

METROMORPHOSIS
BATON ROUGE, LOUISIANA
AUDITED FINANCIAL STATEMENTS
December 31, 2025



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
MetroMorphosis
Baton Rouge, Louisiana

Opinion

We have audited the financial statements of MetroMorphosis, which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of MetroMorphosis as of December 31, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MetroMorphosis 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 MetroMorphosis'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 auditors' 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 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 MetroMorphosis'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 MetroMorphosis's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
August 14, 2026



METROMORPHOSIS

STATEMENT OF FINANCIAL POSITION

(See Notes to Financial Statements)

December 31, 2025

ASSETS

UNRESTRICTED CURRENT ASSETS

Cash and Cash Equivalents	\$ 659,187
Certificates of Deposit	500,000
Accounts Receivable	32,374
Current Portion of Pledges Receivable	<u>25,000</u>

TOTAL UNRESTRICTED CURRENT ASSETS 1,216,561

PROPERTY AND EQUIPMENT

Property and Equipment	284,707
Less Accumulated Depreciation	<u>(44,040)</u>

NET PROPERTY AND EQUIPMENT 240,667

OTHER ASSETS

Pledges Receivable (less unamortized discount of \$2,947)	<u>27,053</u>
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TOTAL ASSETS \$ 1,484,281

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Payroll Related Liabilities	\$ 48
Credit Card Payable	347
Current Portion of Long-Term Note Payable	<u>18,573</u>

TOTAL CURRENT LIABILITIES 18,968

NON-CURRENT LIABILITIES

Mortgage Note Payable	<u>118,751</u>
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TOTAL LIABILITIES 137,719

NET ASSETS

Without Donor Restrictions	1,159,190
With Donor Restrictions	<u>187,372</u>

TOTAL NET ASSETS 1,346,562

TOTAL LIABILITIES AND NET ASSETS \$ 1,484,281



METROMORPHOSIS

STATEMENT OF ACTIVITIES
 (See Notes to Financial Statements)
 For the Year Ended December 31, 2025

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
SUPPORT AND REVENUES			
Financial Contributions	\$ 251,376	\$ 387,325	\$ 638,701
Fees for Services	442,143	-	442,143
Interest Income	24,388	-	24,388
	<u>717,907</u>	<u>387,325</u>	<u>1,105,232</u>
Net assets released from restrictions	<u>420,000</u>	<u>(420,000)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	1,137,907	(32,675)	1,105,232
EXPENSES			
Program Services	1,044,858	-	1,044,858
Management and General	561,911	-	561,911
Fundraising	-	-	-
	<u>1,606,769</u>	<u>-</u>	<u>1,606,769</u>
TOTAL EXPENSES	1,606,769	-	1,606,769
INCREASE (DECREASE) IN NET ASSETS	(468,862)	(32,675)	(501,537)
NET ASSETS			
Beginning Balance	<u>1,628,052</u>	<u>220,047</u>	<u>1,848,099</u>
End of year	<u>\$ 1,159,190</u>	<u>\$ 187,372</u>	<u>\$ 1,346,562</u>



METROMORPHOSIS

STATEMENT OF FUNCTIONAL EXPENSES

(See Notes to Financial Statements)

For the Year Ended December 31, 2025

	Program Services	Management and General	Fundraising	Total
Salaries & Benefits	\$ 388,161	\$ 395,481	\$ -	\$ 783,642
Advertising/Communications	78,316	-	-	78,316
Conferences & Meetings	71,162	-	-	71,162
Depreciation Expense	-	11,148	-	11,148
Dues & Subscriptions	-	13,815	-	13,815
Insurance	-	15,953	-	15,953
Office Expense	26,335	11,362	-	37,697
Printing	9,190	-	-	9,190
Professional Development	13,013	-	-	13,013
Professional Fees	372,980	93,245	-	466,225
Project Supplies	31,438	-	-	31,438
Occupancy	-	9,599	-	9,599
Seed Investments/grants	11,021	-	-	11,021
Technology	-	7,242	-	7,242
Telephone	-	4,066	-	4,066
Travel	43,242	-	-	43,242
TOTAL	\$ 1,044,858	\$ 561,911	\$ -	\$ 1,606,769



METROMORPHOSIS

STATEMENT OF CASH FLOWS
 (See Notes to Financial Statements)
 For the Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (501,537)
Adjustments for Non-Cash Items:	
Depreciation	11,148
Amortization of discount on pledges receivable	(2,006)
Change in operating assets:	
Decrease (Increase) in pledges receivable	(32,374)
Decrease (Increase) in accounts receivable	170,000
Decrease (Increase) in prepaid expenses	2,453
Change in operating liabilities:	
Increase (Decrease) in accounts payable	(9,866)
Increase (Decrease) in credit card payable	(5,053)
NET CASH USED BY OPERATING ACTIVITIES	(367,235)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of certificates of deposit	(500,000)
Purchase of property and equipment	(6,804)
NET CASH USED BY INVESTING ACTIVITIES	(506,804)
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on mortgage payable	(17,915)
NET CASH USED BY FINANCING ACTIVITIES	(17,915)
NET DECREASE IN CASH	(891,954)
BEGINNING CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	1,551,141
ENDING CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	<u>\$ 659,187</u>



METROMORPHOSIS
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – Metromorphosis (the Organization) is a Louisiana not-for-profit corporation organized in 2012 to transform urban communities from within. The Organization understands the essence of this mission to be connecting people and organizations in ways that allow them to co-create a Baton Rouge in which all of its citizens feel that it is a vibrant, thriving place to live, work, and experience success. Its work revolves around the people who live in the communities that it serves. It works with nonprofit organizations and individuals to support the development of equitable processes, equip its community members with the tools and resources they need to participate in them and fundamentally shift the narrative.

Basis of Accounting – The Organization reports information regarding its financial position and activities and changes in net assets according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are 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, such as those that the donor stipulates those resources be maintained in perpetuity. Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the board limits or designates resulting from the Organization, its environment in which it operates, the purposes specified in corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. When a donor's restrictions are satisfied, either by using the resources in the manner specified by the donor or the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. The Organization has \$187,372 of net assets with donor restrictions for the year ended December 31, 2025.

Financial Statement Presentation – The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions, and net assets without donor restrictions. The statement of activities presents expenses of the Organization functionally by program services, fundraising, and management and general.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures, at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for doubtful accounts, useful lives of long-lived assets, prepaid assets, and accrued liabilities.



METROMORPHOSIS
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status - The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code; therefore, the financial statements have no provision for federal and state income tax. The Organization follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management has determined that there is no impact to the financial statements as a result of ASC 740-10. The Organization open audit periods are 2022, through 2025.

Revenue and Revenue Recognition - Revenue is recognized when earned. Program service fees and payments under contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

Revenue With and Without Donor Restrictions - Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Cash and Cash Equivalents - The Organization considers all highly liquid investments, money market funds and certificates of deposit with a maturity of three months or less at the date of acquisition to be cash equivalents. The Organization also has bank accounts which earn interest at rates between 3.55% and 3.8%. The Organization had \$500,000 of cash in the form of certificates of deposit at December 31, 2025.

Certificates of Deposit - The Organization also has certificates of deposit with varying maturities greater than one year which earn interest at rates between 3.55% and 3.8%. The Organization had \$500,000 of cash in the form of certificates of deposit with maturities greater than one year at December 31, 2025.

Grants receivable - Accounts receivable are recorded at cost, net of an allowance for doubtful accounts. Management believes all accounts are collectible; therefore, an allowance has not been recorded at December 31, 2025. The Organization does not require collateral for its receivables. There were no receivables less than 90 days past due at December 31, 2025.

Property and Depreciation - Property is stated at cost, or fair market value if donated, and depreciated over the estimated useful lives, between five and twenty-seven years, using the straight-line method for values in excess of \$1,000. Maintenance and repairs expenditures are expensed as incurred. Donations of property and equipment are recorded as nonfinancial contributions.

Contributed Services - No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization to further its mission, but these services do not meet the criteria for recognition as nonfinancial contributions.

METROMORPHOSIS
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions Receivable— Unconditional promises to give (pledges) that are 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 initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, unconditional promises to give are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition. Discount rates vary from 4.27% to 4.38%. The discount rate determined at the initial recognition of the unconditional promise to give is based upon management's assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the other parties, the Organization's past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivables collectability. Amortization of the discounts is included in revenue from contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. An allowance for uncollectible pledges is recorded when the Organization determines, based on historical experience and collection efforts, that a contribution receivable (carried over from a prior year) is uncollectible. As of December 31, 2025, the Organization believed that all pledges were collectible and recorded no allowance.

Advertising Costs – The Organization expenses advertising costs as they are incurred. The Organization had advertising costs of \$78,316 for the year ended December 31, 2025.

Fair Value of Financial Instruments - The carrying value of receivables, prepaid insurance, accounts payable and accrued liabilities approximate fair value due to the short-term maturity of these instruments. None of these financial instruments are held for trading purposes.

Grant Revenue - The Organization receives grants to support its activities as well as grants restricted for specific purposes. Restricted grants that have not been fully expended at year-end are classified as restricted net assets.

Concentration of Credit Risk - The Organization typically maintains cash in local banks. From time to time the cash balance of deposits may exceed the balance insured by the Federal Deposit Insurance Corporation (FDIC) as they are below the maximum insured amounts of \$250,000 or the \$500,000 maximum insured by the Securities Investor Protection Corporation (SIPC). The Organization's cash balances were fully insured by the FDIC as of December 31, 2025.



METROMORPHOSIS
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 2: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

	<u>12/31/2025</u>
Financial Assets	\$ 1,189,450
Subtract: Donor Restrictions	<u>(187,372)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,002,078</u>

NOTE 3: PROPERTY AND EQUIPMENT

At December 31, 2025, property and equipment balances were as follows:

<u>Description</u>	<u>Estimated Service Life</u>	<u>Amount</u>
Land		\$ 4,400
Furniture and fixtures	7 years	8,698
Equipment	5 years	13,562
Building	27.5 years	<u>258,047</u>
		284,707
Less accumulated depreciation		<u>(44,040)</u>
Net Property and Equipment		<u>\$ 240,667</u>

NOTE 4: SHORT-TERM LEASE PAYABLE

The Organization has a short-term lease for a temporary resource center. The lease expires in April 2026. The required lease payments total \$350 per month. Required minimum lease payments for the next year totals \$1,400.

NOTE 5: LONG-TERM NOTE PAYABLE

The Organization has a note payable for the purchase of an office building. The note is for 120 months at an interest rate of 4.125%. Monthly payments are set at \$1,992 with the building as collateral. The note matures in July 2032. The following shows the maturities for the note over the next five years:

December 31, 2026	\$ 18,573
December 31, 2027	19,354
December 31, 2028	20,168
December 31, 2029	21,015
December 31, 2030 and thereafter	<u>58,214</u>
Total	<u>\$ 137,324</u>

METROMORPHOSIS
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 6: RESTRICTED NET ASSETS

At December 31, 2025, the Organization had the following in net assets with donor restrictions:

Temple Family – Pledge (less amortized amount)	\$ 50,047
Centene Foundation	<u>137,325</u>
Total	<u>\$ 187,372</u>

For the year ended December 31, 2025, the Organization had released the following assets with donor restrictions to be recognized as unrestricted contributions:

Charles Lamar Foundation – Pledge	\$ 100,000
Wilson Foundation	50,000
Temple Family – Pledge (less amortized amount)	20,000
Centene Foundation	50,000
Other Restricted Contributions	<u>200,000</u>
Total	<u>\$ 420,000</u>

NOTE 7: RETIREMENT PLAN

The Organization has a defined contribution plan covering all regular, full-time employees who make greater than \$5,000 during a year. The Organization will match contributions to the plan an amount equal to 1% of total employees' compensation for the first two years and 3% for the following three years. In year 6, the Organization will match contributions made by the employee for two years and 3% for the three years after that. There was no change in the contribution rate from the prior year. The retirement expenses for the year ended December 31, 2025, were \$5,8105,810.

NOTE 8: ALLOCATION OF FUNCTIONAL EXPENSES

The Statement of Functional Expenses reports certain categories of expenses that are attributable to more than one program or support function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits and professional fees, which are allocated on the basis of estimates of time and effort.

METROMORPHOSIS
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 9: ECONOMIC DEPENDENCY

The Organization received the majority of its revenue from funds provided through private grants or contributions and other nonprofit entities. Grant and contribution are dependent upon the economic stability of the grantor and contributors. As of the date of these financial statements, management was not aware of any actions taken that would adversely affect the amount of funds to be received in the next fiscal year. It should be noted, however, that the organization received 60% of its total support in the year ended December 31, 2025, from such grants and contributions.

NOTE 10: SUBSEQUENT EVENTS

Subsequent to year end, the Organization transferred a portion of its net assets to start a new non-profit entity, Aging While Black. This program, formerly under the Organization's purview, began its own operations in January 2026 and utilizes the Organization for shared facilities and services. The Organization expects that both revenues and expenses will fall by approximately 10% - 15% in the coming year.

Management of the Organization has evaluated subsequent events through August 14, 2026, the date that these financial statements were available to be issued and has determined that there are no significant subsequent events that require recognition or disclosure through that date.

METROMORPHOSIS
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

For the Year Ended December 31, 2025

No compensation, benefits, or other payments were made to the agency head or chief executive officer from public funds.

METROMORPHOSIS
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2025

SUMMARY OF AUDITORS' REPORTS

Financial Statements:

Type of report issued the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	<u>Unmodified Opinion</u>
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Internal Control over Financial Reporting:

Material Weakness(es) Identified	<u>No</u>
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Significant Deficiency(ies) Identified	<u>No</u>
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Noncompliance Material to Financial Statements Noted	<u>No</u>
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FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED
IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

None reported.

METROMORPHOSIS
(A NOT-FOR-PROFIT ORGANIZATION)
Baton Rouge, Louisiana

PRIOR YEAR SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2024

SUMMARY OF AUDITOR'S REPORTS

Financial Statements:

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

Unmodified Opinion

Internal Control over Financial Reporting:

Material Weakness(es) Identified

No

Significant Deficiency(ies) Identified

No

Noncompliance Material to Financial Statements Noted

No

FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED
IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

None reported.