PREGNANCY ASSISTANCE CENTER NORTH, INC.

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

December 31, 2025, and 2024

SLOAN
CARTAGENA
& ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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SLOAN CARTAGENA & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Board of Directors
Pregnancy Assistance Center North, Inc.
The Woodlands, Texas

Opinion

We have audited the financial statements of Pregnancy Assistance Center North, which comprise the statements of financial position as of December 31, 2025, and 2024, and the related statements of activities, statements of functional expenses and statements of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Pregnancy Assistance Center North as of December 31, 2025, and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pregnancy Assistance Center North and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 the 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 that Pregnancy Assistance Center North's ability to continue as a going concern within one year after the date the financial statements 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PACN'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 PACN'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.

Sloan, Cartagena & Associates, P.C.

July 9, 2026
Houston Texas

10515 Saddlehorn Trail, Houston, Texas 77064 Phone 281-387-8186

PREGNANCY ASSISTANCE CENTER NORTH, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash	$ 2,792,098	$ 2,168,814
TOTAL CURRENT ASSETS	2,792,098	2,168,814
FIXED ASSETS		
Property, Plant, and Equipment - Net	396,679	428,655
OTHER ASSETS		
Rental Lease and Utility Deposit	4,464	4,464
TOTAL ASSETS	$ 3,193,241	$ 2,601,933
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	$ 671	$ 720
Payroll Liabilities	-	1,132
TOTAL CURRENT LIABILITIES	671	1,852
NET ASSETS		
With Donor Restrictions	4,425	8,156
Without Donor Restrictions	3,188,145	2,591,925
TOTAL NET ASSETS	3,192,570	2,600,081
TOTAL LIABILITIES AND NET ASSETS	$ 3,193,241	$ 2,601,933

See independent auditor's report and notes to financial statements

PREGNANCY ASSISTANCE CENTER NORTH, INC.

STATEMENTS OF ACTIVITIES

For the years ended December 31, 2025 and 2024

	2025	2024
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES AND GAINS:		
Contributions/Fundraising/Program Income	$ 1,841,451	$ 1,660,769
Thrift Store	159,531	162,931
Interest Income	75,149	76,211
Grants	109,081	73,082
Other Income	64	568
TOTAL REVENUE AND GAINS WITHOUT DONOR RESTRICTIONS	2,185,276	1,973,561
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of program restrictions	7,973	2,953
TOTAL REVENUES, GAINS, AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	2,193,249	1,976,514
EXPENSES AND LOSSES:		
Program Expenses	1,240,486	1,246,511
General & Administrative	118,412	122,105
Thrift Store	125,358	127,579
Fundraising Expense	112,773	171,591
TOTAL EXPENSES AND LOSSES	1,597,029	1,667,786
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	596,220	308,728
Changes in Net Assets with Donor Restrictions		
Contributions	4,242	2,400
Net assets released from restrictions	7,973	2,953
Increase (Decrease) in Net Assets With Donor Restrictions	(3,731)	(553)
Increase (Decrease) in Total Net Assets	592,489	308,175
Net Assets, Beginning of Year	2,600,081	2,291,906
Net Assets, End of Year	$ 3,192,570	$ 2,600,081

See independent auditor's report and notes to financial statements

PREGNANCY ASSISTANCE CENTER NORTH, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2025

	Program Services	Mangt & General	Fundraising	Thrift Store	Total
Advertising	$ 9,097	$ -	$ 3,871	$ 1,495	$ 14,463
Affiliation Fees	1,895	-	-	-	1,895
Audit	-	9,700	-	-	9,700
Building Expense Other	-	6,140	-	-	6,140
Cleaning & Maintenance	12,232	1,020	-	3,536	16,788
Compensation	704,287	56,343	84,514	93,905	939,049
Conferences & Training	19,693	-	-	-	19,693
Cost of Direct Benefit to Donors	97,372	-	-	-	97,372
Credit Card Fees	-	9,639	-	3,470	13,109
Donor Relations	-	-	19,202	-	19,202
Educational, Counseling & Assistance	48,998	-	-	-	48,998
Equipment Rental & Maintenance	10,257	5,290	-	-	15,547
Marketing and Mailings	-	-	4,994	-	4,994
Insurance	30,207	11,276	192	9,585	51,260
Office Supplies & Expense	3,737	3,435	-	-	7,172
Postage	-	1,888	-	-	1,888
Utilities	14,109	1,468	-	4,335	19,912
Rent	147,130	756	-	-	147,886
Repairs & Maintenance	33,478	436	-	1,855	35,769
Security	4,092	2,151	-	391	6,634
Supplies	13,048	288	-	4,609	17,945
Sonogram & Testing Supplies	17,369	-	-	-	17,369
Telephone/Internet/IT	24,134	7,424	-	1,700	33,258
Depreciation	31,976	-	-	-	31,976
Other	17,375	1,158	-	477	19,010
	$ 1,240,486	$ 118,412	$ 112,773	$ 125,358	$ 1,597,029

See independent auditor's report and notes to financial statements

PREGNANCY ASSISTANCE CENTER NORTH, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2024

	Program Services	Mangt & General	Fundraising	Thrift Store	Total
Advertising	$ 2,523	$ -	$ 11,126	$ 1,380	$ 15,029
Affiliation Fees	1,855	-	-	-	1,855
Audit	-	9,500	-	-	9,500
Cleaning & Maintenance	7,956	1,484	-	4,457	13,897
Compensation	757,024	58,573	87,860	97,622	1,001,079
Conferences & Training	3,429	-	-	-	3,429
Cost of Direct Benefit to Donors	102,519	-	-	-	102,519
Credit Card Fees	-	11,111	-	3,636	14,747
Donor Relations	-	-	42,734	-	42,734
Events	-	-	4,435	-	4,435
Educational, Counseling & Assistance	31,666	-	-	-	31,666
Equipment Rental & Maintenance	10,227	5,123	-	-	15,350
Marketing and Mailings	-	-	14,837	-	14,837
Insurance	32,034	6,610	311	9,410	48,365
Office Supplies & Expense	3,095	2,295	-	-	5,390
Postage	-	1,761	-	-	1,761
Utilities	16,722	2,073	-	3,982	22,777
Rent	138,750	8,384	-	-	147,134
Repairs & Maintenance	25,388	-	-	1,164	26,552
Security	4,362	3,773	-	300	8,435
Supplies	7,293	1,227	-	2,815	11,335
Sonogram & Testing Supplies	26,439	-	-	-	26,439
Well Women Expenses	4,293	-	-	-	4,293
Telephone/Internet/IT	25,710	8,097	-	1,561	35,368
Depreciation	39,950	-	-	-	39,950
Other	5,276	2,094	10,288	1,252	18,910
	$ 1,246,511	$ 122,105	$ 171,591	$ 127,579	$ 1,667,786

See independent auditor's report and notes to financial statements

PREGNANCY ASSISTANCE CENTER NORTH, INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 592,489	$ 308,175
Adjustments to Reconcile Change in Net Assets		
to Net Cash used by Operating Activities		
Depreciation	31,976	39,950
(Increase) Decrease in Prepaid Expenses	-	895
Increase (Decrease) in Accounts Payable	(49)	(7)
Increase (Decrease) in Payroll Liabilities	(1,132)	(5,614)
NET CASH FROM OPERATING ACTIVITIES	623,284	343,399
NET INCREASE (DECREASE) IN CASH	623,284	343,399
Cash, Beginning of Year	2,168,814	1,825,415
Cash, End of Year	$ 2,792,098	$ 2,168,814

See independent auditor's report and notes to financial statements

PREGNANCY ASSISTANCE CENTER NORTH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Note 1 – Organization

Pregnancy Assistance Center North, Inc. (The Center) was incorporated in 1987 under the Texas Non- Profit Corporation Act.

The Center is a Christian, non-profit organization that provides practical assistance without charge to women and men experiencing unplanned pregnancy. The Center provides pregnancy testing, options counseling, STD testing and treatment, childbirth and relationship classes, life skills education, and post abortion recovery services. The Center also provides free material assistance, including baby formula and food, diapers and wipes, and baby clothing, to clients in need. Through webinar and in-person classes, clients are able to earn needed baby items, such as cribs, car seats and baby furniture.

In April 1996, the Center became a Care Net affiliate. Care Net is a national organization dedicated to equipping crisis pregnancy centers to offer high quality, biblically based client services.

Note 2 – Summary of Significant Accounting Policies

Basis of Statements

The financial statements of the Center are prepared using the accrual basis of accounting. Contributions are recognized when a donor makes an unconditional promise to give and expenses are recognized when incurred.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation, occupancy and property insurance, which are allocated on a square footage basis.

PREGNANCY ASSISTANCE CENTER NORTH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Note 2 – Summary of Significant Accounting Policies - Continued

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

General Fixed Assets

Property and equipment are recorded at cost. Depreciation is calculated using the straight- line method with assets depreciated over the following useful lives:

Furniture and Fixtures	5 years
Office Equipment	3-5 years
Building	39 years

Federal Income Taxes

Pregnancy Assistance Center North, Inc. is a nonprofit corporation as defined by section 501(c)(3) of the Internal Revenue Code and, accordingly, is exempt from federal and state income taxes. Pregnancy Assistance Center North, Inc. is up to date with all of its tax filings. Tax years ended December 31, 2023, 2024, and 2025 are open to examination by the Internal Revenue Service.

Donated Services

Client services are provided primarily by staff and trained volunteers. The value of time and effort contributed by volunteers is not reflected in these financial statements.

Non-Cash Donations

The Center receives various non-cash donations including formula, diapers, and clothes. The value of the non-cash donations are immaterial and not reflected in the financial statements.

Note 2 – Summary of Significant Accounting Policies - Continued

Cash equivalents and Cash

Cash equivalents are highly liquid investments with a maturity date no longer than 90 days.

Credit Risk

The Center maintains bank accounts at four banks. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 31, 2025, the Center had an uninsured bank balance of $697,765 and at December 31, 2024, the Center had an uninsured bank balance of $592,763.

Note 3 – Fixed Assets

Fixed assets as of December 31, 2025, and 2024 are as follows:

	2025	2024
Building and Improvements	631,331	631,331
Land	117,300	117,300
Furniture and Fixtures	21,833	21,833
Equipment	179,469	179,469
Box Truck	9,775	9,775
	959,708	959,708
Less - Accumulated Depreciation	563,029	531,053
Total Fixed Assets	$ 396,679	$ 428,655

PREGNANCY ASSISTANCE CENTER NORTH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Note 4 – Commitments

The Center leased office space, copiers and a postage machine under non-cancelable operating leases. The Center also had a maintenance agreement on its ultrasound machines which is non-cancelable. The leases and maintenance agreement expired in February 2023. The office space, copiers, postage machine, and maintenance agreement are paid for on a month to month basis. Expenses for the year ended December 31, 2025, amounted to $ 147,886 and the year ended December 31, 2024, amounted to $147,134.

Note 5 – Restrictions on Net Assets

Net assets with donor restrictions as of December 31, 2025, and 2024 are available for the following purposes:

	2025	2024
Subject of expenditure for specified purposes:		
CARE	$ 4,395	$ 6,925
Building Improvements	30	1,231
Total Net Assets with Donor Restrictions	$ 4,425	$ 8,156

PREGNANCY ASSISTANCE CENTER NORTH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Note 6 - Liquidity and availability of Financial Assets

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position date.

	2025	2024
Financial assets at year end	$ 3,192,570	$ 2,600,801
Less financial assets unavailable for general expenditures within one year due to:		
Net assets with donor restrictions - See note 5	4,425	8,156
Financial assets available to meet cash needs for general expenditures within one year	$ 3,188,145	$ 2,592,645

Note 7 – Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 8 – Subsequent Events

Subsequent events have been evaluated through July 9, 2026, which is the date the financial statements were issued.

Note 9 – New Accounting Pronouncements

The effects of accounting pronouncements that have been issued but have not yet taken effect are not believed to be material to the financial statements.