, which are not directly identifiable by program or supporting service (rent, depreciation, postage, printing, computer and office supplies), are allocated based on the best estimates of management.

Income Tax Exemption

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and Minnesota Statute. It has been classified as an organization that is not a private foundation under the IRC and charitable contributions by donors are tax deductible.

Use of Estimates

Management used estimates and assumptions in preparing the financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Fair Value of Financial Instruments

The Organization measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

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

Fair Value of Financial Instruments (Continued)

The inputs used to measure fair value are categorized into the following three categories:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments. The Organization has the ability to access as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect Organization's own assumptions about the factors market participants would use in pricing an investment and is based on the best information available in the circumstances.

The Organization has the option to elect to measure financial instruments at fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis. The Organization has not elected to measure any existing financial instruments at fair value at December 31, 2024 and 2023. However, the Organization may elect to measure newly acquired financial instruments at fair value in the future.

Leases

The Organization determines if an arrangement is a lease at inception. Leases are reported on the statement of financial position as a right-of-use (ROU) asset and lease liability. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the statements of financial position. As of December 31, 2024 and 2023, the Organization has a month to month lease for office space for $1,981 per month that increases by 2% annually. The Organization paid $23,770 and $22,112 of rent expense for the years ended December 31, 2024 and 2023.

In addition, Children's Shelter of Cebu has a copier lease that was entered into on January 19, 2021 which terminates on January 19, 2026. This lease has monthly rental payments of $279 per month. In addition, there is a postage machine lease that was entered into on August 3, 2021 that terminates on November 3, 2026 with monthly rental payments of $60. The Organization determined the copier and postage machine lease were immaterial and chose to not record as a ROU asset and liability.

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

Leases (Continued)

The following table summarizes the future commitments for the copier and postage meter leases as of December 31, 2024:

Year Ending December 31,	Amount
2025	$ 4,066
2026	939
Total	$ 5,005

Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in these financial statements through April 8, 2025, the date the financial statements were available to be issued.

NOTE 2 INVESTMENTS

Investments consist of the following at December 31:

	2024	2023
Money Market	$ 293,357	$ 465,471
Mutual Funds - Equity	1,624,190	1,418,642
Certificates of Deposit	751,588	500,058
Real Estate Investment Trust	107,219	106,273
Fixed Income	626,905	487,904
Total	$ 3,403,259	$ 2,978,348

The Organization provides for investment in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of activities.

NOTE 3 FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization measures fair value refer to Note 1 – Organization and Summary of Significant Accounting Policies.

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents the fair value hierarchy for the balances of the assets of the Organization measured at fair value on a recurring basis as of December 31:

	2024			
	Level 1	Level 2	Level 3	Total
Money Market	$ 293,357	$ -	$ -	293,357
Mutual Funds - Equity	1,624,190	-	-	1,624,190
Certificates of Deposit	-	751,588	-	751,588
Real Estate Investment Trust	-	107,219	-	107,219
Fixed Income	626,905	-	-	626,905
Total Investments	$ 2,251,095	$ 858,807	$ -	$ 3,403,259

	2023			
	Level 1	Level 2	Level 3	Total
Mutual Funds - Equity	$ 1,418,642	$ -	$ -	$ 1,418,642
Certificates of Deposit	-	500,058	-	500,058
Real Estate Investment Trust	-	106,273	-	106,273
Fixed Income	487,904	-	-	487,904
Total Investments	$ 1,906,546	$ 606,331	$ -	$ 2,512,877

NOTE 4 NET ASSETS

Board-Designated Net Assets

As of December 31, the Organization's board of directors has designated net assets without donor restrictions to be used for the following purposes:

	2024	2023
Board-Designated Endowment	$ 1,818,180	$ 1,460,202
Cebu Strategic Projects	340,000	840,000
Total	$ 2,158,180	$ 2,300,202

Net Assets With Donor Restrictions

As of December 31, the Organization's net assets with donor restrictions were as follows:

	2024	2023
Endowment Earnings	$ 342,186	$ 305,708
Donor-Restricted Net Assets Invested in Perpetuity	289,948	286,488
Total	$ 632,134	$ 592,196

Donor-restricted net assets invested in perpetuity include endowment funds established for the purpose of providing a long-term operating cash reserve.

NOTE 5 ENDOWMENT

Interpretation of Relevant Law

The Organization has board-designated and donor-restricted endowment funds established for the purpose of providing an operating cash reserve. As required by accounting principles generally accepted in the United States of America, net assets of the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. The board of directors of the Organization has interpreted the State's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

The Organization follows a spending policy that allows the president to spend up to 4% of the fair market value of the endowment fund at the beginning of the fiscal year. Additional withdrawals of the fund may be allowed to meet extraordinary needs as approved by at least 80% of the board of directors.

The Organization follows an investment policy to provide guidelines for investing endowment assets. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to protect the principal balance, manage cash flow to meet all expected and unexpected future funding requirements, and maximize return with minimal risk. To achieve these objectives and adhere to donor-imposed restrictions, the Organization invests endowment assets in money market funds, mutual funds, and corporate bonds.

Endowment net asset composition by type and changes in endowment net assets are as follows for the years ended December 31:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ 1,460,202	$ 592,196	$ 2,052,398
Investment Income	178,122	36,438	214,560
Contributions	179,856	3,500	183,356
Endowment Net Assets - End of Year	$ 1,818,180	$ 632,134	$ 2,450,314

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ 1,313,208	$ 556,198	$ 1,869,406
Investment Income	146,994	35,998	182,992
Endowment Net Assets - End of Year	$ 1,460,202	$ 592,196	$ 2,052,398

NOTE 5 ENDOWMENT (CONTINUED)

Interpretation of Relevant Law (Continued)

	2024		
	Without Donor Restrictions	With Donor Restrictions	2024 Total
Donor-Restricted Endowment Funds	$ -	$ 632,134	$ 632,134
Board-Designated Endowment Funds	1,818,180	-	1,818,180
Total Endowment Funds	$ 1,818,180	$ 632,134	$ 2,450,314

	2023		
	Without Donor Restrictions	With Donor Restrictions	2023 Total
Donor-Restricted Endowment Funds	$ -	$ 592,196	$ 592,196
Board-Designated Endowment Funds	1,460,202	-	1,460,202
Total Endowment Funds	$ 1,460,202	$ 592,196	$ 2,052,398

NOTE 6 IN-KIND CONTRIBUTIONS

The Organization recognizes contribution revenue for services, supplies, and other resources received at their fair value. Those donated goods and services have been reported as follows at December 31:

2024	Program	Management and General Administrative	Fundraising	Total
Program Support	$ 3,332	$ -	$ -	$ 3,332
Total	$ 3,332	$ -	$ -	$ 3,332

2023	Program	Management and General Administrative	Fundraising	Total
Program Support	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -

NOTE 7 RETIREMENT PLANS

The Organization participates in the retirement plans of Guidestone Financial Resources. Employees of the Organization are covered by a defined benefit plan, which permits only employer contributions. The unfunded actuarial liability for the Organization cannot be determined because Guidestone Financial Resources does not compute the liability for each participating employer. The Organization contributes a percentage of qualified employees' salaries to the defined benefit plan, dependent upon eligibility and board approval. In addition, the Organization will match up to 2% of employee-elected contributions to a defined contribution plan. Related retirement plan expenses were $25,745 and $34,509 for the years ended December 31, 2024 and 2023, respectively.

NOTE 8 COOPERATIVE AGREEMENT

The Organization has entered into a cooperative agreement with Children's Shelter of Cebu – Philippines (a Philippines Corporation CSC Philippines). Under the terms of the agreement, the Organization endeavors to provide funding for the programs and services of CSC Philippines. The Organization is not legally responsible or liable for the program services or activities of CSC Philippines.

Total program support to CSC Philippines was $2,195,166 and $1,994,867 for the years ended December 31, 2024 and 2023, respectively. Included in the total program support for 2024 and 2023, respectively, is $750,000 and $600,000 sent to support CSC Philippines to continue construction for expanded programming.

NOTE 9 CONCENTRATIONS OF RISK

Total contribution revenue for both of the years ended December 31, 2024 and 2023 consisted of 17% from one donor and 16% from one donor, respectively.

NOTE 10 LIQUIDITY

As part of the Organization's liquidity management process, Children's Shelter of Cebu invests cash in excess of normal operating requirements in various short-term investments including certificates of deposit and short-term treasury instruments.

The Organization intends to maintain financial assets which consist of cash in its normal operating account of $600,000 to $1,200,000. This is equal to approximately three to six months' operating reserves. Organization does not currently have a committed line of credit with any institution. Children's Shelter of Cebu has an endowment fund of approximately $2.5 million, in which it can spend up to 4% of the fair market value of the endowment fund on an annual basis for general operations.

The table below represents financial assets available for general expenditures within one year at December 31:

	2024	2023
Cash	$ 932,108	$ 1,205,235
Pledges Receivable, Net	369	369
Investments	3,403,259	2,978,348
Endowment Draw	98,013	82,096
Less: Amounts Restricted for Endowment	(2,450,314)	(2,052,398)
Total	$ 1,983,435	$ 2,213,650

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