**Biblical Ministries Worldwide, Inc.**

# Independent Auditor's Report and Audited Combined Financial Statements

As of and for the Years Ended October 31, 2025 and 2024

**Biblical Ministries Worldwide, Inc.**
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# Independent Auditor's Report

Board of Directors
Biblical Ministries Worldwide, Inc.
Lawrenceville, Georgia

## Opinion

We have audited the combined financial statements of Biblical Ministries Worldwide, Inc. (the Ministry), which comprise the combined statements of financial position as of October 31, 2025 and 2024, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Ministry as of October 31, 2025 and 2024, and its changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

## Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (U.S. 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 the Ministry 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor’s Responsibilities for the Audit of the Combined Financial Statements**

Our objectives are to obtain reasonable assurance about whether the combined 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 U.S. 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 combined financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry’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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ministry’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.

CoSurge LLC
(d/b/a CoSurge CPAs)
Buford, Georgia
October 21, 2026

**Biblical Ministries Worldwide, Inc.**
Combined Statements of Financial Position
As of October 31, 2025 and 2024

| | 2025 | 2024 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 1,135,379 | $ 2,003,636 |
| Accounts receivable, net | - | 290,130 |
| Investments | 12,335,147 | 11,577,102 |
| Property and equipment, net | 1,306,861 | 1,401,049 |
| Amounts held on behalf of others | 426,174 | 250,978 |
| **Total Assets** | $ 15,203,561 | $ 15,522,895 |
| **Liabilities and Net Assets** | | |
| **Liabilities** | | |
| Accounts payable and accrued liabilities | $ 252,806 | $ 271,188 |
| Other liabilities | - | 43,915 |
| Amounts held on behalf of others | 426,174 | 250,978 |
| **Total Liabilities** | 678,980 | 566,081 |
| **Net Assets** | | |
| Without donor restrictions | 9,412,542 | 9,845,120 |
| With donor restrictions | 5,112,039 | 5,111,694 |
| **Total Net Assets** | 14,524,581 | 14,956,814 |
| **Total Liabilities and Net Assets** | $ 15,203,561 | $ 15,522,895 |

See accompanying notes to the combined financial statements.

**Biblical Ministries Worldwide, Inc.**
Combined Statements of Activities
For the Year Ended October 31, 2025

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| **Revenues, Support, and Gains** | | | |
| Contributions | $ 207,647 | $ 16,127,547 | $ 16,335,194 |
| Rental income | 83,962 | - | 83,962 |
| Investment income | 1,412,639 | - | 1,412,639 |
| Other income | 88,990 | - | 88,990 |
| Released from restrictions | 16,127,202 | (16,127,202) | - |
| **Total Revenues, Support, and Gains** | 17,920,440 | 345 | 17,920,785 |
| **Expenses** | | | |
| Program activities | 15,283,023 | - | 15,283,023 |
| Management and general | 2,543,156 | - | 2,543,156 |
| Fundraising | 526,839 | - | 526,839 |
| **Total Expenses** | 18,353,018 | - | 18,353,018 |
| Changes in Net Assets | (432,578) | 345 | (432,233) |
| Net Assets, Beginning of Year | 9,845,120 | 5,111,694 | 14,956,814 |
| **Net Assets, End of Year** | $ 9,412,542 | $ 5,112,039 | $ 14,524,581 |

See accompanying notes to the combined financial statements.

**Biblical Ministries Worldwide, Inc.**
Combined Statements of Activities
For the Year Ended October 31, 2024

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| **Revenues, Support, and Gains** | | | |
| Contributions | $ 437,322 | $ 16,228,464 | $ 16,665,786 |
| Rental income | 98,105 | - | 98,105 |
| Investment income | 477,147 | - | 477,147 |
| Gain on sale of property | 7,056,074 | - | 7,056,074 |
| Other income | 320,215 | - | 320,215 |
| Released from restrictions | 17,731,983 | (17,731,983) | - |
| **Total Revenues, Support, and Gains** | 26,120,846 | (1,503,519) | 24,617,327 |
| **Expenses** | | | |
| Program activities | 15,983,309 | - | 15,983,309 |
| Management and general | 2,338,251 | - | 2,338,251 |
| Fundraising | 403,546 | - | 403,546 |
| **Total Expenses** | 18,725,106 | - | 18,725,106 |
| Changes in Net Assets | 7,395,740 | (1,503,519) | 5,892,221 |
| Net Assets, Beginning of Year | 2,449,380 | 6,615,213 | 9,064,593 |
| **Net Assets, End of Year** | $ 9,845,120 | $ 5,111,694 | $ 14,956,814 |

See accompanying notes to the combined financial statements.

**Biblical Ministries Worldwide, Inc.**
Combined Statements of Functional Expenses
For the Year Ended October 31, 2025

| | | Supporting Services | | |
|---|---|---|---|---|
| | **Program Activities** | **Management and General** | **Fundraising** | **Total Expenses by Nature** |
| Compensation | $ 8,049,510 | $ 1,281,701 | $ 427,234 | $ 9,758,445 |
| Mission projects | 6,084,100 | - | - | 6,084,100 |
| Professional services | 4,760 | 140,400 | - | 145,160 |
| Information technology | 15,025 | 135,221 | - | 150,246 |
| Bank fees | 37,677 | 69,358 | - | 107,035 |
| Travel | 816,092 | 298,814 | 99,605 | 1,214,511 |
| Training | 6,833 | 36,710 | - | 43,543 |
| Mailing and shipping | 422 | 32,865 | - | 33,287 |
| Office | 163,040 | 279,398 | - | 442,438 |
| Utilities | - | 38,691 | - | 38,691 |
| Insurance | - | 66,340 | - | 66,340 |
| Depreciation | 71,142 | 38,115 | - | 109,257 |
| Other | 34,422 | 125,543 | - | 159,965 |
| **Total Expenses by Function** | $15,283,023 | $ 2,543,156 | $ 526,839 | $ 18,353,018 |

See accompanying notes to the combined financial statements.

**Biblical Ministries Worldwide, Inc.**
Combined Statements of Functional Expenses
For the Year Ended October 31, 2024

| | | Supporting Services | | |
|---|---|---|---|---|
| | Program Activities | Management and General | Fundraising | Total Expenses by Nature |
| Compensation | $ 8,491,512 | $ 976,873 | $ 325,625 | $ 9,794,010 |
| Mission projects | 6,322,749 | - | - | 6,322,749 |
| Professional services | 79,943 | 236,556 | - | 316,499 |
| Information technology | 18,909 | 174,030 | - | 192,939 |
| Bank fees | 31,645 | 69,470 | - | 101,115 |
| Travel | 579,797 | 233,763 | 77,921 | 891,481 |
| Training | 11,381 | 42,851 | - | 54,232 |
| Mailing and shipping | 650 | 27,896 | - | 28,546 |
| Office | 86,714 | 190,313 | - | 277,027 |
| Utilities | - | 36,235 | - | 36,235 |
| Insurance | - | 50,345 | - | 50,345 |
| Depreciation | 89,734 | 48,076 | - | 137,810 |
| Other | 270,275 | 251,843 | - | 522,118 |
| **Total Expenses by Function** | $15,983,309 | $ 2,338,251 | $ 403,546 | $ 18,725,106 |

See accompanying notes to the combined financial statements.

**Biblical Ministries Worldwide, Inc.**
Combined Statements of Cash Flows
For the Years Ended October 31, 2025 and 2024

| | 2025 | 2024 |
|---|---|---|
| **Cash Flows From Operating Activities** | | |
| Cash received from contributions | $ 16,335,194 | $ 16,665,786 |
| Cash received from other sources | 435,285 | 830,729 |
| Cash paid to missionaries and employees | (16,662,059) | (18,806,517) |
| Cash paid to vendors | (1,532,503) | (254,225) |
| **Net Cash Used in Operating Activities** | (1,424,083) | (1,564,227) |
| **Cash Flows From Investing Activities** | | |
| Net purchases of investments | (684,498) | (11,575,200) |
| Proceeds from sale of investments | 1,255,393 | 2,835,980 |
| Purchases of property and equipment | (15,069) | (18,542) |
| Proceeds from sale of property and equipment | - | 7,409,578 |
| **Net Cash Provided by (Used in) Investing Activities** | 555,826 | (1,348,184) |
| **Net Decrease in Cash and Cash Equivalents** | (868,257) | (2,912,411) |
| Cash and Cash Equivalents at Beginning of Year | 2,003,636 | 4,916,047 |
| **Cash and Cash Equivalents at End of Year** | $ 1,135,379 | $ 2,003,636 |

See accompanying notes to the combined financial statements.

## 1. Nature of the Ministry

Biblical Ministries Worldwide, Inc. (“the Ministry”) is a non-profit corporation formed in January 1988 as a California corporation and legally relocated its state of incorporation to Georgia in 2022. The Ministry was formed by the merger of United Missionary Fellowship, founded in 1949, and Worldwide European Fellowship, founded in 1959. The Ministry’s purpose is to maintain and conduct missions activities, to provide buildings and land for its corporate objectives, and to exercise any and all powers and privileges allowed or permitted by a non-profit religious organization. The Ministry functions as a mission board for its missionaries serving around the world, and supports those missionaries in their endeavors to operate various local ministries. The Ministry's primary source of revenue is contributions from churches and individuals.

## 2. Summary of Significant Accounting Policies

The following significant accounting policies are described to enhance the usefulness of the financial statements to the reader.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Principles of Combination

The combined financial statements include the accounts of Biblical Ministries Worldwide, Inc. and its related entities under common control: Commission on Compassion and Key Radio. The combined entities are collectively referred to herein as the Ministry. All intercompany balances and activity have been eliminated upon combination.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include checking, savings, money market accounts, and highly liquid investments that are readily convertible into cash and were purchased with an original maturity of ninety days or less. At various times during the year, the Ministry maintains cash balances in excess of federally insured limits. Management does not believe the Ministry is exposed to any significant credit risk on cash and cash equivalents.

Investments

Investments are recorded at fair value. Investment income or loss (including realized and unrealized gains and losses, interest, and dividends) is included in the statement of activities as an increase or decrease in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect, using an allowance for credit losses model in accordance with the current expected credit loss (CECL) methodology. The allowance for credit losses is based on historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amounts. Management evaluates the aging of receivables, donor or customer creditworthiness, and current economic trends when assessing the adequacy of the allowance. Balances are written off when deemed uncollectible. The Ministry did not record an allowance for credit losses as of October 31, 2025 and 2024, as uncollectible amounts were considered insignificant. There were no accounts receivable at October 31, 2025. Accounts receivable totaled $290,130 at October 31, 2024.

Fair Value Measurements

When required or elected, the Ministry reports certain assets and liabilities (financial instruments) at fair value (the estimated price at which an asset can be sold or a liability settled in an orderly transaction to a third party under current market conditions) using appropriate valuation techniques based on available inputs.

Available inputs are categorized (based on the amount of subjectivity associated with the information source) using a three-level fair value hierarchy defined by U.S. GAAP as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets and liabilities
Level 2 - Observable inputs other than quoted prices for identical assets and liabilities
Level 3 - Unobservable inputs supported by little or no market activity

When possible, the Ministry measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 and Level 2 are not available. At October 31, 2025 and 2024, investments held by the Ministry were valued using Level 1 inputs.

Property and Equipment

The Ministry's capitalization policy is to capitalize property and equipment with a purchase price, or donation value, more than $2,000 and which has a useful life greater than two years. Property and equipment purchased are recorded at cost, or fair value at the date of donation, if donated.

Maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed currently. Property items retired, or otherwise disposed of, are removed from the asset and accumulated depreciation accounts and any resulting gain or loss is reflected in the combined statement of activities.

Depreciation is provided over the estimated useful lives of the individual assets using the straight-line method as follows: buildings, 31 to 35 years; equipment, 10 years; vehicles, 5 years.

Impairment

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. If a long-lived asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying value of the asset exceeds the fair value of the asset. There were no indicators of asset impairment for the years ended October 31, 2025 and 2024.

Amounts Held for Others

The Ministry has relationships with affiliated organizations that, in the normal course of operations, have used the Ministry's legal status for custody of certain financial and nonfinancial assets. As of October 31, 2025 and 2024, financial assets held in this manner include cash and cash equivalents totaling $426,174 and $250,978, respectively. In accordance with U.S. GAAP (ASC 958-605-25), this amount is recorded as both an asset and an offsetting liability in the accompanying combined statement of financial position, as the funds are held for the benefit of the respective affiliates and are expected to be remitted upon request.

Additionally, certain of these affiliated organizations hold property and equipment titled in the name of the Ministry for the affiliates' operational use. These assets primarily consist of three church properties located in Utah, acquired between 2008 and 2017, with an aggregate purchase cost of approximately $763,000. Because the Ministry does not maintain control over or derive economic benefit from these properties, and they are used exclusively by the affiliated organizations, ASC 958-605-25 permits the exclusion of the related nonfinancial assets from the combined statement of financial position.

Net Assets

To ensure observance of limitations and restrictions placed on the use of resources available to the Ministry, amounts reported in the combined financial statements are classified in two net asset categories as follows:

- Net assets without donor restrictions are resources currently available for use in general operations, including internal limits imposed by Board decisions.

- Net assets with donor restrictions are resources whose use is limited by donor / grantor-imposed restrictions for specific purpose, passage of time, or perpetual donor-imposed stipulations that neither expire by the passage of time nor can be removed by actions of the Ministry.

Revenue Recognition

The Ministry recognizes revenue in accordance with *Accounting Standards Codification (ASC) 958-605*, *Not-for-Profit Entities – Revenue Recognition*, and *ASC 606*, *Revenue from Contracts with Customers*, where applicable.

*Contributions*

Unconditional contributions are recognized in the period received. Promises to give are recognized as revenue when the promise is made. Contributions are reported as net assets with or without donor restrictions depending on the existence and nature of any donor-imposed stipulations. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the restriction is satisfied, typically through the expenditure of funds for specific purposes, the passage of time, or routine administrative fees charged to missionary accounts, which are deducted as amounts are disbursed.

Conditional contributions are not recognized until the conditions are substantially met.

*Other Revenue*

Revenue from program services, including fees from events, camps, and similar activities, is recognized when the related services are performed, which is generally over the duration of the program or event. Payments received in advance of the performance of such services are deferred and recognized as revenue in the period in which the services are provided.

Other revenue sources such as merchandise sales and miscellaneous fees are recognized at the point in time when the performance obligation is satisfied, which is generally when the goods are delivered or services are rendered.

*Donated Goods and Services*

Donated goods and services are recognized as revenue when received if they meet the criteria for recognition under U.S. GAAP. These are recorded at their estimated fair value at the date of donation. Donated services are recognized if they create or enhance nonfinancial assets or require specialized skills that would need to be purchased if not provided by donation.

Volunteers contribute significant amounts of time to program and supporting activities that would not have otherwise been purchased by the Ministry. No value has been assigned to this volunteer time as it does not meet the criteria for recognition.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the combined statement of functional expenses. Accordingly, certain expenses have been allocated among the program and supporting services benefited. Salaries, travel, and similar expenses are allocated based on estimates of time and effort. Occupancy, depreciation, and other facility-related costs are allocated based on square footage or usage.

Fundraising Activities

The FASB defines fundraising activities as activities undertaken to induce potential donors to contribute money, securities, services, materials, facilities, other assets, or time. A solicitation activity is considered fundraising regardless of the outcome. Fundraising activities typically include publicizing and conducting fundraising campaigns; maintaining donor mailing lists; conducting special fundraising events; preparing and distributing fundraising manuals, instructions, and other materials; conducting other activities involved with soliciting contributions from individuals, foundations, government agencies, and others; and soliciting contributions of services from individuals (i.e. time), regardless of whether those services meet the recognition criteria for contributions.

The Ministry incurred costs associated with establishing and nurturing donor relationships of $526,839 and $403,546 during the years ended October 31, 2025 and 2024, respectively. These costs included compensation of $427,234 and $325,625 and travel of $99,605 and $77,921 for the years ended October 31, 2025 and 2024, respectively. Such costs are included in supporting services in the accompanying combined statements of activities and functional expenses.

Tax-Exempt Status

The Ministry has been recognized by the IRS as exempt from federal income tax under Internal Revenue Code Section 501(c)(3), and determined not to be a private foundation under section 509(a) of the Internal Revenue Code. The Ministry is classified as a parachurch organization and is exempt from requirements to file IRS Form 990; however, the Ministry is subject to unrelated business income tax on certain income not directly related to the Ministry's tax-exempt purpose, and would file Form 990-T in the event that unrelated business income was present. In the opinion of management, the Ministry had no unrelated business income during 2025 or 2024; accordingly, no provision or benefit for income taxes has been made in the accompanying combined financial statements.

The Ministry only recognizes a tax benefit from an uncertain tax position taken or to be taken in a tax return if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Management has analyzed tax positions taken for filings with the IRS and all state jurisdictions where the Ministry operates. Management believes that income tax filing positions would be sustained upon examination and does not anticipate that any adjustments would result in a material adverse effect on the Ministry's financial condition, changes in net assets, or cash flows. Accordingly, the Ministry has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at October 31, 2025 and 2024.

The Ministry is subject to federal and state examinations, generally three years from the date that the returns are filed; currently there are no examinations in progress for any tax periods.

## 3. Investments

Investments consist of the following as of October 31, 2025 and 2024:

| | 2025 | 2024 |
|---|---|---|
| **Investments at fair value** | | |
| Equity securities | $ 4,942,735 | $ 4,947,575 |
| Cash included in board-designated endowment | 7,392,412 | 6,629,527 |
| **Total investments** | $ 12,335,147 | $ 11,577,102 |

A summary of investment income during the years ended October 31, 2025 and 2024 follows:

| | 2025 | 2024 |
|---|---|---|
| Interest and dividends | $ 16,116 | $ 76,629 |
| Realized and unrealized gains, net | 1,396,523 | 400,518 |
| **Total investment income** | $ 1,412,639 | $ 477,147 |

## 4. Property and Equipment

A summary of property and equipment at October 31, 2025 and 2024 follows:

| | 2025 | 2024 |
|---|---|---|
| Land | $ 657,439 | $ 657,439 |
| Buildings and building improvements | 2,051,992 | 2,036,944 |
| Equipment | 78,346 | 83,151 |
| Vehicles | 60,600 | 60,600 |
| | 2,848,377 | 2,838,134 |
| Less: Accumulated depreciation | (1,541,516) | (1,437,085) |
| **Total property and equipment, net** | $ 1,306,861 | $ 1,401,049 |

Depreciation expense totaled $109,257 during 2025 and $137,810 during 2024.

## 5. Net Assets

A summary of net asset composition at October 31, 2025 and 2024 follows:

| | 2025 | 2024 |
|---|---|---|
| **Without donor restrictions** | | |
| Undesignated | $ 2,020,130 | $ 3,215,593 |
| Board-designated for quasi-endowment | 7,392,412 | 6,629,527 |
| **Total without donor restrictions** | 9,412,542 | 9,845,120 |
| **Donor restricted for specific purpose** | | |
| Missionary support | 5,112,039 | 5,111,694 |
| **Total net assets** | $ 14,524,581 | $ 14,956,814 |

Net assets with donor restrictions released from restriction for missionary support totaled $16,127,202 during 2025 and $17,731,983 during 2024.

## 6. Quasi-Endowment

The Ministry's quasi-endowment consists of funds designated by the board to function as a quasi-endowment. These board-designated funds are intended to provide long-term financial support for the Ministry's operations. Because these amounts are designated by the Board of Directors and not restricted by donors, they are classified as net assets without donor restrictions. The Board of Directors may modify or remove the designation at any time.

Return Objectives and Risk Parameters

The Ministry has adopted investment and spending policies that seek to provide a predictable stream of funding for operations while maintaining the purchasing power of the quasi-endowment assets over time. The board expects the quasi-endowment, over the long term, to earn a rate of return that meets or exceeds benchmark indices for each asset class, consistent with a moderate level of risk.

Strategies Employed for Achieving Objectives

To achieve its objectives, the Ministry uses a total return strategy, investing in a diversified mix of equity instruments. The Ministry relies on both income and capital appreciation to generate returns.

Spending Policy

The Ministry has not adopted a formal spending policy for board-designated quasi-endowment funds. Rather, the board reviews the quasi-endowment on an annual basis and determines distributions considered prudent and appropriate to support the Ministry's operations or specific initiatives. Distributions are made at the discretion of the board and may vary from year to year based on financial needs, market conditions, and other relevant factors.

A summary of changes in board-designated quasi-endowment funds during the years ended October 31, 2025 and 2024 follows:

| | 2025 | 2024 |
|---|---|---|
| Board-designated quasi-endowment funds, beginning of year | $ 6,629,527 | $ 706,196 |
| Interest and dividends | - | 51,176 |
| Realized and unrealized gains (losses) | 1,148,619 | (1,952) |
| Designations | 225,000 | 5,893,804 |
| Amounts appropriated for expenditure | (610,734) | (19,697) |
| **Board-designated quasi-endowment funds, end of year** | $ 7,392,412 | $ 6,629,527 |

Board-designated quasi-endowment funds are included in investments on the combined statement of financial position.

## 7. Liquidity and Availability of Resources

The Ministry manages its liquidity to ensure it has adequate financial assets available to meet general expenditures, liabilities, and other obligations as they become due. The Ministry's policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due, whether for ongoing operations or unexpected events.

The following reflects the Ministry's financial assets available to meet cash needs for general expenditures within one year as of October 31, 2025 and 2024:

| | 2025 | 2024 |
|---|---|---|
| **Financial assets, at year end:** | | |
| Cash and cash equivalents | $ 1,135,379 | $ 2,003,636 |
| Investments | 12,335,147 | 11,577,102 |
| Accounts receivable | - | 290,130 |
| **Total financial assets, at year end** | 13,470,526 | 13,870,868 |
| Less: Board-designated net assets | 7,392,412 | 6,629,527 |
| Less: Net assets with donor restrictions | 5,112,039 | 5,111,694 |
| **Assets available for general expenditure within one year** | 966,075 | 2,129,647 |
| Amounts available if authorized by the Board | 7,392,412 | 6,629,527 |
| **Total available at the Board's discretion** | $ 8,358,487 | $ 8,759,174 |

The Ministry receives significant contributions and program revenue throughout the year and monitors liquidity through ongoing budgetary and cash flow forecasting. While certain net assets are restricted by donors for specific purposes, the Ministry considers restrictions that are expected to be met in the normal course of operations within one year to be available to meet current obligations.

## 8. Related Party Transactions

Contributions from board members and their related organizations, and management, totaled $644,897 during 2025 and $1,050,043 during 2024.

## 9. Commitments and Contingencies

Previously, the Board of Directors provided supplemental compensation to certain former executives. This program directed that supplemental compensation payments of specified amounts, including "gross-up" amounts for taxes, would be paid to the applicable former executives over a specified time ranging from ten to fourteen years. An accrual has been recorded, representing the present value of the expected payments. The balance of the accrual at October 31, 2025 and 2024, is $153,324 and $206,529, respectively, and is included in accounts payable and accrued expenses in the combined statement of financial position. Payments of $53,205 and $52,721 were made under this policy for the years ended October 31, 2025 and 2024, respectively. The amounts payable under this policy are being funded by a combination of cash received upon liquidating existing life insurance policies and cash from other sources.

## 10. Subsequent Events

Management has evaluated subsequent events through October 21, 2026, which is the date on which the financial statements were available to be issued. In general, these subsequent events are recognized in the financial statements if the conditions existed at the date of the statement of financial position but are not recognized if the conditions did not exist at the date of the statement of financial position. The Ministry discloses non-recognized events if required to keep the financial statements from being misleading. There were no subsequent events identified by the Ministry for disclosure.