# G.O. Ministries, Inc.

Independent Auditors' Report and

Financial Statements

For the Years Ended December 31, 2025 and 2024

G.O. Ministries, Inc.

Table of Contents

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Independent Auditors' Report

To the Board of Directors
G.O. Ministries, Inc.
Louisville, Kentucky

**Opinion**

We have audited the financial statements of G.O. Ministries, Inc. (a not-for-profit Company), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of G.O. Ministries, Inc. as of December 31, 2025 and 2024, and the changes in its net assets 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. 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 G.O. Ministries, Inc. 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.

**Management's Responsibility 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 G.O. Ministries, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibility**

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 G.O. Ministries, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about G.O. Ministries, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

*Baldwin CPAs, PLLC*
Louisville, Kentucky
June 18, 2026

G.O. Ministries, Inc.
Statements of Financial Position
December 31, 2025 and 2024

| | 2025 | 2024 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash | $ 1,698,066 | $ 2,953,929 |
| Prepaid expenses and other | 47,769 | 31,602 |
| Employee receivables, current | 7,920 | 13,749 |
| **Total Current Assets** | 1,753,755 | 2,999,280 |
| **Property and equipment, net** | 4,938,114 | 1,623,748 |
| **Noncurrent Assets** | | |
| SERP investments | 456,446 | 520,022 |
| Equity investment | 100,000 | - |
| Employee receivables, noncurrent | 128,750 | 136,670 |
| **Total Noncurrent Assets** | 685,196 | 656,692 |
| **Total Assets** | $ 7,377,065 | $ 5,279,720 |
| **LIABILITIES AND NET ASSETS** | | |
| **Current Liabilities** | | |
| Accounts payable | $ 98,099 | $ 81,225 |
| Note payable, current | - | 7,386 |
| SERP obligation, net, current | 150,627 | 130,006 |
| Deferred revenue | 277,004 | 226,569 |
| **Total Current Liabilities** | 525,730 | 445,186 |
| **Long-term Liabilities** | | |
| Note payable, noncurrent | - | 13,262 |
| SERP obligation, net, noncurrent | 289,064 | 361,806 |
| Security deposits | 7,600 | 7,600 |
| **Total Long-term Liabilities** | 296,664 | 382,668 |
| **Total Liabilities** | 822,394 | 827,854 |
| **Net Assets Without Donor Restrictions** | 6,554,671 | 4,451,866 |
| **Total Liabilities and Net Assets** | $ 7,377,065 | $ 5,279,720 |

G.O. Ministries, Inc.
Statements of Activities
For the Years Ended December 31, 2025 and 2024

| | 2025 | 2024 |
|---|---|---|
| **Revenue and Support** | | |
| Focused area of Ministry contributions | $ 5,392,462 | $ 2,428,323 |
| Ministry staff income | 3,479,835 | 3,377,978 |
| Construction income | 1,779,127 | 1,931,080 |
| Mission trip fees | 2,003,378 | 1,616,138 |
| ERTC contribution | 113,344 | - |
| Special events | 626,421 | 770,526 |
| Rental income | 48,800 | 48,800 |
| Interest income | 109,419 | 54,616 |
| Realized and unrealized gains on SERP investments | 79,424 | 66,782 |
| Other income | 64,134 | 109,492 |
| **Total Revenue and Support** | 13,696,344 | 10,403,735 |
| **Expenses** | | |
| Program expenses: | | |
| Ministry staff expenses | 3,874,531 | 4,365,475 |
| Ministry program expenditures | 2,923,670 | 2,488,188 |
| Ministry operation expenditures | 431,543 | 111,327 |
| Ministry facilities | 841,493 | 190,688 |
| Ministry vehicles | 309,982 | 113,275 |
| Construction expenditures | 1,895,364 | 1,601,606 |
| Management and administrative | 921,658 | 1,146,810 |
| Fundraising expenditures | 395,298 | 273,089 |
| **Total Expenses** | 11,593,539 | 10,290,458 |
| **Change in Net Assets** | 2,102,805 | 113,277 |
| **Net Assets without Donor Restrictions, beginning of year** | 4,451,866 | 4,338,589 |
| **Net Assets without Donor Restrictions, end of year** | $ 6,554,671 | $ 4,451,866 |

# G.O. Ministries, Inc.
## Statement of Functional Expenses
### For the Year Ended December 31, 2025

| | | Program Services | | | Supporting Activities | | |
|---|---|---|---|---|---|---|---|
| | Total Expenses | Program Subtotal | Ministry | Construction | Supporting Subtotal | Management and Admin. | Fundraising |
| Salaries | $ 4,290,093 | $ 3,816,038 | $ 3,816,038 | $ - | $ 474,055 | $ 474,055 | $ - |
| Payroll taxes and benefits | 574,875 | 509,431 | 509,431 | - | 65,444 | 65,444 | - |
| Construction | 1,895,364 | 1,895,364 | - | 1,895,364 | - | - | - |
| General program expenses | 759,696 | 741,385 | 741,385 | - | 18,311 | 17,384 | 927 |
| Professional fees | 202,305 | 126,066 | 126,066 | - | 76,239 | 76,239 | - |
| Advertising and promotion | 19,284 | 18,334 | 18,334 | - | 950 | 950 | - |
| Office expenses | 93,088 | 68,959 | 68,959 | - | 24,129 | 24,129 | - |
| Field supplies | 127,083 | 126,110 | 126,110 | - | 973 | 973 | - |
| Telephone | 70,014 | 62,398 | 62,398 | - | 7,616 | 7,616 | - |
| Occupancy | 315,220 | 293,093 | 293,093 | - | 22,127 | 22,127 | - |
| Hospitality, benevolence, and staff care | 674,742 | 671,318 | 671,318 | - | 3,424 | 3,424 | - |
| Missionary travel | 428,463 | 411,493 | 411,493 | - | 16,970 | 16,970 | - |
| Conferences and meetings | 55,334 | 53,429 | 53,429 | - | 1,905 | 1,905 | - |
| Insurance | 44,467 | 21,653 | 21,653 | - | 22,814 | 22,814 | - |
| Meals, lodging, and transportation | 592,264 | 588,881 | 588,881 | - | 3,383 | 3,383 | - |
| Other missionary expenses | 122,901 | 122,434 | 122,434 | - | 467 | 467 | - |
| Dues and subscriptions | 128,307 | 95,070 | 95,070 | - | 33,237 | 33,237 | - |
| Repairs and maintenance | 504,425 | 502,738 | 502,738 | - | 1,687 | 1,687 | - |
| Equipment rental and maintenance | 8,181 | 7,554 | 7,554 | - | 627 | 627 | - |
| Property and vehicle taxes | 22,817 | 11,284 | 11,284 | - | 11,533 | 11,533 | - |
| Training | 95,569 | 91,356 | 91,356 | - | 4,213 | 4,213 | - |
| Bank fees | 101,227 | - | - | - | 101,227 | 80,654 | 20,573 |
| Miscellaneous | 32,781 | 28,806 | 28,806 | - | 3,975 | 2,698 | 1,277 |
| Interest expense | 698 | 687 | 687 | - | 11 | 11 | - |
| Depreciation | 61,820 | 12,702 | 12,702 | - | 49,118 | 49,118 | - |
| Cost of direct benefits to donors | 372,521 | - | - | - | 372,521 | - | 372,521 |
| Total expenses | $ 11,593,539 | $ 10,276,583 | $ 8,381,219 | $ 1,895,364 | $ 1,316,956 | $ 921,658 | $ 395,298 |
| Percent of total | 100.00% | 88.64% | 72.29% | 16.35% | 11.36% | 7.95% | 3.41% |

G.O. Ministries, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2024

| | | Program Services | | | Supporting Activities | | |
|---|---|---|---|---|---|---|---|
| | Total Expenses | Program Subtotal | Ministry | Construction | Supporting Subtotal | Management and Admin. | Fundraising |
| Salaries | $ 3,973,124 | $ 3,555,179 | $ 3,555,179 | $ - | $ 417,945 | $ 417,945 | $ - |
| Payroll taxes and benefits | 625,682 | 586,366 | 586,366 | - | 39,316 | 39,316 | - |
| Construction | 1,601,606 | 1,601,606 | - | 1,601,606 | - | - | - |
| General program expenses | 960,221 | 801,851 | 801,851 | - | 158,370 | 158,075 | 295 |
| Professional fees | 94,153 | 73,585 | 73,585 | - | 20,568 | 20,568 | - |
| Advertising and promotion | 9,516 | 7,513 | 7,513 | - | 2,003 | 2,003 | - |
| Office expenses | 60,579 | 39,600 | 39,600 | - | 20,979 | 20,979 | - |
| Field supplies | 191,571 | 189,595 | 189,595 | - | 1,976 | 1,976 | - |
| Telephone | 29,523 | 20,730 | 20,730 | - | 8,793 | 8,793 | - |
| Occupancy | 204,258 | 127,524 | 127,524 | - | 76,734 | 76,734 | - |
| Hospitality, benevolence, and staff care | 515,694 | 498,726 | 498,726 | - | 16,968 | 16,968 | - |
| Missionary travel | 382,632 | 371,519 | 371,519 | - | 11,113 | 11,113 | - |
| Conferences and meetings | 19,681 | 18,481 | 18,481 | - | 1,200 | 1,200 | - |
| Insurance | 24,777 | 10,963 | 10,963 | - | 13,814 | 13,814 | - |
| Meals, lodging, and transportation | 371,458 | 349,595 | 349,595 | - | 21,863 | 21,863 | - |
| Other missionary expenses | 285,003 | 244,784 | 244,784 | - | 40,219 | 40,219 | - |
| Dues and subscriptions | 101,611 | 53,448 | 53,448 | - | 48,163 | 48,163 | - |
| Repairs and maintenance | 120,007 | 56,684 | 56,684 | - | 63,323 | 63,323 | - |
| Equipment rental and maintenance | 5,206 | 5,206 | 5,206 | - | - | - | - |
| Property and vehicle taxes | 18,270 | 6,873 | 6,873 | - | 11,397 | 11,397 | - |
| Training | 49,344 | 48,792 | 48,792 | - | 552 | 552 | - |
| Bank fees | 80,314 | - | - | - | 80,314 | 60,863 | 19,451 |
| Miscellaneous | 236,782 | 200,569 | 200,569 | - | 36,213 | 36,213 | - |
| In-kind expense | 24,000 | - | - | - | 24,000 | 24,000 | - |
| Interest expense | 1,659 | 1,370 | 1,370 | - | 289 | 289 | - |
| Depreciation | 50,444 | - | - | - | 50,444 | 50,444 | - |
| Cost of direct benefits to donors | 253,343 | - | - | - | 253,343 | - | 253,343 |
| Total expenses | $ 10,290,458 | $ 8,870,559 | $ 7,268,953 | $ 1,601,606 | $ 1,419,899 | $ 1,146,810 | $ 273,089 |
| Percent of total | 100.00% | 86.20% | 70.64% | 15.56% | 13.80% | 11.14% | 2.66% |

G.O. Ministries, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

| | 2025 | 2024 |
|---|---|---|
| **Cash Flows From Operating Activities** | | |
| Cash received from contributions and other fundraising | $ 11,428,007 | $ 8,672,015 |
| Cash received from mission trip fees | 2,053,813 | 1,585,139 |
| Cash received from ERTC contribution | 113,344 | - |
| Cash received from rentals | 40,800 | 24,800 |
| Cash paid to suppliers and employees | (11,417,686) | (9,861,534) |
| Interest paid, note payable | (698) | (1,659) |
| **Net Cash Provided by Operating Activities** | 2,217,580 | 418,761 |
| **Cash Flows From Investing Activities** | | |
| Purchase of property and equipment | (3,393,167) | (1,642) |
| Proceeds from insurance company for disposed vehicle | 22,308 | - |
| Purchase of certificates of deposit | (1,000,000) | - |
| Proceeds from sale of certificates of deposit | 1,018,064 | - |
| Purchase of equity investment | (100,000) | - |
| Purchases of SERP investments | - | (33,333) |
| Sale of SERP investments | 143,000 | 202,834 |
| Annual distribution to beneficiary | (143,000) | (131,885) |
| Distribution for beneficiary withholding taxes upon vesting | - | (37,616) |
| **Net Cash (Used) Provided by Investing Activities** | (3,452,795) | (1,642) |
| **Cash Flows From Financing Activities** | | |
| Payments on notes payable | (20,648) | (6,974) |
| **Net Cash Used by Financing Activities** | (20,648) | (6,974) |
| **(Decrease) Increase in Cash** | (1,255,863) | 410,145 |
| **Cash, beginning of year** | 2,953,929 | 2,543,784 |
| **Cash, end of year** | $ 1,698,066 | $ 2,953,929 |

| | 2025 | 2024 |
|---|---|---|
| **Reconciliation of Net Increase in Total Net Assets To Net Cash Provided by Operating Activities** | | |
| **Net Increase in Total Net Assets** | $ 2,102,805 | $ 113,277 |
| Adjustments to reconcile net increase in total net assets to net cash provided by operating activities: | | |
| Depreciation | 61,820 | 50,444 |
| Realized and unrealized gains on SERP investments | (79,424) | (66,782) |
| Pension expense | 90,879 | 198,679 |
| Interest income on certificates of deposit | (18,064) | - |
| Gain on disposal of vehicle | (5,327) | - |
| Change in assets and liabilities: | | |
| (Increase) Decrease in: | | |
| Prepaid expenses and other | (16,167) | 96,347 |
| Employee receivables | 13,749 | 13,748 |
| Increase (Decrease) in: | | |
| Accounts payable | 16,874 | 44,047 |
| Deferred revenue | 50,435 | (30,999) |
| Total adjustments | 114,775 | 305,484 |
| **Net Cash Provided by Operating Activities** | $ 2,217,580 | $ 418,761 |
| **Supplemental Disclosures** | | |
| Cash paid for interest | $ 698 | $ 1,659 |
| Noncash investing and financing activities: | | |
| (Decrease) Increase in SERP obligation, net | $ (52,121) | $ 29,178 |
| Noncash operating activities, offsetting: | | |
| Rental income, waived rent | $ - | $ (24,000) |
| In-kind expense | $ - | $ 24,000 |

## Note 1 – Summary of Significant Accounting Policies

This summary of significant accounting policies of G.O. Ministries, Inc. (the Company) is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

### Nature of Activities

G.O. Ministries, Inc. is a non-profit, tax-exempt corporation dedicated to the ministry of short-term missions and the development of partnerships of ministry in the United States, Dominican Republic, Argentina, Mexico, and Colombia. The Company's goal is to recruit, equip and coordinate people for short-term mission trips that will mutually challenge each participant and support the inspiring efforts of the Christian leaders abroad.

### Basis of Accounting

The financial statements of G.O. Ministries, Inc. have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP).

### Estimates

The preparation of 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.

### Cash

For the purpose of the statements of cash flows, the Company considers all highly liquid investment instruments with a maturity of three months or less to be cash equivalents.

### Employee Receivables

Employee receivables represent amounts due from two employees for housing, one in the United States and one in the Dominican Republic. One of the receivables is paid through payroll deductions, with the remaining balance of $7,920 scheduled to be fully paid in 2026. The other receivable is paid through funds raised by the employee, with payments temporarily paused. Management anticipates the remaining balance of $128,750 to be fully collected by the end of 2027 once payments are restarted. Management estimates the amount to be collected based upon historical collection experience and evaluation of the outstanding receivable balance. The allowance also includes consideration of current conditions and reasonable and supportable forecasts about the future. At December 31, 2025 and 2024, there was no allowance for credit losses. The balance for the employee receivables at December 31, 2023 was $262,417.

### Property and Equipment

Property and equipment acquired is stated at cost. Acquisitions of property and equipment in excess of $1,000 are capitalized at cost at the date of acquisition, or fair value at the date of the gift or bequest. Depreciation is provided on the straight-line method over the estimated useful lives of respective assets, which range from 5 to 39 years. The cost of repairs and maintenance is expensed as incurred.

Except for certain land held in the Dominican Republic, property and equipment purchased or constructed by the Company in foreign countries is expensed as a program service expense as incurred. Such property is not recorded as an asset of the Company because of the difficulty in obtaining and/or maintaining legal title of the property.

Note 1 – Summary of Significant Accounting Policies (Continued)

SERP Investments

SERP investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for further discussion of fair value measurements. Receipts of donated investments are recorded at the quoted market value of the investments at the time of receipt.

SERP investments recognized by the Company relate to a Supplemental Executive Retirement Plan (SERP) for which the Company's founder is the beneficiary. Information relating to the SERP is included in Note 7.

The ASC establishes a framework for measuring fair value based upon a hierarchy that prioritizes observable and unobservable inputs used to measure fair value as follows:

> Level 1 – Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.
>
> Level 2 – Observable inputs other than level 1 prices such as quoted prices for similar assets of liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or other inputs that are observable or can be corroborated by observable market data.
>
> Level 3 – Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Level 3 includes values determined using pricing models, discounted cash flow methodologies, or similar techniques reflecting the Company's own assumptions.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Investment income in the accompanying statements of activities includes the Company's gains and losses on investments bought and sold as well as those held during the year, less direct investment expenses.

Equity Investment

During the year ended December 31, 2025, the Company purchased and held an equity investment in a private company that does not have a readily determinable fair value. The Company has elected to account for the equity investment using the measurement alternative provided under FASB ASC Topic 321, *Investments - Equity Securities*. Under the measurement alternative, the equity investment is measured at cost, less impairment, adjusted for observable price changes in orderly transactions for identical or similar investments of the same issuer.

The purchase price of the investment was $100,000 for 40,000 shares at $2.50 per share. During the year ended December 31, 2025, no observable price changes were identified for this investment, and no impairments were recognized, and the carrying amount of the equity investment is $100,000 as of December 31, 2025.

Deferred Revenue

Deferred revenue consists of mission trip fees and special events revenue received for mission trips and special events planned in the next year.

Note 1 – Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest, is received and are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Conditional promises to give, that is, those with a measurable performance or other barriers, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions are presented as focused area of ministry contributions, ministry staff income, and construction income on the statement of activities for the years ended December 31, 2025 and 2024.

Mission trip fees are recognized when the trips occur.

Special events are recognized when the events occur.

Rental income is recognized when earned through occupancy.

Program Services

Program services relate primarily to the support of "ministry hubs" in the Dominican Republic, Argentina, Mexico, and Colombia. Key expenses include:

- Salaries for ministry, construction and administrative personnel based in those countries.
- Expenses associated with the construction and operation of churches, feeding centers, medical clinics, sports academies, and schools.
- Support of mission trips from the United States.

The appropriateness of these expenditures is at the wide discretion of the Company's ministry personnel and management.

Expense Allocation

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, costs have been allocated among the program and supporting services benefited. Most expenses are allocated based on estimates of time and effort, with exception to depreciation and interest expense.

Income Taxes

The Company is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and Section 141.010(1)(f) of the Kentucky Revised Statutes. The Company qualified for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of FASB ASC 740-10 would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the financial statements.

Note 1 – Summary of Significant Accounting Policies (Continued)

Advertising and Promotion

Advertising and promotion costs are expensed as incurred. Advertising and promotion costs for the years ended December 31, 2025 and 2024 were $19,284 and $9,516, respectively.

Reclassifications

Certain reclassifications have been made in the 2024 financial statements to conform to the 2025 presentation. The reclassifications had no impact on net assets or the change in net assets.

Note 2 – Concentration of Credit Risk

The Company maintains cash balances at one local bank. The cash accounts were insured by FDIC up to $250,000. The amount in excess of insured limits was approximately $1,142,000 and $2,149,000 for the years ended December 31, 2025 and 2024, respectively.

Note 3 – Property and Equipment

Property and equipment consisted of the following at December 31, 2025 and 2024:

| | 2025 | 2024 |
|---|---|---|
| Land - United States | $ 3,300,000 | $ - |
| Land - Dominican Republic | 1,094,200 | 1,094,200 |
| Office building and improvements | 980,444 | 980,444 |
| Vehicles | 170,479 | 128,615 |
| Computer equipment | 8,540 | 8,540 |
| | 5,553,663 | 2,211,799 |
| Less accumulated depreciation | (615,549) | (588,051) |
| Property and equipment, net | $ 4,938,114 | $ 1,623,748 |

In June 2025, the Company purchased property in Simpsonville, Kentucky for $3,300,000. The purchase was funded through a $1,000,000 donation and cash reserves. The $1,000,000 donation was received from a related party, as further discussed in Note 9.

Note 4 – SERP Investments

SERP investments are carried at fair market value in the accompanying statements of financial position. The Company's SERP investments at December 31, 2025 and 2024 represent assets held in a supplemental executive retirement plan (SERP) for the Company's founder, which is further discussed at Note 7.

The costs, fair values, and unrealized appreciation of SERP investments at December 31, 2025 and 2024 are as follows:

| December 31, 2025: | Cost | Fair Value | Unrealized Appreciation |
|---|---|---|---|
| Assets held in SERP | | | |
| Cash and cash equivalents | $ 4,562 | $ 4,562 | $ - |
| Equities | 221,716 | 451,884 | 230,168 |
| Total | $ 226,278 | $ 456,446 | $ 230,168 |

Note 4 – SERP Investments (Continued)

| December 31, 2024: | Cost | Fair Value | Unrealized Appreciation |
|---|---|---|---|
| Assets held in SERP | | | |
| Cash and cash equivalents | $ 4,675 | $ 4,675 | $ - |
| Equities | 318,735 | 515,347 | 196,612 |
| Total | $ 323,410 | $ 520,022 | $ 196,612 |

Cash and cash equivalents held in SERP are presented within SERP investments on the statements of financial position for the years ended December 31, 2025 and 2024.

Following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used to determine fair value at December 31, 2025 and 2024.

*Cash, cash equivalents*: Valued at cost, plus accrued interest.
*Equities*: Valued at unadjusted quoted prices for identical assets in active markets.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Company's investments at fair value:

| December 31, 2025: | Level 1 | Level 2 | Level 3 | Total Fair Value |
|---|---|---|---|---|
| Assets held in SERP | | | | |
| Cash and cash equivalents | $ 4,562 | $ - | $ - | $ 4,562 |
| Equities | 451,884 | - | - | 451,884 |
| Total | $ 456,446 | $ - | $ - | $ 456,446 |

| December 31, 2024: | Level 1 | Level 2 | Level 3 | Fair Value |
|---|---|---|---|---|
| Assets held in SERP | | | | |
| Cash and cash equivalents | $ 4,675 | $ - | $ - | $ 4,675 |
| Equities | 515,347 | - | - | 515,347 |
| Total | $ 520,022 | $ - | $ - | $ 520,022 |

Note 5 – Note Payable

During the year ended December 31, 2025, the Company carried a note for a vehicle purchased in August 2022. The note had a term of five years with an interest rate of 5.49% and monthly payments of $696. During the year ended December 31, 2025, the vehicle securing the note was deemed a total loss in an accident. The vehicle had an original cost of $42,453 and net book value of $16,981. The remaining principal balance of $15,770 was settled using insurance proceeds. Total insurance proceeds were $22,308, resulting in a gain of $5,327, presented within other income on the statement of activities for the year ended December 31, 2025. The note was extinguished, and the vehicle was removed from property and equipment assets.

Note 6 – Line of Credit

The Company has available a line of credit for $1,000,000. The line of credit is secured by real estate and assignment of rents on the Company's office building. Interest is payable monthly at the prime rate (6.75% at December 31, 2025) plus 0.125%, with a floor of 6.875%. The line of credit expires March 15, 2027. There were no draws or payments on the line of credit for the years ended December 31, 2025 and 2024. There were no outstanding balances at December 31, 2025 and 2024.

Note 7 – Supplemental Executive Retirement Plan (SERP)

The Company has a Non-Qualified Deferred Compensation Plan (or Supplemental Executive Retirement Plan) for which the Company's founder, who formerly served as executive director, is the beneficiary. With the plan's arrangement, the executive will not pay taxes on the benefits until they are paid out at retirement. The plan is subject to the requirements of Internal Revenue Code section 409A, whereas the plan has a fixed, pre-determined payment schedule upon the executive's retirement. Upon separation, the plan calls for a series of five annual payments in the amounts of 20%, 25%, 33%, 50%, and 100% of the vested portion of the account balance at time of distribution.

The SERP is unfunded, in that benefits are unsecured and solely paid from the general assets of the Company. The Company funded the plan monthly until September 2024, when the executive became 100% vested. The Company paid out the second of five annual distributions in September 2025. The distribution payment was $143,000, representing 25% of the account balance at the time of distribution in accordance with the agreement.

Details of the SERP plan assets and liability at December 31, 2025 and 2024 are as follows:

| | 2025 | 2024 |
|---|---|---|
| Plan assets | $ 456,446 | $ 520,022 |
| Percentage vested | 100% | 100% |
| Vested balance | 456,446 | 520,022 |
| Less present value discount, at 4.38% | (16,755) | (28,210) |
| Plan liability (SERP obligation) | $ 439,691 | $ 491,812 |
| Distribution due within one year, as percentage of vested balance | 33% | 25% |
| SERP obligation, net, current | $ 150,627 | $ 130,006 |
| SERP obligation, net, noncurrent | $ 289,064 | $ 361,806 |

The fair market value of the plan's assets at December 31, 2025 and 2024 was $456,446 and $520,022, respectively. These balances are presented as SERP investments on the statements of financial position at December 31, 2025 and 2024. See Note 4 for further discussion of SERP investments.

The Company recognizes a liability for the present value of future benefits expected to be paid under the plan. The liabilities at December 31, 2025 and 2024 were determined by using the vested balance at those dates and a discount rate of 3.84%. At December 31, 2025 and 2024, the liability for the SERP was $439,691 and $491,812, respectively. The related pension expense was $90,879 and $198,679 for the years ended December 31, 2025 and 2024, respectively.

Note 8 – Leases

The Company leases office space, copiers, and printers. The Company assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term.

Operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities, and operating lease liabilities in our statements of financial position. ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

The Company uses the implicit rate when it is readily determinable. Since most of the Company's leases do not provide an implicit rate, to determine the present value of lease payments, management uses the risk-free rate based on the information available at lease commencement. Operating lease ROU assets also include any lease payments made and exclude any lease incentives. Lease expense is recognized for these leases on a straight-line basis over the lease term. At December 31, 2025 and 2024, there were no right-of-use assets nor accumulated amortization associated with leases.

The components of lease expense presented on the statements of activities for the years ended December 31, 2025 and 2024 were as follows:

| | 2025 | 2024 |
|---|---|---|
| Short-term leases, included in occupancy | $ 45,416 | $ 35,069 |

Note 9 – Related Party Transactions

The Company and an affiliated organization (The Prisoner's Hope) share the same members for their respective board of directors. The Company leases office space to the affiliate on a month-to-month basis. For the year ended December 31, 2024, the Company waived rent payments for the affiliated organization. For the years ended December 31, 2025 and 2024, the value of waived rent contributed to the affiliate was worth approximately $0 and $24,000, respectively. These amounts are recognized as rental income and in-kind expense. Rental income earned from the affiliate was $24,000 for each of the years ended December 31, 2025 and 2024 and included in total rental income disclosed in Note 10. In-kind expense related to the affiliate was $0 and $24,000 for the years ended December 31, 2025 and 2024, respectively.

The Company and an affiliated organization (Blessing Ranch) share the same members for their respective board of directors. During the year ended December 31, 2025, the Company received from the affiliate a donation of $1,000,000 to support the purchase of property in Simpsonville, Kentucky. This donation is presented within focused area of ministry contributions on the statement of activities for the year ended December 31, 2025.

Note 10 – Rental Income

The Company leases office space to tenants under month-to-month leases. Rental income earned under these agreements was $48,800 for each of the years ended December 31, 2025 and 2024.

## Note 11 – ERTC Contribution

During the year ended December 31, 2025, the Company received a payment of $145,056, including interest, from the U.S. Department of the Treasury for the Employee Retention Tax Credit (ERTC) as established by the Coronavirus Aid, Relief and Economic Security Act (CARES Act) and further modified and extended by the Consolidated Appropriations Act, 2021 (CAA). The payment received relates to amounts previously paid for employee wages during 2021.

The Company evaluated the ERTC as a gain contingency in accordance with ASC 450-30, *Contingencies - Gain Contingencies*. Prior to receipt, realization was not considered certain due to the requirement for IRS review and approval. Therefore, no asset or revenue was recognized in prior periods. Upon receipt of the funds, all contingencies were resolved, and the Company recognized $113,344 as ERTC contribution, and $31,712 within interest income, on the statement of activities for the year ended December 31, 2025.

## Note 12 – Liquidity and Availability

The following table reflects the Company's financial assets as of December 31, 2025 and 2024. Financial assets are considered unavailable when illiquid, not convertible to cash within one year, or funds donors set aside for a specific purpose.

| | 2025 | 2024 |
|---|---|---|
| Financial assets | | |
| Cash | $ 1,698,066 | $ 2,953,929 |
| Employee receivables, current | 7,920 | 13,749 |
| Financial assets available to meet cash needs for general expenditures within one year | $ 1,705,986 | $ 2,967,678 |

In addition to financial assets available to meet general expenditures over the year, the Company operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient program and other revenues and utilizing resources from current and prior year gifts.

## Note 13 – Subsequent Events

Subsequent events were evaluated through June 18, 2026, which is the date the financial statements were available to be issued.