

Financial Statements



Central Asia Institute

**For the Year Ended September 30, 2025
With Summarized Financial
Information for 2024**

Central Asia Institute

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With Summarized Financial Information for 2024

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Central Asia Institute
Bozeman, Montana

Opinion

We have audited the financial statements of Central Asia Institute (CAI), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities and change 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 accompanying financial statements present fairly, in all material respects, the financial position of CAI as of September 30, 2025, and the results of its change in 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 (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 CAI 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.

4550 MONTGOMERY AVENUE • SUITE 800 NORTH • BETHESDA, MARYLAND 20814
(301) 951-9090 • WWW.GRFCPA.COM

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

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 CAI'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 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 CAI'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 CAI'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.

Report on Summarized Comparative Information

We have previously audited CAI's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 2, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

March 30, 2026

Central Asia Institute

Statement of Financial Position
As of September 30, 2025
With Summarized Financial Information for 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	\$ 594,585	\$ 629,410
Investments	7,188,580	7,364,924
Grants receivable	10,000	7,500
Prepaid expenses and other assets	59,494	36,171
Total current assets	<u>7,852,659</u>	<u>8,038,005</u>
PROPERTY AND EQUIPMENT		
Land	147,200	147,200
Buildings and improvements	513,549	513,549
Equipment	32,734	32,734
	693,483	693,483
Less: Accumulated depreciation	(257,640)	(237,474)
Net property and equipment	<u>435,843</u>	<u>456,009</u>
TOTAL ASSETS	<u>\$ 8,288,502</u>	<u>\$ 8,494,014</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued liabilities	\$ 103,634	\$ 108,460
Grants payable	33,970	28,495
Refundable advances	10,999	10,000
Total liabilities	<u>148,603</u>	<u>146,955</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	7,362,878	7,417,385
With donor restrictions	777,021	929,674
Total net assets	<u>8,139,899</u>	<u>8,347,059</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,288,502</u>	<u>\$ 8,494,014</u>

See accompanying notes to financial statements.

Central Asia Institute

**Statement of Activities and Change in Net Assets
For the Year Ended September 30, 2025
With Summarized Financial Information for 2024**

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Contributions	\$ 2,141,719	\$ 442,816	\$ 2,584,535	\$ 2,347,791
Net investment return	595,239	-	595,239	1,306,126
Contributed nonfinancial assets	1,157	-	1,157	1,963
Other revenue	47,615	-	47,615	40,831
Net assets released from donor restrictions	595,469	(595,469)	-	-
Total support and revenue	<u>3,381,199</u>	<u>(152,653)</u>	<u>3,228,546</u>	<u>3,696,711</u>
EXPENSES				
Program Services:				
Global Outreach Program	273,567	-	273,567	225,322
Overseas Education and Projects	2,421,852	-	2,421,852	2,531,923
Total program services	<u>2,695,419</u>	<u>-</u>	<u>2,695,419</u>	<u>2,757,245</u>
Supporting Services:				
General and Administrative	393,943	-	393,943	384,477
Fundraising	346,344	-	346,344	398,776
Total supporting services	<u>740,287</u>	<u>-</u>	<u>740,287</u>	<u>783,253</u>
Total expenses	<u>3,435,706</u>	<u>-</u>	<u>3,435,706</u>	<u>3,540,498</u>
Change in net assets	(54,507)	(152,653)	(207,160)	156,213
Net assets at beginning of year	7,417,385	929,674	8,347,059	8,190,846
NET ASSETS AT END OF YEAR	<u><u>\$ 7,362,878</u></u>	<u><u>\$ 777,021</u></u>	<u><u>\$ 8,139,899</u></u>	<u><u>\$ 8,347,059</u></u>

See accompanying notes to financial statements.

Central Asia Institute

Statement of Functional Expenses
For the Year Ended September 30, 2025
With Summarized Financial Information for 2024

	2025						2024	
	Program Services			Supporting Services			Total Expenses	Total Expenses
	Global Outreach Program	Overseas Education and Projects	Total Program Services	General and Administrative	Fundraising	Total Supporting Services		
Overseas education and community health grants	\$ -	\$ 1,985,800	\$ 1,985,800	\$ -	\$ -	\$ -	\$ 1,985,800	\$ 2,105,557
Personnel costs	171,184	325,115	496,299	208,314	221,533	429,847	926,146	915,304
Professional fees	52,380	54,100	106,480	100,424	14,813	115,237	221,717	193,143
Fees, permits, and memberships	75	18,557	18,632	3,213	36,119	39,332	57,964	76,853
Technology	8,364	3,330	11,694	11,350	20,594	31,944	43,638	44,100
Occupancy	4,594	7,090	11,684	13,483	8,473	21,956	33,640	38,419
Publications	14,402	9	14,411	-	19,790	19,790	34,201	38,418
Insurance	-	7,495	7,495	27,005	-	27,005	34,500	37,188
Travel	1,820	16,138	17,958	258	9,371	9,629	27,587	31,763
Depreciation	-	-	-	20,165	-	20,165	20,165	19,840
Postage and delivery	4,661	851	5,512	970	12,062	13,032	18,544	19,706
Equipment	3,874	3,109	6,983	1,662	2,396	4,058	11,041	11,200
Office supplies	216	258	474	7,050	372	7,422	7,896	5,255
Event	11,914	-	11,914	-	821	821	12,735	3,250
Advertising and promotion	83	-	83	49	-	49	132	502
TOTAL	\$ 273,567	\$ 2,421,852	\$ 2,695,419	\$ 393,943	\$ 346,344	\$ 740,287	\$ 3,435,706	\$ 3,540,498

See accompanying notes to financial statements.

Central Asia Institute

Statement of Cash Flows
For the Year Ended September 30, 2025
With Summarized Financial Information for 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (207,160)	\$ 156,213
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	20,165	19,840
Unrealized loss (gain) on investments	269,825	(985,519)
Realized gain on sales of investments	(671,100)	(78,472)
(Increase) decrease in:		
Grants receivable	(2,500)	(7,500)
Prepaid expenses and other assets	(23,323)	17,547
(Decrease) increase in:		
Accounts payable and accrued liabilities	(4,826)	27,012
Grants payable	5,475	(22,574)
Refundable advances	999	8,641
Net cash used by operating activities	<u>(612,445)</u>	<u>(864,812)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	-	(23,495)
Purchases of investments	(4,203,961)	(3,568,494)
Proceeds from sales of investments	4,781,581	4,386,860
Net cash provided by investing activities	<u>577,620</u>	<u>794,871</u>
Net decrease in cash and cash equivalents	(34,825)	(69,941)
Cash and cash equivalents at beginning of year	629,410	699,351
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 594,585</u>	<u>\$ 629,410</u>

See accompanying notes to financial statements.

Central Asia Institute

Notes to Financial Statements

September 30, 2025

1. Summary of Significant Accounting Policies

Organization

Central Asia Institute (CAI) is a non-profit organization, incorporated in the State of Delaware and located in Bozeman, Montana. CAI's mission is to advance education and livelihood skills, especially for girls and women, in the remote and mountainous regions of Afghanistan, Pakistan and Tajikistan.

Program Services

CAI's programs focus on increasing access to quality education and developing livelihood skills, especially for girls and women in the remote and mountainous regions of Afghanistan, Pakistan and Tajikistan. Efforts to improve access to education include supporting community-based education for out-of-school children, teacher salaries, student scholarships, and school building renovations. Efforts to improve the quality of education include teacher training and providing teaching and learning materials. CAI supports training in entrepreneurship to support women in establishing small businesses and accessing employment opportunities. CAI's global outreach raises awareness of the importance of education, literacy, and cross-cultural understanding via our website, public events, and publications.

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to non-profit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follow:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

Central Asia Institute

Notes to Financial Statements

September 30, 2025

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with CAI's financial statements for the year ended September 30, 2024, from which the summarized information was derived.

Cash and Cash Equivalents

CAI considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, CAI maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Change in Net Assets.

Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. CAI's policy is to liquidate all gifts of investments as soon as possible after the gift.

Grants Receivable

Grants receivable include unconditional promises to give that are expected to be collected in future years. Grants receivables are recorded at their fair value, which is measured as the present value of the future cash flows. All grants receivable are considered by management to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established.

Property and Equipment

Property and equipment in excess of \$5,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally 3 to 39 years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation expense totaled \$20,165 for the year ended September 30, 2025.

Central Asia Institute

Notes to Financial Statements

September 30, 2025

1. Summary of Significant Accounting Policies (Continued)

Impairment of Long-Lived Assets

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced to its current fair value, and a loss is reported in accompanying Statement of Financial Position.

Income Taxes

CAI is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. CAI is not a private foundation.

Contributions

Contributions include annual fund contributions and support for special events, which is equal to the net amount of special events presented in the Statement of Activities and Change in Net Assets.

Contributions are recognized in the appropriate category of net assets in the period received. CAI performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from contributions is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. CAI's refundable advances totaled \$10,999 as of September 30, 2025.

In addition, CAI may obtain funding source agreements related to conditional contributions, which will be received in future years. However, CAI had no conditional contributions to be received in future years as of September 30, 2025.

Central Asia Institute

Notes to Financial Statements

September 30, 2025

1. Summary of Significant Accounting Policies (Continued)

Contributed Nonfinancial Assets

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consisted of contributed professional services.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Advertising

CAI expenses advertising costs as incurred. Advertising expense was \$132 for the year ended September 30, 2025.

Functional Allocation of Expenses

The costs of providing CAI's programs and supporting services have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and expenses that benefitted more than one functional area, such as personnel costs, were allocated based on estimated time and effort.

Grants Expense

CAI awards grants to local organizations in Pakistan, Tajikistan and Afghanistan. As CAI transfers funds to grantees, it records those funds as advances (asset) in the accompanying Statement of Financial Position. As grantees successfully incur and report qualifying expenditures to CAI, those advances are reduced and are recorded as current period expense. Any funds not expensed in accordance with the requirements stipulated in the grant agreements are either de-obligated or refunded back to CAI.

Risks and Uncertainties

CAI invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Central Asia Institute

**Notes to Financial Statements
September 30, 2025**

2. Investments and Fair Value Measurements

In accordance with FASB ASC 820, *Fair Value Measurement*, CAI has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the accompanying Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market CAI has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended September 30, 2025. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *U.S. and International Mutual Funds and ETFs* - Valued at the daily closing price as reported in the active market in which the individual securities are traded.
- *U.S. Fixed Income* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of September 30, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
U.S. Mutual Funds and ETFs	\$ 2,290,507	\$ -	\$ -	\$ 2,290,507
International Mutual Funds and ETFs	862,315	-	-	862,315
U.S. Fixed Income	4,035,758	-	-	4,035,758
TOTAL INVESTMENTS	<u>\$ 7,188,580</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,188,580</u>

Central Asia Institute

Notes to Financial Statements
September 30, 2025

2. Investments and Fair Value Measurements (Continued)

Net investment return consisted of the following for the year ended September 30, 2025:

Interest and dividends	\$ 231,994
Unrealized loss	(269,825)
Realized gain	671,100
Investment expenses provided by external investment advisors and allocated internal management costs	(38,030)
NET INVESTMENT RETURN	<u><u>\$ 595,239</u></u>

3. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of September 30, 2025:

Subject to Expenditure for Specified Purpose:

Overseas Education and Projects	<u><u>\$ 777,021</u></u>
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The following net assets with donor restrictions were released for donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors during the year ended September 30, 2025:

Purpose Restrictions Accomplished:

Overseas Education and Projects	<u><u>\$ 595,469</u></u>
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4. Liquidity and Availability

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following as of September 30, 2025:

Cash and cash equivalents	\$ 594,585
Investments	7,188,580
Receivables	10,000
Subtotal financial assets available within one year	<u>7,793,165</u>
Less: Donor-restricted funds	<u>(777,021)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u><u>\$ 7,016,144</u></u>

CAI has a policy to structure its financial assets to be available and liquid as its obligations become due.

Central Asia Institute

Notes to Financial Statements September 30, 2025

5. Retirement Plan

CAI provides retirement benefits to its employees through a defined contribution plan. CAI provides an employer discretionary matching contribution which is determined annually by the Board. During the year ended September 30, 2025, the Board approved a matching contribution of up to 6% of an employee's compensation. Employees with nine months of qualified experience are eligible for the discretionary match. CAI contributions to the Plan for the year ended September 30, 2025 totaled \$30,787.

6. Rental Income

As CAI currently utilizes approximately 2,400 square feet of its 4,000 square feet of available space, it has decided to lease the unused space. During the year ended September 20, 2025, CAI leased a portion of its available office space to tenants under short-term agreements that end on or prior to September 30, 2026. During the year ended September 30, 2025, the rental income related to these lease arrangements totaled \$35,952, and is included in other revenue in the accompanying Statement of Activities and Change in Net Assets.

7. Subsequent Events

In preparing these financial statements, CAI has evaluated events and transactions for potential recognition or disclosure through March 30, 2026, the date the financial statements were issued.