RETREAT INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024

RETREAT INC. AND SUBSIDIARY
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
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INDEX

NawrockiSmith
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Retreat Inc. and Subsidiary:

Opinion

We have audited the accompanying consolidated financial statements of Retreat Inc. and Subsidiary (collectively, the "Retreat", both nonprofit organizations), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Retreat as of December 31, 2025 and 2024, and the changes in their net assets and their 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 Consolidated Financial Statements section of our report. We are required to be independent of the Retreat 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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, including omissions, 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 consolidated 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 consolidated 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 consolidated 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 Retreat'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Retreat'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated August 10, 2026 on our consideration of the Retreat's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Retreat's internal control over financial reporting and compliance.

Hauppauge, New York
August 10, 2026

Nawrocki Smith LLP

RETREAT INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 622,476	$ 635,139
Investments, at fair value	1,518,210	1,548,909
Per diems receivable, net	241,065	131,567
Grants receivable	963,051	1,329,663
Contributions receivable	120,195	-
Other receivables	1,000	-
Inventory	53,234	57,078
Prepaid expenses	54,525	122,235
Total current assets	3,573,756	3,824,591
PROPERTY AND EQUIPMENT, net	1,109,413	1,147,536
RIGHT-OF-USE ASSETS - operating, net	4,463	179,504
SECURITY DEPOSITS	20,797	20,797
Total assets	$ 4,708,429	$ 5,172,428
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 293,187	$ 181,956
Current portion of lease liabilities - operating	1,246	179,504
Current portion of mortgage payable	23,067	28,737
Deferred revenue	8,833	263,233
Total current liabilities	326,333	653,430
MORTGAGE PAYABLE, net of current portion	335,927	356,614
LEASE LIABILITIES, net of current portion - operating	3,217	-
Total liabilities	665,477	1,010,044
NET ASSETS:		
Without donor restrictions	4,042,952	4,162,384
Total liabilities and net assets	$ 4,708,429	$ 5,172,428

The accompanying notes to consolidated financial statements
are an integral part of these statements.

RETREAT INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
OPERATING SUPPORT AND REVENUES:		
Support:		
Contributions	$ 1,418,061	$ 767,341
Net proceeds from special events	872,354	839,045
Total support	2,290,415	1,606,386
Revenues:		
Grants and contracts	4,050,326	4,546,623
Thrift store sales and contributions	1,331,082	963,907
Other revenue	28,328	1,667
Total revenues	5,409,736	5,512,197
Total operating support and revenues	7,700,151	7,118,583
OPERATING EXPENSES:		
Program services:		
Domestic violence shelter	1,019,063	981,011
Legal advocacy	551,472	565,720
Education	643,874	682,502
Counseling	1,095,267	1,214,189
Hotline	162,037	95,789
Fatherhood	850,037	1,020,777
Housing	146,572	237,682
Thrift store	1,056,878	856,014
Total program services	5,525,200	5,653,684
Support services:		
Management and general	2,034,918	1,056,144
Fundraising	430,357	190,202
Total support services	2,465,275	1,246,346
Total operating expenses	7,990,475	6,900,030
Change in net assets from operating activities	(290,324)	218,553
NONOPERATING INCOME:		
Investment income, net	170,892	121,287
Total nonoperating income	170,892	121,287
CHANGE IN NET ASSETS	(119,432)	339,840
NET ASSETS, BEGINNING OF YEAR	4,162,384	3,822,544
NET ASSETS, END OF YEAR	$ 4,042,952	$ 4,162,384

The accompanying notes to consolidated financial statements
are an integral part of these statements.

RETREAT INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025												
	Program Services									Support Services			
	Domestic Violence Shelter	Legal Advocacy	Education	Counseling	Hotline	Fatherhood	Housing	Thrift Store	Total	Management and General	Fundraising	Total	Total
Salaries	$ 640,563	$ 293,874	$ 522,998	$ 825,202	$ 139,921	$ 438,812	$ 21,749	$ 204,688	$ 3,087,807	$ 1,164,012	$ 297,289	$ 1,461,301	$ 4,549,108
Payroll taxes and fringe benefits	160,530	67,807	55,073	200,769	19,020	124,048	2,356	40,085	669,688	335,474	62,991	398,465	1,068,153
Cost of goods sold	-	-	-	-	-	-	-	667,463	667,463	-	-	-	667,463
Professional fees	5,632	63,140	11,167	4,255	65	96,020	1,250	144	181,673	273,498	28,193	301,691	483,364
Operating lease expense	28	42,593	3,835	22,545	-	54,338	-	47,583	170,922	10,984	-	10,984	181,906
Supplies	14,071	3,957	8,306	7,573	3	30,908	5,467	6,591	76,876	18,689	24,084	42,773	119,649
Client leasing stipends	-	-	-	-	-	-	115,452	-	115,452	-	-	-	115,452
Rent	4,342	25,772	2,321	13,641	-	32,879	-	28,792	107,747	6,646	-	6,646	114,393
Insurance	35	-	-	-	-	-	-	4	39	101,790	-	101,790	101,829
Travel	24,998	17,854	13,980	6,880	853	16,071	-	-	80,636	8,051	551	8,602	89,238
Repairs and maintenance	31,315	7,552	421	1,012	284	1,520	-	15,793	57,897	23,497	765	24,262	82,159
Miscellaneous	18,060	452	4,745	19	-	3,099	-	17,851	44,226	19,217	11,962	31,179	75,405
Utilities	27,927	5,196	-	903	845	56	-	12,377	47,304	21,567	-	21,567	68,871
Client emergency	15,211	12,378	9,336	2,020	-	21,567	-	-	60,512	223	118	341	60,853
Communications	12,457	4,331	1,514	3,245	253	5,963	-	5,736	33,499	25,656	-	25,656	59,155
Depreciation	33,192	2,387	3,282	6,266	597	3,581	298	1,492	51,095	5,073	1,790	6,863	57,958
Food	25,212	473	-	178	-	-	-	429	26,292	2,706	999	3,705	29,997
Equipment	3,673	1,847	3,469	631	196	2,286	-	-	12,102	10,989	5	10,994	23,096
Dues	-	608	-	-	-	15,426	-	-	16,034	1,223	761	1,984	18,018
Advertising	-	-	-	-	-	-	-	7,850	7,850	2,495	-	2,495	10,345
Training	-	445	3,427	122	-	2,084	-	-	6,078	178	-	178	6,256
Printing	989	775	-	-	-	1,314	-	-	3,078	970	-	970	4,048
Postage	828	31	-	6	-	65	-	-	930	1,980	849	2,829	3,759
Total expenses	$ 1,019,063	$ 551,472	$ 643,874	$ 1,095,267	$ 162,037	$ 850,037	$ 146,572	$ 1,056,878	$ 5,525,200	$ 2,034,918	$ 430,357	$ 2,465,275	$ 7,990,475

	2024												
	Program Services									Support Services			
	Domestic Violence Shelter	Legal Advocacy	Education	Counseling	Hotline	Fatherhood	Housing	Thrift Store	Total	Management and General	Fundraising	Total	Total
Salaries	$ 528,218	$ 366,792	$ 453,262	$ 932,108	$ 50,691	$ 634,180	$ 15,787	$ 174,075	$ 3,155,113	$ 545,510	$ 133,018	$ 678,528	$ 3,833,641
Payroll taxes and fringe benefits	175,341	42,534	77,367	128,479	33,753	72,706	2,250	60,549	592,979	160,894	11,582	172,476	765,455
Professional fees	25,974	74,056	77,059	47,815	2,196	129,915	14,216	5,086	376,317	207,163	25,558	232,721	609,038
Cost of goods sold	-	-	-	-	-	-	-	481,076	481,076	-	-	-	481,076
Operating lease expense	481	34,840	21,828	41,189	-	57,204	-	71,662	227,204	12,354	360	12,714	239,918
Client leasing stipends	4,000	-	-	-	-	-	201,740	-	205,740	-	-	-	205,740
Supplies	26,791	5,424	13,595	6,521	317	68,179	3,392	5,143	129,362	12,445	2,387	14,832	144,194
Repairs and maintenance	53,603	7,810	2,425	6,561	808	4,734	-	16,017	91,958	18,524	956	19,480	111,438
Insurance	19,720	10,067	9,466	12,621	3,155	7,099	-	7,099	69,227	18,149	2,495	20,644	89,871
Travel	23,124	7,822	8,003	9,387	75	18,657	-	35	67,103	3,765	397	4,162	71,265
Miscellaneous	16,280	33	80	98	-	719	-	12,677	29,887	26,318	7,129	33,447	63,334
Utilities	28,575	3,786	771	3,393	257	1,391	-	10,507	48,680	14,444	193	14,637	63,317
Communications	15,700	5,852	4,816	10,746	3,764	6,712	-	5,031	52,621	7,700	801	8,501	61,122
Depreciation	32,377	2,375	3,265	6,233	594	3,562	297	1,484	50,187	5,046	1,781	6,827	57,014
Food	21,600	219	-	-	-	993	-	416	23,228	8,516	2,180	10,696	33,924
Equipment	3,150	1,308	850	1,823	63	1,848	-	1,248	10,290	5,497	48	5,545	15,835
Training	75	628	1,153	4,334	-	3,746	-	-	9,936	759	-	759	10,695
Dues	458	90	3,924	180	-	90	-	90	4,832	5,016	241	5,257	10,089
Rent	19	1,400	877	1,654	-	2,298	-	2,879	9,127	496	14	510	9,637
Printing	3,419	601	638	991	116	1,096	-	925	7,786	1,421	148	1,569	9,355
Advertising	504	-	1,108	-	-	5,549	-	-	7,161	1,000	-	1,000	8,161
Client emergency	961	-	2,000	-	-	-	-	-	2,961	-	-	-	2,961
Postage	641	83	15	56	-	99	-	15	909	1,127	914	2,041	2,950
Total expenses	$ 981,011	$ 565,720	$ 682,502	$ 1,214,189	$ 95,789	$ 1,020,777	$ 237,682	$ 856,014	$ 5,653,684	$ 1,056,144	$ 190,202	$ 1,246,346	$ 6,900,030

The accompanying notes to consolidated financial statements
are an integral part of these statements.

RETREAT INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (119,432)	$ 339,840
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	57,958	57,014
Net realized and unrealized (gains) losses on investments	(117,996)	(84,551)
(Increase) decrease in assets:		
Per diems receivable	(109,498)	33,748
Grants receivable	366,612	(510,456)
Contributions receivable	(120,195)	-
Other receivables	(1,000)	-
Inventory	3,844	(1,755)
Prepaid expenses	67,710	4,262
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	111,231	(95,265)
Deferred revenue	(254,400)	204,674
Net cash used in operating activities	(115,166)	(52,489)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(1,139,659)	(96,669)
Proceeds from sale of investments	1,288,354	61,108
Purchase of fixed assets	(19,835)	-
Net cash provided by (used in) investing activities	128,860	(35,561)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on mortgage payable	(26,357)	(27,612)
Net cash used in financing activities	(26,357)	(27,612)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(12,663)	(115,662)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	635,139	750,801
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 622,476	$ 635,139
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ 17,274	$ 16,019
Initial recognition of right-of-use asset via lease liability	$ 5,051	$ -

The accompanying notes to consolidated financial statements
are an integral part of these statements.

(1) Organization and nature of activities:

The accompanying consolidated financial statements reflect activities of Retreat Inc. and its subsidiary, a 100% owned LLC, which is managed by the Retreat and serves as their title holding company (together referred to as the "Retreat"). Retreat Inc. is a community-based, not-for-profit agency. It remains the only organization serving eastern Long Island whose founding purpose and core mission is to provide safety, shelter, and support for victims of domestic abuse and to break the cycle of family violence. The Retreat's services are accessible to English and Spanish speaking individuals.

The Retreat provides the following services:

Hotline - Telephone crisis intervention is available 24 hours per day. Staff and trained volunteers link callers to the shelter, police, and emergency health services, while providing supportive listening, basic information, and referrals. During 2025, the Retreat responded to 3,099 hotline calls.

Shelter - An 18-bed shelter, staffed around the clock for access at all times, providing housing for adults and their children for up to 90 days. During 2025, a total of 2,560 safe nights were provided.

Advocacy/Legal Advocacy - Trained legal advocates accompany victims to court and assist in the important processes of obtaining orders of protection, child custody orders, legal separation/divorce, spousal and child support, immigration matters, benefits compensation, housing and unemployment compensation. 540 persons were served in 2025.

Counseling - Individual and group counseling is provided for adults and children. Short-term goals help families take control of their lives and make positive changes without guilt. Long-term counseling provides a setting for healing, and group counseling combines education about abuse with mutual support. 368 persons were served in 2025.

Education - The Retreat reaches community members with key messages about preventing domestic violence and develops awareness among students of all ages through violence prevention education. In 2025, education services were provided to over 15,000 individuals through 1,150 workshops.

Long Island Fatherhood Initiative - Offers fathers (ages 18 and older) the information, skills, and practice they need relating to parenting successfully, maintaining healthy relationships and obtaining and maintaining employment, self-sufficiency, and economic stability. This program helps prevent violence by supporting at-risk dads in developing new awareness, skills, and behaviors. In 2025, LIFI served 221 fathers.

(2) Summary of significant accounting policies:

The accompanying consolidated financial statements include the assets, liabilities, revenues and expenses of the Retreat which are presented under the accrual basis of accounting. The following is a summary of significant accounting policies followed by the Retreat:

(2) Summary of significant accounting policies (continued):

Basis of accounting and financial statement presentation -

The accompanying consolidated financial statements include the accounts of the Retreat's programs, administration and fundraising. The Retreat presents its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") which require that the Retreat's consolidated financial statements distinguish net assets and changes in net assets between those with and without donor restrictions. The Retreat's net assets consist of the following:

> Without donor restrictions - net assets of the Retreat which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Retreat. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.
>
> 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, but allows for the expenditure of net investment income and gains earned on the corpus for either specified or unspecified purposes. The Retreat has elected to show restricted support for which restrictions are met in the same reporting period as support within net assets without donor restrictions.

As of December 31, 2025 and 2024, the Retreat did not possess any net assets with donor restrictions.

Cash and cash equivalents -

All highly liquid investments purchased with an original maturity of three months or less are considered to be cash for financial statement purposes.

Contributed services -

A substantial number of volunteers have donated their time performing a variety of tasks for the Retreat. Volunteers assist in program activities, development initiatives, and participate in various committee assignments. Even though these donated services are valuable to the Retreat, and help to advance the Retreat's mission, no amounts have been reflected in the consolidated financial statements for such contributed services inasmuch as such services do not meet the criteria for recognition in the consolidated financial statements, nor do they create or enhance nonfinancial assets.

Per diems and grants receivable -

As of December 31, 2025 and 2024, respectively, the Retreat's per diems receivable was comprised of monies due from Suffolk County, Nassau County and New York City. Grants receivable consists of monies due from Suffolk County and New York State.

(2) Summary of significant accounting policies (continued):

Per diems and grants receivable (continued) -

The Retreat considers receivables past due when payments have not been received within a reasonable amount of time. The Retreat monitors outstanding balances for all per diems receivable and does not charge interest on overdue receivables. Management has noted that historically an immaterial amount of per diems receivable have been deemed uncollectible and management has established an allowance for potential per diem uncollectible accounts for $2,000 as of December 31, 2025 and 2024, respectively.

Contributions receivable -

Contributions receivable are unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Investments -

All investments are presented at fair value. Fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities. Realized and unrealized gains and losses on investments are determined by comparison of the actual cost to the proceeds at the time of the disposition or market values as of the end of the financial statement period. See Note 5 for discussion of fair market value.

Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the Consolidated Statements of Activities and Changes in Net Assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law. Investment income includes interest, recognized on the accrual basis and dividends which are recognized on the ex-dividend date.

Inventory -

Inventory is stated at the lower of cost or net realizable value and consists of donated goods held for resale.

Fixed assets -

Fixed assets are stated at cost, if purchased, or estimated fair value, if donated, at the date of donation. Additions of $1,000 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and building improvements	39 Years
Office equipment and furniture	3 - 10 Years
Vehicles	5 Years

(2) Summary of significant accounting policies (continued):

Impairment of long-lived assets and long-lived assets to be disposed of -

The Retreat follows the provision of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") on accounting for the impairment or disposal of long-lived assets. It requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. There were no impairment losses recognized for the years ended December 31, 2025 and 2024.

Conditional asset retirement obligations -

The FASB ASC on accounting for conditional asset retirement obligations requires entities to recognize a liability for the fair value of a legal obligation to perform an asset retirement activity, even though uncertainty exists about the timing and/or method of settlement, if and when the fair value of the liability can be reasonably estimated. As of December 31, 2025 and 2024, the Retreat has met the provisions of and is in compliance with these requirements and no obligations currently exist.

Leases -

The Retreat complies with the provisions of FASB Accounting Standards Update ("ASU") No. 2016-02, *Leases* ("Topic 842"). All leases entered into during the year were required to be recognized and measured. Leases with an initial term of 12 months or less are not recorded on the Consolidated Statements of Financial Position; rather, rent expense for these leases are recognized on a straight-line basis over the lease term, or when incurred if a month-to-month lease.

The Retreat determines if an arrangement is or contains a lease at inception. The Retreat's operating lease arrangements are comprised of office space and equipment leases. Right-of-use ("ROU") assets represent the Retreat's right to use the underlying assets for the lease terms and lease liabilities represent the Retreat's obligation to make lease payments arising from the leases. ROU assets and lease liabilities are recognized at the commencement date based on the present value of the lease payments over the lease terms. If a lease contains a renewal option at the commencement date and it is considered reasonably certain that the renewal option will be exercised by management to renew the lease, the renewal option payments are included in the Retreat's net minimum lease payments used to determine the right-of-use lease assets and related lease liabilities. All other renewal options are included in the right-of-use lease assets and related lease liabilities when they are reasonably certain to be exercised.

As the Retreat's leases do not provide an implicit rate and the implicit rate is not readily determinable, the Retreat estimates its incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments. ROU assets also exclude lease incentives.

(2) Summary of significant accounting policies (continued):

Leases (continued) -

All lease agreements generally require the Retreat to pay maintenance, repairs, and insurance costs, which are variable amounts based on actual costs incurred during each applicable period. Such costs are not included in the determination of the ROU assets or lease liabilities.

Variable lease costs also includes escalating rent payments over future periods that are contained in the terms of the lease. Variable lease payments associated with the Retreat's leases are considered nonlease components and are not calculated as part of the ROU asset and corresponding liability. To the extent that the nonlease component differs from the amount calculated, those amounts are recognized in the period incurred. Variable lease payments are presented in occupancy expenses in the Consolidated Statements of Functional Expenses. The Retreat has elected the practical expedient to separate lease components from nonlease components related to its real estate leases.

Revenue recognition -

The Retreat complies with and accounts for its revenues in accordance with FASB ASC 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASC 606, *Revenue from Contracts with Customers.*

The following are the significant revenue recognition accounting policies of the Retreat:

Government contracts - Revenue under government contracts are recognized when earned. Revenue is earned when performance obligations, as defined in each contract, are fulfilled. Funds received but not yet earned are shown as deferred revenue. Expenditures under contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Retreat will record such disallowance at the time the final assessment is made.

Grants and contributions - Grants and contributions are recognized as income when received and are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statements of Activities and Changes in Net Assets as net assets released from restriction. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. Conditional contributions are accounted for as a liability or are not recognized as revenue initially, until the barriers to entitlement are overcome, at which point a transaction is recognized as unconditional and classified as either net assets with donor restrictions, or net assets without donor restrictions.

(2) Summary of significant accounting policies (continued):

Revenue recognition (continued) -

Third party reimbursements - Third party reimbursements are reported at an amount that reflects the consideration to which the Retreat expects to be entitled in exchange for providing housing to eligible families. These amounts are due from third party payors, as applicable, and include variable consideration and price concessions due to coverage. Revenue is recognized as performance obligations are satisfied based on actual charges incurred in relation to total expected collections.

Fundraising income - The portion of fundraising revenue that relates to the commensurate value the attendee receives in return is recognized when the related events are held, and performance obligations are met. Income from sponsorships received in advance of future special events, which the resource provider is receiving commensurate value in return or a right of return exists if the event does not occur, is deferred and recognized over the periods to which the sponsorships relate.

Functional expenses -

Expenses are recognized when incurred. The Consolidated Statements of Functional Expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Retreat. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The significant expenses that are allocated include: salaries, fringe benefits and payroll taxes which are allocated on the basis of estimates of time and effort. The major program services provided by the Retreat are summarized as follows:

Shelter: An emergency shelter, staffed around the clock for access at all times, that provides safe housing, food, clothing, and case management for up to 18 victims of domestic violence and their children. The shelter residents have access to counseling, advocacy, life skill classes, computers and other supportive services during their stay. Security cameras monitor the gated shelter. We have bi-lingual staff and the shelter is accessible to individuals with disabilities.

Advocacy/Legal Advocacy: Trained legal advocates accompany victims to court and assist in the important processes of obtaining orders of protection, child custody orders, legal separation/divorce, spousal and child support, immigration matters, benefits compensation, housing and unemployment compensation. Services are provided at the shelter, in East Hampton and the Riverhead office which is conveniently located near the family court complex. Advocacy services are available in both English and Spanish. An on-staff attorney is available to clients in need of court representation or information on complicated court matters. Our Attorney can also assist Legal Advocates in determining the best course of action for clients in need of protections and restitution. Services are primarily provided at our Riverhead office but are made available to our Shelter clients and in our East Hampton office.

(2) Summary of significant accounting policies (continued):

Functional expenses (continued) -

Education:

- In-School and Community Violence Prevention - The Retreat provides educational programs and services for schools, community groups and workplaces on abuse related topics, including domestic violence, dating violence, healthy relationships, and bullying.

- Teen Leadership Council - The mission of the Retreat Teen Leadership Council is to prevent abuse and promote respect in all relationships and to help support the Retreat and expand its focus to include the prevention not just of domestic violence, but also of all forms of relationship abuse, including bullying and harassment, sexual assault, and teen dating violence. The council is an opportunity for teens from east end schools to work together while learning about violence prevention and promoting awareness and safety in the community.

- Take Charge! - Provides career guidance and financial education to survivors of domestic abuse. Through a series of guided group workshops and individual sessions, clients receive training in personal finance, guidance in professional development, and ultimately a lift in their own personal perspective.

- Enough is Enough - This program is a collaborative effort funded through the NYS Department of Health. Through this initiative, Retreat staff have collaborated with Farmingdale State College to provide education and resources for both staff and students around sexual violence prevention, and to ensure understanding of the rights of any victim. Programs provided through this program are geared for college-age students and college staff.

- Coordinated Community Response - This program is a collaborated partnership funded through the Office on Violence against Women. Through this partnership, Retreat staff intend to have an informed, supportive and multi-cultural East Hampton community that understands the prevalence and negative impact of teen dating violence/assault on your youth and is committed to provide local educators, youth-serving professionals, public safety personnel parents, caregivers and teens 14-18 the necessary awareness, confidence, knowledge, and skills to effect change and reduce harm in our community.

- Abuse in Later Life Program - Working with five community partners as part of a coordinated community response team. The Retreat provides residents of Suffolk County, NY with a comprehensive approach to addressing abuse later in life, including domestic violence, neglect, abandonment, financial/economic abuse, willful harm, dating violence, sexual assault and stalking committed against victims who are 50 years of age and over. Through this program, we will provide training programs to assist law enforcement agencies, prosecutors, units of local government, population-specific organizations, victim service providers, victim advocates and judges in recognizing and addressing instances of abuse later in life.

(2) Summary of significant accounting policies (continued):

Functional expenses (continued) -

Counseling: Counseling services are offered at our shelter and non-shelter locations in East Hampton, Riverhead and Southampton. All counselors are licensed professionals. Individual and group counseling is provided for adults and children. Short-term goals help clients take control of their lives and make positive changes without guilt. Long-term counseling provides a setting for healing, and group counseling combines education about abuse with mutual support. Clients receive information on safety planning, healthy relationships, parenting, the effect of violence on children, planning a healthy future and empowerment. Counseling services are available in both English and Spanish. A Case Manager specific to working with our non-residential clients. Case management services provide clients with continuous assistance regarding community resources, beyond their scheduled counseling appointments so that clients can address emergency needs as they arise without waiting for their next counseling session. Case management services are provided primarily in our Riverhead office, but the case manager is also accessible to clients receiving services in our East Hampton office. Our new case manager is fluent in four languages, English, Spanish, French and Creole.

Hotline: The 24-hour crisis hotline provides: education, crisis intervention, and instant linkages to agency, local and statewide resources. Our hotline services are available in both English and Spanish, with translation services available through a "language line" for all other languages, including American Sign Language.

- Project Connect Plus (+) - a partnership to improve care navigation for substance use following periods of crisis, such as emergency department visits, domestic violence, and food insecurity. Project Connect Plus (+) aims to keep Suffolk County residents safer from opioid overdose, fentanyl poisoning, risky substance use, and substance use disorder. This proposal will build on the current Project Connect partnership between Northwell Health (enrolling sites) and Central Nassau Guidance & Counseling Services (providing longitudinal support).

Long Island Fatherhood Initiative: The Long Island Fatherhood Initiative is geared toward low-income fathers / father-figures who are at risk of committing domestic violence. All clients participating in the program receive case management services, domestic violence and child abuse prevention education, employment/education counseling and referrals to help identify employment-opportunities and promote financial self-sufficiency by coaching to enable them to conduct effective job searches, resume and interviewing skills. Clients attend workshops on parenting and relationship development.

(2) Summary of significant accounting policies (continued):

Functional expenses (continued) -

Housing:

- Transitional Housing Program - Provides assistance for clients with accessing and maintaining safe housing and support services. The program assists with economic and housing goals, financial assistance, emotional support, referrals for resources (such as furnishings) and economic stability through education. This funding is through U.S. Department of Justice, Office of Violence against Women.

Thrift Store: For over a decade, our thrift store has been a significant source of support of revenue for the Retreat. The store, located in Bridgehampton, carries high quality clothing, housewares and furniture that are donated by members of the community and sold to the public. In addition, store items are available free of charge to shelter clients as they often need items to begin their new life.

Fundraising expenses -

The gross proceeds from the Retreat's special events have been reflected in the Consolidated Statements of Activities and Changes in Net Assets. Exchange transactions are reciprocal transfers in which each party receives and sacrifices something of approximately equal value. Accordingly, the costs of the direct benefits to the donors attending these special events have been deducted from the gross revenues from these events. Indirect costs, including labor and other overhead expenses, associated with the Retreat's fundraising activities are included as fundraising expenses in both the Consolidated Statements of Activities and Changes in Net Assets and the Consolidated Statements of Functional Expenses.

Income taxes -

The Retreat Inc. and its subsidiary qualify as a tax-exempt not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and applicable New York State tax laws. However, income, if any, from certain activities not directly related to the Retreat's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Accordingly, no provision for federal or state income taxes is required.

The Retreat believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Estimates -

The preparation of consolidated financial statements in conformity with GAAP requires management of the Retreat to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes. Actual results could differ from those estimates.

(3) Liquidity considerations

Quantitative -

As of December 31, 2025, the Retreat has $3,465,997 of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Consolidated Statement of Financial Position date. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for expenditures within one year of the Consolidated Statement of Financial Position date.

Qualitative -

As a part of the Retreat's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Retreat has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet 30 days of normal operating expenses, which are, on average, approximately $575,000.

As more fully described in Note 9, the Retreat also has a committed line of credit in the amount of $500,000, which it could draw upon in the event of an unanticipated liquidity need.

(4) Inventory

The Retreat operates a thrift store in Bridgehampton, New York to sell clothing, furniture and other goods donated by the general public. The Retreat records all such donated items at point-of-sale. During 2025 and 2024, the Retreat received $663,618 and $482,832, respectively, in donated items, which have been included both with thrift store sales and contributions in the accompanying Consolidated Statements of Activities and Changes in Net Assets and also as Cost of Goods Sold in the Consolidated Statements of Functional Expenses. Any unsold items are maintained within inventory at estimated resale value which is $53,234 and $57,078 as of December 31, 2025 and 2024, respectively. The Retreat collects sales taxes from customers of this thrift store and remits these amounts to applicable taxing authorities. The Retreat excludes these taxes from related sales and cost of sales.

(5) Fair value measurements

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Retreat has adopted the standard for its financial assets and liabilities measured on a recurring and nonrecurring basis.

Fair Value Measurement defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reported entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

(5) Fair value measurements (continued)

The following table represents the Retreat's fair value hierarchy for investments as of December 31, 2025:

	Fair Value	Level 1	Level 2	Level 3
Mutual Funds	$ 1,495,143	$ 1,495,143	$ -	$ -
Money Market Funds	23,067	23,067	-	-
	$ 1,518,210	$ 1,518,210	$ -	$ -

The following table represents the Retreat's fair value hierarchy for investments as of December 31, 2024:

	Fair Value	Level 1	Level 2	Level 3
Mutual Funds	$ 1,328,609	$ 1,328,609	$ -	$ -
Fixed Income	200,418	200,418	-	-
Money Market Funds	19,882	19,882	-	-
	$ 1,548,909	$ 1,548,909	$ -	$ -

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. The Retreat did not hold any Level 2 or 3 investments. There have been no changes in the methodologies used as of December 31, 2025 and 2024:

Corporate fixed income (exchange traded funds), mutual funds and common stocks - Securities traded on a national securities exchange are stated at the last reported sales price on the day of the valuation.

Money markets funds - Money market funds consist primarily of cash and cash equivalents, U.S. government stock, foreign stock and bonds. The fund seeks to maintain a stable net asset value ("NAV") of $1.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Retreat believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

(6) Investments

Investments as of December 31, 2025 and 2024 are as follows:

	2025		2024	
	Cost	Market Value	Cost	Market Value
Mutual Funds	$ 1,507,378	$ 1,495,143	$ 1,324,814	$ 1,328,609
Fixed Income	-	-	200,000	200,418
Money Market Funds	23,067	23,067	19,882	19,882
	$ 1,530,445	$ 1,518,210	$ 1,544,696	$ 1,548,909

Investment income, which is included in the Consolidated Statements of Activities and Changes in Net Assets for the years ended December 31, 2025 and 2024, consisted of the following:

	2025	2024
Interest and dividends	$ 52,896	$ 36,736
Unrealized gains (losses)	(18,204)	81,760
Realized gains	136,200	2,791
	$ 170,892	$ 121,287

(7) Fixed assets

Fixed assets as of December 31, 2025 and 2024 are comprised of the following:

	2025	2024
Land	$ 385,924	$ 385,924
Building	346,026	346,027
Building improvements	1,118,674	1,098,838
Furniture and fixtures	31,674	31,674
Service vehicles	146,240	146,240
Office equipment	93,516	93,516
	2,122,054	2,102,219
Less: accumulated depreciation	(1,012,641)	(954,683)
	$ 1,109,413	$ 1,147,536

Depreciation expense for the years ended December 31, 2025 and 2024 was $57,958 and $57,014, respectively

Some of the Retreat's funders have the right to reclaim equipment purchased with grant funds if the program in conjunction with which the equipment is used is terminated. The depreciated value of equipment subject to this right of reversion was $0 for both the years ending December 31, 2025 and 2024.

(8) Leases

The Retreat leases office facilities and equipment under various terms which are all 12 months or less or month-to-month. These operating leases with a term of 12 months or less are not recorded on the Consolidated Statements of Financial Position.

The Retreat has various lease agreements for office space and equipment, expiring at various dates through May 2031 and include renewal options of 1 to 5 years. The ROU assets and lease liabilities, all of which arise from these operating leases, were calculated based on the present value of future lease payments over the lease terms. The Retreat has made an accounting policy election to use a risk free rate in lieu of it its incremental borrowing rate to discount future lease payments.

There were no noncash investing and financing transactions related to leasing.

Total lease costs for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Operating lease costs	$ 177,253	$ 239,918
Short-term lease costs	$ 85,445	$ 7,966
Variable lease costs	$ 39,317	$ 10,859
Weighted-average remaining lease term	3.42 years	0.79 years
Weighted-average discount rate	3.87%	2.64%

Future maturities of operating lease liabilities are presented in the following table, for the fiscal years ending December 31:

Year Ending December 31:	
2026	$ 1,392
2027	1,392
2028	1,392
2029	580
Total	4,756
Less: present value discount	(293)
Present value of lease liabilities	$ 4,463

(9) Commercial line of credit

On November 21, 2012, the Retreat entered into a commercial line of credit with a bank for borrowings up to $500,000, which would be secured by certain assets of the Retreat. All advances under this agreement have to be approved by the bank. Any outstanding balance is payable in full immediately upon demand by the bank. The interest rate is subject to change from time to time based on changes in an independent index. The interest rate cannot be less than 4.5% per annum or more than 25% per annum or the maximum rate allowed by applicable laws.

As of December 31, 2025 and 2024, no funds were drawn from the line of credit.

(10) Mortgage payable

On August 5, 2015, the Retreat entered into a mortgage agreement with a bank for $600,000 in order to be able to purchase the shelter building from the Town of East Hampton. The mortgage is payable over 20 years with a final maturity date of November 2035. The mortgage had an initial interest rate of 4.00%, which converted to 5.90% in November 2025 and represented 1.65% basis points in excess of the U.S. treasury rate at that date. At no time can the interest rate be less than 4.00% per annum. The monthly payment of principal and interest is $3,636. The mortgage is secured by the shelter property and certain other assets of the Retreat. As of December 31, 2025, the balance of the mortgage payable was $358,994.

The following is a summary of principal payments on long-term debt as of December 31, 2025:

For the Year Ended December 31,		
2026	$	23,067
2027		24,466
2028		25,949
2029		27,522
2030		29,190
2031 and thereafter		228,800
	$	358,994

(11) Pension plan

The Retreat sponsors a deferred compensation plan qualified under Section 403(b) of the Internal Revenue Code, which covers substantially all employees of the Retreat. If they so elect, employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. Employee contributions can be invested in any number of available options offered by the plan, which offers a broad level of diversification to its members. The Retreat may provide employer contributions at the discretion of the Board of Directors.

(12) Compensated absence

Pursuant to the policies and procedures manual implemented by the Retreat, vacation and sick time is accumulated annually; however, employees are not paid for unused sick time at termination of employment. As a result, no provision has been made for accrued sick time within the consolidated financial statements. The accumulated sick time for the years ended December 31, 2025 and 2024 amounted to $67,003 and $108,630, respectively. Accumulated vacation time in the amounts of $68,490 and $45,368 for the years ended December 31, 2025 and 2024, respectively, have been included in the accompanying Consolidated Statements of Financial Position within accounts payable and accrued expenses.

(13) Commitments and contingencies:

Concentrations of credit risk -

The Retreat maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. The Retreat has not experienced any losses in such accounts. Cash in excess of federally insured limits totaled $347,138 at December 31, 2025 and $385,783 at December 31, 2024, based on actual bank balances. The primary difference between the book and bank account balances is outstanding checks. The Retreat believes it is not exposed to any significant credit risk on cash.

Contract funding considerations -

Reimbursement contracts are often subject to audit by applicable granting agencies. The possible disallowances by the granting agencies of any item charged to the program cannot be determined until such time when and if any audit occurs. Therefore, no provision for any potential disallowances that may result from such audits has been made in the accompanying financial statements. Management is of the opinion that any potential disallowances will not be material to the accompanying financial statements.

(14) Subsequent events

The Retreat has evaluated subsequent events through August 10, 2026, which is the date the consolidated financial statements were available to be issued. Based on this evaluation, the Retreat has determined there are no matters which require disclosure in the financial statements.