

GOING FURTHER

THE EXTENSION, INC.

FINANCIAL REPORT
JUNE 30, 2025



CPAs & ADVISORS

**THE EXTENSION, INC.
FINANCIAL REPORT
JUNE 30, 2025**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Extension, Inc.
Marietta, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **The Extension, Inc.** (a nonprofit organization), which comprise the statement 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 The Extension, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 The Extension, Inc. 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 Extension, 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 and *Government 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 and *Government 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 Extension, 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 The Extension, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025, on our consideration of The Extension, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Extension, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Extension, Inc.'s internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 30, 2025

THE EXTENSION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 591,551	\$ 398,383
Restricted cash - donor restricted	41,947	39,194
Grants receivable, net	245,990	305,259
Promises to give, net	982,823	614,185
Insurance settlement receivable	-	22,804
Investments	142,194	130,123
	2,004,505	1,509,948
NONCURRENT ASSETS		
Promises to give, net	500,000	783,500
Property and equipment, net	8,382,239	8,324,950
	8,882,239	9,108,450
Total current assets	2,004,505	1,509,948
Total noncurrent assets	8,882,239	9,108,450
Total assets	\$ 10,886,744	\$ 10,618,398
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 23,882	\$ 18,188
Accrued expenses	159,872	136,052
Line of credit	350,000	-
Current portion of note payable	11,478	477,899
	545,232	632,139
Total current liabilities	545,232	632,139
LONG-TERM LIABILITIES		
Note payable, less current maturities and unamortized debt issuance costs	426,126	-
	426,126	-
Total long-term liabilities	426,126	-
Total liabilities	971,358	632,139
NET ASSETS		
Without donor restrictions	8,899,939	8,739,283
With donor restrictions	1,015,447	1,246,976
	9,915,386	9,986,259
Total net assets	9,915,386	9,986,259
Total liabilities and net assets	\$ 10,886,744	\$ 10,618,398

See Notes to Financial Statements.

THE EXTENSION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Public support			
Churches	\$ 26,824	\$ -	\$ 26,824
Civic groups	10,300	-	10,300
Business	267,203	87,930	355,133
Foundations	407,185	-	407,185
Individuals	923,123	166,374	1,089,497
United Way	2,240	-	2,240
Capital campaign	-	168,591	168,591
In-kind contributions	180,676	-	180,676
Fees - rehabilitation housing	243,650	-	243,650
Government grants	1,732,708	-	1,732,708
Investment and other income	94,863	-	94,863
Net assets released from restrictions	654,424	(654,424)	-
	<u>4,543,196</u>	<u>(231,529)</u>	<u>4,311,667</u>
Total support and revenue			
EXPENSES			
Program services	3,830,226	-	3,830,226
Supporting services:			
General and administrative	279,868	-	279,868
Fundraising	272,446	-	272,446
	<u>4,382,540</u>	<u>-</u>	<u>4,382,540</u>
Total expenses			
Increase (decrease) in net assets	160,656	(231,529)	(70,873)
Net assets, beginning of year	<u>8,739,283</u>	<u>1,246,976</u>	<u>9,986,259</u>
Net assets, end of year	<u>\$ 8,899,939</u>	<u>\$ 1,015,447</u>	<u>\$ 9,915,386</u>

See Notes to Financial Statements.

THE EXTENSION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Public support			
Churches	\$ 41,843	\$ -	\$ 41,843
Civic groups	11,950	-	11,950
Business	272,612	42,101	314,713
Foundations	419,023	-	419,023
Individuals	63,578	460,338	523,916
United Way	4,706	-	4,706
Capital campaign	-	1,082,972	1,082,972
In-kind contributions	135,204	42,475	177,679
Fees - rehabilitation housing	232,286	-	232,286
Government grants	1,797,899	-	1,797,899
Investment and other income	47,239	2,483	49,722
Net assets released from restrictions	1,731,398	(1,731,398)	-
	<u>4,757,738</u>	<u>(101,029)</u>	<u>4,656,709</u>
EXPENSES			
Program services	3,466,891	-	3,466,891
Supporting services:			
General and administrative	226,890	-	226,890
Fundraising	231,384	-	231,384
	<u>3,925,165</u>	<u>-</u>	<u>3,925,165</u>
OTHER GAIN			
Gain on insurance settlement	96,451	-	96,451
Total other income	96,451	-	96,451
Increase (decrease) in net assets	929,024	(101,029)	827,995
Net assets, beginning of year	<u>7,810,259</u>	<u>1,348,005</u>	<u>9,158,264</u>
Net assets, end of year	<u>\$ 8,739,283</u>	<u>\$ 1,246,976</u>	<u>\$ 9,986,259</u>

See Notes to Financial Statements.

THE EXTENSION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services			Supporting Services		Total
	Men's Program	Women's Program	Total Program	General and Administrative	Fundraising	
Salaries	\$ 1,435,924	\$ 643,088	\$ 2,079,012	\$ 104,753	\$ 172,427	\$ 2,356,192
Fringe benefits	240,591	129,244	369,835	36,045	33,339	439,219
Payroll taxes	126,760	57,922	184,682	8,369	13,655	206,706
Total compensation and benefits	<u>1,803,275</u>	<u>830,254</u>	<u>2,633,529</u>	<u>149,167</u>	<u>219,421</u>	<u>3,002,117</u>
Client services and support	133,407	57,009	190,416	161	-	190,577
Administrative services	43,245	27,980	71,225	93,384	12,478	177,087
Utilities	97,688	22,611	120,299	2,429	-	122,728
Meals	136,206	45,047	181,253	40	-	181,293
Office supplies, printing, and postage	35,329	24,247	59,576	4,813	757	65,146
Maintenance	96,365	31,235	127,600	3,028	-	130,628
Insurance	31,602	21,068	52,670	15,048	7,524	75,242
Professional fees	7,665	3,285	10,950	10,950	-	21,900
Public relations	40	-	40	848	32,266	33,154
Interest	18,663	12,441	31,104	-	-	31,104
Total expenses before depreciation	<u>2,403,485</u>	<u>1,075,177</u>	<u>3,478,662</u>	<u>279,868</u>	<u>272,446</u>	<u>4,030,976</u>
Depreciation	<u>246,095</u>	<u>105,469</u>	<u>351,564</u>	<u>-</u>	<u>-</u>	<u>351,564</u>
Total expenses	<u>\$ 2,649,580</u>	<u>\$ 1,180,646</u>	<u>\$ 3,830,226</u>	<u>\$ 279,868</u>	<u>\$ 272,446</u>	<u>\$ 4,382,540</u>

See Notes to Financial Statements.

THE EXTENSION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total</u>
	<u>Men's Program</u>	<u>Women's Program</u>	<u>Total Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Salaries	\$ 1,113,968	\$ 567,532	\$ 1,681,500	\$ 96,155	\$ 153,445	\$ 1,931,100
Fringe benefits	201,857	121,164	323,021	22,866	28,939	374,826
Payroll taxes	97,886	47,552	145,438	7,546	12,042	165,026
Total compensation and benefits	<u>1,413,711</u>	<u>736,248</u>	<u>2,149,959</u>	<u>126,567</u>	<u>194,426</u>	<u>2,470,952</u>
Client services and support	148,277	75,092	223,369	1,746	13	225,128
Administrative services	40,474	27,292	67,766	61,669	10,305	139,740
Utilities	94,844	225,512	320,356	2,367	-	322,723
Meals	85,380	42,674	128,054	459	17	128,530
Office supplies, printing, and postage	56,973	18,239	75,212	6,282	142	81,636
Maintenance	60,266	36,779	97,045	35	-	97,080
Insurance	33,153	22,102	55,255	15,787	7,894	78,936
Professional fees	6,270	4,180	10,450	10,450	-	20,900
Public relations	1,511	-	1,511	-	18,587	20,098
Investment fees	-	-	-	1,528	-	1,528
Interest	22,858	15,238	38,096	-	-	38,096
Total expenses before depreciation	<u>1,963,717</u>	<u>1,203,356</u>	<u>3,167,073</u>	<u>226,890</u>	<u>231,384</u>	<u>3,625,347</u>
Depreciation	<u>179,891</u>	<u>119,927</u>	<u>299,818</u>	<u>-</u>	<u>-</u>	<u>299,818</u>
Total expenses	<u>\$ 2,143,608</u>	<u>\$ 1,323,283</u>	<u>\$ 3,466,891</u>	<u>\$ 226,890</u>	<u>\$ 231,384</u>	<u>\$ 3,925,165</u>

See Notes to Financial Statements.

THE EXTENSION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (70,873)	\$ 827,995
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	351,564	299,818
(Decrease) in allowance for doubtful accounts	(2,100)	-
(Decrease) increase in discount on promises to give	(29,654)	60,137
Realized and unrealized (gain) on investments	(14,276)	(13,515)
(Increase) decrease in assets:		
Grants receivable	59,269	80,214
Promises to give	(53,384)	(818,017)
Insurance settlement receivable	22,804	214,264
Increase (decrease) in liabilities:		
Accounts payable	5,694	(978,937)
Accrued expenses	23,820	62,358
Net cash provided by (used in) operating activities	<u>292,864</u>	<u>(265,683)</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(458,853)	(417,081)
Proceeds from sale of property and equipment	50,000	-
Reinvested earnings on investments	2,205	1,528
Net cash (used in) investing activities	<u>(406,648)</u>	<u>(415,553)</u>
FINANCING ACTIVITIES		
Proceeds from line of credit	350,000	-
Proceeds from notes payable	-	230,099
Payments on notes payable	(40,295)	(37,715)
Net cash provided by financing activities	<u>309,705</u>	<u>192,384</u>
Net increase (decrease) in cash and cash equivalents	195,921	(488,852)
Cash and cash equivalents, beginning of year	<u>437,577</u>	<u>926,429</u>
Cash and cash equivalents, end of year	<u>\$ 633,498</u>	<u>\$ 437,577</u>
CLASSIFIED AS		
Cash and cash equivalents	\$ 591,551	\$ 398,383
Restricted cash - donor restricted	41,947	39,194
	<u>\$ 633,498</u>	<u>\$ 437,577</u>
SUPPLEMENTAL DATA		
Cash payments for interest	<u>\$ 31,104</u>	<u>\$ 38,096</u>

See Notes to Financial Statements.

THE EXTENSION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF THE BUSINESS

The Extension, Inc. (the “Organization”) is a Georgia nonprofit corporation. The Organization was founded in 1987 as the Marietta-Cobb Winter Shelter for the homeless during the winter months to provide transitional and rehabilitation housing on a year round basis. With the completion of the men’s expansion, the campus will allow for 80 men. The transitional and rehabilitation housing helps employable homeless men and women completing detoxification treatment. The Organization is supported substantially by contributions and government grants.

The Organization opened its facility for women on May 1, 2009. It has the capacity to provide for the care of 24 women.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Organization are set forth below.

Basis of accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting, and, accordingly, reflect all significant receivables, payables, and other liabilities.

The Extension, Inc. follows the requirements of Financial Accounting Standards Board (FASB) ASC 958, *Financial Statements of Not-for-Profit Organizations*. Under ASC 958, The Extension, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions which are used to account for resources available to carry out the purposes of the Organization in accordance with the limitations of its bylaws. Board-designated net assets are without donor restrictions but are designated by the Board to be spent for specific purposes. At June 30, 2025 and 2024, the Organization had no Board-designated net assets.

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 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. At June 30, 2025 and 2024, the Organization had no donor-imposed restrictions that were perpetual in nature. 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 restricted has been fulfilled, or both. There were \$1,015,447 and \$1,246,976, respectively, in net assets with donor restrictions at June 30, 2025 and 2024.

Cash and cash equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with maturities of 90 days or less at inception.

Grants receivable

Grants receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Extension, Inc. provides for losses on grants receivable using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of grantors to meet their obligations. Grants are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization’s policy to charge off uncollectible grants receivable when management determines the receivable will not be collected. There was no grant allowance for doubtful accounts at June 30, 2025 and 2024.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to give

Promises to give, less an allowance for uncollectible amounts, are discounted to reflect the time value of money. Contributions are considered available for general use unless specifically restricted by the donor. At June 30, 2025 and 2024, there is an allowance for uncollectible promises to give of \$- and \$2,100, respectively. Contributions expected to be collected in future years are recorded as support and a receivable at the present value of expected future cash flows. At June 30, 2025 and 2024, there was \$30,483 and \$60,137 discounted on the present value of promises to give, respectively.

Insurance settlement receivable

During 2023, the Organization's facilities were damaged in a storm. The Organization entered into a contract with an insurance company for approximately \$504,000 to repair the Organization's facilities. Amount agreed upon with the insurance company was greater than expenses incurred for repairs. As a result, a gain on insurance settlement of \$- and \$96,451 was recorded on the statement of activities as of June 30, 2025 and 2024, respectively. At June 30, 2025 and 2024, \$- and \$22,804 was recorded as insurance settlement receivable on the statement of financial position, respectively.

Investments

In accordance with FASB, investments in equity securities with readily determinable fair values and all investments in debt securities shall be measured at fair value in the statement of financial position. Realized and unrealized gains and losses are recognized as changes in net assets in the periods in which they occur, and investment income is recognized as revenue in the period earned. Gains and investment income that are limited to specific uses by donor restrictions are reflected as increases in net assets without donor restrictions, if the restrictions are met in the same reporting period.

Property and equipment

Property and equipment are recorded at cost, or if donated, at the fair market value on the date the asset is donated. Depreciation is computed over the estimated useful lives of these assets (5 to 39 years) using the straight-line method. Repairs and maintenance are charged to operations when incurred. Betterments and renewals in excess of \$5,000 are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation are removed, and any gain or loss is included in the statement of activities.

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Revenue recognition

In accordance with FASB, unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. All contributions and investment income are available for general use unless specifically restricted by the donor. Amounts received and investment income earned that are designated for future periods or restricted by the donor for specific purposes are reported as increases in net assets with donor restrictions. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

The Organization records the value of donated property, goods or services when there is an objective basis available to measure their value. Donated property, materials and equipment are reflected as in-kind contributions in the accompanying statements at their estimated values at date of receipt.

Contributions received are recorded as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Donor-restricted support is reported as an increase in net assets with donor restrictions. When a 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.

Grants and contracts support

The Organization is funded, in part, by contracts with various federal, state, and local government agencies and other nonprofit agencies. These contracts are generally cost reimbursement contracts for specific expenses and require the Organization to perform specific services to eligible populations. Any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Organization with the terms of the contracts.

Fair value presentation

As defined by FASB, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods including market, income, and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models, and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value presentation (Continued)

For the years ended June 30, 2025 and 2024, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include utilities, maintenance, and depreciation, which are allocated on a square footage basis, as well as compensation and benefits, administrative services, office supplies, printing and postage, professional fees, insurance, and interest, which are allocated on the basis of estimates of time, use, and effort.

Income taxes

The Organization has been recognized by the Internal Revenue Service as tax-exempt under Internal Revenue Code Section 501(c)(3). Therefore, no provision for income taxes has been made in the financial statements.

The Organization recognizes the financial statement effects from a tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The assessment of the technical merits of a tax position is a matter of judgment. The Organization believes that all its tax positions are more likely than not to be sustained upon examination.

The Organization files Form 990 in the U.S. federal jurisdiction and the State of Georgia.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LIQUIDITY AND AVAILABILITY

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures and meeting its liabilities and other obligations as they become due. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, June 30, comprise the following:

	2025	2024
Cash and cash equivalents	\$ 591,551	\$ 398,383
Grants receivable, net	245,990	305,259
Promises to give, net	539,808	189,903
Insurance settlement receivable	-	22,804
	\$ 1,377,347	\$ 916,349

NOTE 4. PROMISES TO GIVE

Promises to give consisted of the following at June 30:

	2025	2024
Current	\$ 1,013,306	\$ 612,085
Due in one to five years	500,000	847,837
	1,513,306	1,459,922
Less allowance for uncollectible promises to give	-	(2,100)
Less time value discount	(30,483)	(60,137)
Promises to give, net	\$ 1,482,823	\$ 1,397,685

Promises to give are discounted using a discount rate of 3.7% and 4.5% for the years ended June 30, 2025 and 2024, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2025:

	Level 1	Level 2	Level 3	Total
Pooled Investment at Community Foundation	\$ -	\$ 142,194	\$ -	\$ 142,194
Total	\$ -	\$ 142,194	\$ -	\$ 142,194

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
Pooled Investment at Community Foundation	\$ -	\$ 130,123	\$ -	\$ 130,123
Total	\$ -	\$ 130,123	\$ -	\$ 130,123

The Cobb Community Foundation ("Community Foundation") holds a donor-established advised fund ("Fund") for the benefit of the Organization. The agreement granted variance power to the Community Foundation. Thus, the Fund is owned by the Community Foundation, and the Community Foundation has final authority and control over the disposition of the assets and earnings of the Fund.

NOTE 6. PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30, is as follows:

	2025	2024
Land	\$ 330,070	\$ 144,751
Buildings	9,898,143	9,695,303
Furniture and fixtures	298,730	278,036
	10,526,943	10,118,090
Less accumulated depreciation	(2,144,704)	(1,793,140)
Property and equipment, net	\$ 8,382,239	\$ 8,324,950

Depreciation expense for the years ended June 30, 2025 and 2024, was \$351,564 and \$299,818, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. NOTE PAYABLE

On April 2, 2025, the Organization refinanced an existing promissory note with a financial institution to finance its men's facility with a remaining principal balance of \$462,036. The note requires monthly principal and interest payments of \$3,611 beginning on April 2, 2025 and running through March 2035. The interest rate on this note is 7% at June 30, 2025. The note is secured by real and personal property of the Organization. The principal balance on this note at June 30, 2025 and 2024, was \$449,026 and \$484,656, respectively. Scheduled maturities are as follows:

2026	\$	11,478
2027		12,307
2028		13,197
2029		14,151
2030		15,174
Thereafter		382,719
Less unamortized debt issuance costs		(11,422)
	\$	437,604

NOTE 8. LINE OF CREDIT

During the year ended June 30, 2025, the Organization renewed an existing line of credit agreement with a financial institution. Under the agreement, the Organization may borrow up to \$1,000,000. The modified line of credit agreement matures on July 18, 2026, with interest due monthly at the bank prime rate (7.86% as of June 30, 2025). Outstanding borrowings are collateralized by personal property of the Organization. There was an outstanding line of credit balance of \$350,000 and \$- at June 30, 2025 and 2024.

NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes at June 30:

	2025	2024
Subject to expenditure for specified purpose:		
Capital campaign	\$ 962,119	\$ 1,036,254
Family therapy	-	99,229
Offsite housing support	11,665	38,688
Client transition support	41,663	72,805
	\$ 1,015,447	\$ 1,246,976

Net assets with donor restrictions consist of the following at June 30:

	2025	2024
Cash and cash equivalents	\$ 41,947	\$ 39,194
Promises to give, net	973,500	1,207,782
	\$ 1,015,447	\$ 1,246,976

NOTES TO FINANCIAL STATEMENTS

NOTE 10. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during the years ended June 30, 2025 and 2024, by incurring expenditures satisfying the restricted purposes specified by donors as follows:

Satisfaction of purpose restrictions:	<u>2025</u>	<u>2024</u>
Capital campaign	\$ 409,100	\$ 1,511,239
Family therapy	185,822	75,123
Offsite housing support	27,452	112,536
Client transition support	32,000	32,500
	<u>\$ 654,424</u>	<u>\$ 1,731,398</u>

NOTE 11. IN-KIND CONTRIBUTIONS

In-kind contributions were received as follows for the year ended June 30:

	<u>2025</u>	<u>2024</u>
Capital improvements	\$ -	\$ 42,475
Food and meals	147,482	104,330
Goods	33,194	-
Professional services	-	30,874
	<u>\$ 180,676</u>	<u>\$ 177,679</u>

The Organization recognized contributed nonfinancial assets within revenue, including contributed capital improvements, food and meals, goods, and professional services. Contributed capital improvements of \$42,475 were recorded with donor restrictions and subsequently released from restrictions upon use.

Contributed capital improvements, food and meals, and goods were used in program support. Contributed professional services were used in fundraising services.

In valuing contributed food and meals, the Organization estimated the fair value based on the established value for comparable goods by national organizations. In valuing capital improvements and professional services, the Organization estimated fair value based on the current rates for similar services. In valuing contributed goods, the Organization estimated fair value based on the market prices for similar goods.

NOTE 12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 30, 2025, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

THE EXTENSION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

<u>Federal Grantor/Program Title</u>	<u>Identifying Number</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
Department of Homeland Security			
Emergency Food and Shelter Program			
Pass-through: Cobb County	LRO ID: 184000-009-phase 41	97.024	\$ 16,750
Total Emergency Food and Shelter Program			<u>16,750</u>
Total Department of Homeland Security			16,750
Department of Housing and Urban Development			
Emergency Solutions Grant Program			
Pass-through: Cobb County	E-24-UC-13-0008	14.231	11,299
Pass-through: Cobb County	E-25-UC-13-0008	14.231	<u>20,000</u>
Total Emergency Solutions Grant Program			31,299
Community Development Block Grants			
Pass-through: Cobb County	B-24-UC-13-0002	14.218	20,000
Pass-through: Cobb County	B-24-UC-13-0002	14.218	202,840
Pass-through: Cobb County	B-25-UC-13-0002	14.218	43,348
Pass-through: City of Marietta	B-24-MC-13-0019	14.218	<u>9,441</u>
Total Community Development Block Grants			275,629
Total Department of Housing and Urban Development			306,928

THE EXTENSION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Program Title	Identifying Number	Assistance Listing Number	Federal Expenditures
Department of Health and Human Services			
Community Services Block Grants			
Pass-through: GA DHS - Cobb County	CSBG-24-C24M	93.569	1,340
Pass-through: GA DHS - Cobb County	CSBG-25-C25M	93.569	75,996
Total Community Services Block Grants			77,306
Block Grants for Prevention and Treatment of Substance Abuse			
Pass-through: GA Department of Behavioral Health and Developmental Disabilities	44100-906-0000183539	93.959	166,431
Pass-through: GA Department of Behavioral Health and Developmental Disabilities	44100-906-CMA00003979	93.959	499,293
Total Block Grants for Prevention and Treatment of Substance Abuse Program			665,724
Total Department of Health and Human Services			743,030
Department of Treasury			
Coronavirus State and Local Fiscal Recovery Funds			
Pass-through: Cobb County	CH24	21.027	323,299
Total Department of Treasury			323,299
			\$ 1,390,007

THE EXTENSION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of The Extension, Inc. under programs of the federal government for the year ended June 30, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of The Extension, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Extension, Inc.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

The Extension, Inc. has elected not to use the 10% de minimis cost rate as allowed under the Uniform Guidance.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**To the Board of Directors
The Extension, Inc.
Marietta, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Extension, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 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, and have issued our report thereon dated December 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Extension, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Extension, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Extension, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Extension, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 30, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
The Extension, Inc.
Marietta, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Extension, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of The Extension, Inc.'s major federal programs for the year ended June 30, 2025. The Extension, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Extension, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Extension, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of The Extension, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Extension, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Extension, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Extension, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Extension, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Extension, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Extension, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 30, 2025

THE EXTENSION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

SUMMARY OF INDEPENDENT AUDITOR'S RESULTS:

Financial Statements:

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

	Unmodified	
	Yes	No
Internal control over financial reporting:		
Material weaknesses identified?		X
Significant deficiencies identified not considered to be material weaknesses?		None reported
Noncompliance material to the financial statements noted?		X

Federal Awards:

Internal controls over major programs:

Material weaknesses identified?		X
Significant deficiencies identified not considered to be material weaknesses?		None Reported

Type of auditor's report issued on compliance for major programs:

	Unmodified	
Audit findings required to be reported in accordance with 2 CFR Section 200.516(a)?		X

Identification of Major Programs:

Assistance Listing Number	Name of Federal Program
93.959	Block Grants for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000		No
	Yes	

Auditee qualified as low-risk auditee?

	X	
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THE EXTENSION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

Section II - Financial Statement Findings

None

Section III – Findings and Questioned Costs for Federal Awards

None

THE EXTENSION, INC.
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

Section II - Financial Statement Findings

None

Section III – Findings and Questioned Costs for Federal Awards

None