Quixote Center, Inc.

Financial Statements and Independent Auditor's Report

For the Year Ending June 30, 2025

CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

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& BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Quixote Center, Inc.

Opinion

We have audited the accompanying financial statements of Quixote Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 Quixote Center, Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Quixote Center, 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 Quixote Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally

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accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Quixote Center, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Quixote Center, 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.

LSWG, P.A.

Rockville, Maryland
December 10, 2025

QUIXOTE CENTER, INC.
Statement of Financial Position
June 30, 2025

Assets

Current Assets		
Cash and cash equivalents	$	588,212
Prepaid expenses		463
Total Current Assets		588,675
Property and Equipment - at Cost		
Equipment		14,305
Less: accumulated depreciation		(13,185)
Property and Equipment - Net		1,120
Other Assets		
Investments		92,606
Total Other Assets		92,606
Total Assets	$	682,401

Liabilities and Net Assets

Current Liabilities		
Accounts payable	$	3,028
Accrued paid time off		7,575
Deferred revenue		184,862
Total Current Liabilities		195,465
Non-Current Liabilities		
Retirement liability		47,562
Total Liabilities		243,027
Net Assets		
Without donor restrictions		302,414
With donor restrictions		136,960
Total Net Assets		439,374
Total Liabilities and Net Assets	$	682,401

The accompanying notes are an integral part of this statement.

QUIXOTE CENTER, INC.
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions and grants	$ 214,028	$ 310,748	$ 524,776
Delegation income	-	26,286	26,286
Interest income	17,339	-	17,339
Miscellaneous income	5,702	-	5,702
Unrealized gains (losses) on investments	4,185	-	4,185
Total Support and Revenue	241,254	337,034	578,288
Net assets released from restrictions	220,895	(220,895)	-
Total Support and Revenue	462,149	116,139	578,288
Expenses			
Program Services			
Haiti Reborn	212,491	-	212,491
Quest for Peace	29,743	-	29,743
Inalienable	148,284	-	148,284
Education and Advocacy	45,003	-	45,003
Total Program Services	435,521	-	435,521
Supporting Services			
Management and general	106,878	-	106,878
Fundraising	7,759	-	7,759
Total Supporting Services	114,637	-	114,637
Total Expenses	550,158	-	550,158
Changes in Net Assets	(88,009)	116,139	28,130
Net Assets - Beginning of Year	390,423	20,821	411,244
Net Assets - End of Year	$ 302,414	$ 136,960	$ 439,374

The accompanying notes are an integral part of this statement.

QUIXOTE CENTER, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2025

	Program Services					Supporting Services		
	Haiti Reborn	Quest for Peace	Inalienable	Education and Advocacy	Total	Management and General	Fundraising	Total
Salaries and benefits	$ 94,618	$ 22,059	$ 99,977	$ -	$ 216,654	$ 91,613	$ 6,691	$ 314,958
Delegation expense	-	-	22,640	-	22,640	-	-	22,640
Disbursements	99,872	1,250	8,000	45,000	154,122	-	-	154,122
Events	320	75	219	-	614	263	21	898
Information technology	1,771	409	2,036	-	4,216	1,571	53	5,840
Insurance	965	52	1,306	-	2,323	1,011	84	3,418
Office supplies and other expense	6,928	1,152	5,505	3	13,588	3,955	309	17,852
Operating lease expense	2,713	633	2,893	-	6,239	2,568	193	9,000
Depreciation	-	-	-	-	-	752	-	752
Payroll fees	570	114	676	-	1,360	556	42	1,958
Postage and shipping	385	72	408	-	865	358	30	1,253
Professional fees	4,040	1,903	4,298	-	10,241	3,948	317	14,506
Telephone	309	73	326	-	708	283	19	1,010
Travel and meetings	-	1,951	-	-	1,951	-	-	1,951
Total Expenses	$ 212,491	$ 29,743	$ 148,284	$ 45,003	$ 435,521	$ 106,878	$ 7,759	$ 550,158

The accompanying notes are an integral part of this statement.

QUIXOTE CENTER, INC.
Statement of Cash Flows
For the Year Ended June 30, 2025

Increase (Decrease) In Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Changes in net assets	$ 28,130
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:	
Depreciation expense	752
Unrealized (gains) losses on investments	(4,185)
Net change in current assets and liabilities	
Accounts payable	961
Accrued paid time off	4,627
Retirement liability	255
Net Cash Provided by (Used in) Operating Activities	30,540
Cash Flows from Investing Activities	
Reinvested interest and dividends	(4,459)
Net Cash Provided by (Used in) Investing Activities	(4,459)
Net increase (decrease) in cash and cash equivalents	26,081
Cash and Cash Equivalents - Beginning of Year	562,131
Cash and Cash Equivalents - End of Year	$ 588,212
Supplemental Information:	
Interest paid	$ -
Income taxes paid	$ -

The accompanying notes are an integral part of this statement.

Quixote Center, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2025

1. Nature of Business

Quixote Center, Inc. (the Center) is a non-profit Organization, incorporated in the State of Maryland. The Center empowers vulnerable families and communities to become the artisans of their own destiny through transforming oppressive systems and structures. Inspired by liberation theology and Catholic Social Teaching, we do this through sustainable development, advocacy, economic justice, environmental, and educational initiatives. Our current focus is on Nicaragua and Haiti, where we support programs to empower impoverished families and communities, and support for migrants in Mexico and Central America, where we work to mitigate the damage of U.S. immigration policies. Together with our partners, we dream of a world more justly loving.

The Center's major program activities are:

Haiti Reborn - Provide direct general operating support for grassroots initiatives including agricultural projects and disaster responses. Inform our network and the general public on matters related to Haiti from a non-interventionist and migration-positive perspective.

Quest for Peace – Support development projects in Nicaragua, with a particular emphasis on finance and construction of affordable housing. Inform members of our network and the general public about education and advocacy opportunities related to Nicaragua.

Inalienable – Direct support for a network of migrant-serving and humanitarian organizations in Latin America with an emphasis on Central America and Mexico. Inform members of our network and the general public on matters related to migration from a transnational perspective.

Education and Advocacy – Addressing the root causes of migration in Haiti and Nicaragua while at the same time, insisting on fair policies in the United States that promote the dignity of migrants.

2. Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting, whereby revenue is recognized when earned and expenses when they are incurred.

2. Summary of Significant Accounting Policies (continued)

(b) Financial Statement Presentation

Under the Financial Accounting Standards Board (FASB) Codification Standards, the Center is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets with Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

(c) Cash and Cash Equivalents

The Center considers cash and cash equivalents to include all highly liquid cash and investments with a maturity of three months or less at acquisition.

(d) Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Changes in fair value are recorded as unrealized gains and losses. Realized gains and losses are recorded upon the sale of the investments. These gains (losses) are included in the Statement of Activities and Changes in Net Assets.

(e) Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques. The allowance for uncollectible accounts is based on historical experience, an assessment of economic conditions and a review of subsequent collections.

2. Summary of Significant Accounting Policies (continued)

(f) Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. The Center's policy is to capitalize expenditures for property and equipment in excess of $500 and with a useful life of over one year. Depreciation is computed on the straight-line method using estimated useful lives, varying from five to ten years. Depreciation expense for the year ended June 30, 2025 was $752.

(g) Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Such estimates primarily relate to unsettled transactions and events on the dates of the Statement of Financial Position. Accordingly, actual results could differ from those estimates.

(h) Revenue Recognition

The Center recognizes contributions and bequests when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

3. Fair Market Value and Investments

Financial Accounting Standards Board (FASB) Codification Standards defines fair value, establishes a framework for measuring fair value, expands disclosures about fair value measurements and establishes a hierarchy for valuation inputs.

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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

> Level 1 - inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.

3. Fair Market Value and Investments (continued)

Level 2 - inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The fair value of the investments at June 30, 2025 was:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 92,606	$ -	$ -	$ 92,606

The cost value of the mutual funds at June 30, 2025 was $59,391.

4. Deferred Revenue

As part of the Center's efforts in Nicaragua, funds were disbursed in prior fiscal years for a revolving loan program to the Roncalli Institute. The Roncalli Institute was forced to shut down by the Nicaraguan government and rather than have the revolving loan fund balance on hand seized, they sent the remaining funds back to the Center. These funds are currently in a separate bank account opened by the Center and have been recorded as deferred revenue until such time as the Roncalli Institute is able to resume operations. The balance at June 30, 2025 was $184,862.

5. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at June 30, 2025:

FY26 programming	$ 120,000
Haiti Reborn 2025 Emergency Program	11,023
Education and Advocacy	297
Haiti - Mangoes	2,324
Delegation	3,066
La72	250
	$ 136,960

6. Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Certain administrative costs including salaries, payroll taxes and employee benefits have been allocated among the programs and supporting services benefited based on estimated time and effort.

7. Concentration of Credit Risk

Cash and cash equivalents held by the Center in bank accounts may at times exceed the Federal Deposit Insurance Corporation (FDIC) coverage limit. At June 30, 2025, the Center has $50,438 of uninsured cash and cash equivalents. Management believes the Center is not exposed to any significant credit risk related to cash and cash equivalents.

8. Income Taxes

The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. For the year ended June 30, 2025, the Center has determined that no income tax is due for its activities. Accordingly, no provision for income tax has been recorded in the accompanying financial statements. The Center is not considered a private foundation.

The Center has adopted the recognition requirements for uncertain income tax positions as required by U.S. generally accepted accounting principles. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities.

The Center believes that the income tax filings will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Center's financial condition, results of operations, or cash flows. Accordingly, the Center has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at June 30, 2025.

The Center is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Generally, the Center's tax returns remain open for federal income tax examination for three years from the date of filing.

9. Lease

The Center currently operates on a short-term desk sharing agreement. Lease expense for the year ended June 30, 2025 was $9,000 which is reported as "operating lease expense" on the Statement of Functional Expenses.

10. Retirement Plan

The Center established a tax-deferred annuity retirement plan on January 1, 1991. The Plan is intended to be a qualified plan under Internal Revenue Code Section 403(b). All employees are eligible to participate in the Plan provided they meet the following requirements: age 18 and twelve months of service, with a minimum of 250 hours of service. For continued eligibility, each employee must work at least 1,000 hours during a plan year.

The Plan is funded by voluntary employee salary reduction agreements. At the beginning of each plan year, the Center makes a determination as to whether or not an employer contribution will be made for eligible employees. During the year ended June 30, 2025, the Center elected to contribute $14,021 to the Plan.

The Retirement Medical Benefit Policy inaugurated by the Board in 2008 entitles retired, full-time staff aged 65 or older with at least 20 years of service up to $2,400 per year, adjusted for inflation, for otherwise uncovered medical expenses, including insurance. The policy was amended during the year ended June 30, 2017 to increase the benefit to cover current insurance costs. There is currently one retiree who meets those qualifications. There are two ways the Center can pay this benefit to the retiree: on an on-going basis (as currently done through monthly reimbursements) or as a lump-sum payout. The estimated cost of a lump-sum payout at June 30, 2025 was $47,562 and is included in “retirement liability” on the Statement of Financial Position.

11. Bequest

The Quixote Center has been named as a beneficiary in a trust in which land and a house were given as an undesignated gift. A Trustee has been appointed and the Center is working with them, however at this time it is uncertain what remaining assets will be in the trust once all debts have been settled and court costs have been paid. No bequest receivable has been recorded at this time given it is not reasonably estimable.

12. Liquidity and Availability of Financial Assets

The following table reflects the Center's financial assets as of June 30, 2025, reduced by amounts not available for general expenditures within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, assets held for others, perpetual endowments and accumulated earnings net of appropriations within one year, or because the governing board has set aside the funds for a specific contingency reserve or a long term investment as board designated endowments.

Financial assets:	
Cash and cash equivalents	$ 588,212
Investments	92,606
Financial assets, at year-end	680,818
Less those unavailable for general expenditure within one year, due to:	
Purpose restrictions	(136,960)
Financial assets available to meet cash needs for general expenses within one year	$ 543,858

The Center has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

13. Subsequent Events

Management has evaluated subsequent events through December 10, 2025, the date that the financial statements were available to be issued. There were no significant events to report.

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