



World Missionary Press, Inc.

ANNUAL REPORT
September 30, 2025



South Bend, Indiana

WORLD MISSIONARY PRESS, INC.

New Paris, Indiana

ANNUAL REPORT

September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
World Missionary Press, Inc.
New Paris, Indiana

Opinion

We have audited the accompanying financial statements of World Missionary Press, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 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 World Missionary Press, Inc. as of September 30, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of World Missionary Press, 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.

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 World Missionary Press, 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 World Missionary Press, 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 World Missionary Press, 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.

Respectfully submitted,


Certified Public Accountants

South Bend, Indiana
February 23, 2026

WORLD MISSIONARY PRESS, INC.New Paris, Indiana

STATEMENT OF FINANCIAL POSITION

September 30, 2025

ASSETS

	<u>General</u>	<u>Stewardship</u>	<u>Annuity</u>	<u>Total</u>
CURRENT ASSETS				
Cash, cash equivalents, and restricted cash	665,448	243,597	3,234	912,279
Accounts receivable	7,684	527	0	8,211
Short-term investments	8,056,699	0	0	8,056,699
Inventories	447,431	0	0	447,431
Prepaid expenses	176,432	2,766	0	179,198
Total Current Assets	9,353,694	246,890	3,234	9,603,818
PROPERTY AND EQUIPMENT				
Land	136,432	61,275	0	197,707
Buildings and building improvements	2,180,277	861,099	0	3,041,376
Machinery and equipment	2,629,495	0	0	2,629,495
Furniture, fixtures, and office equipment	330,198	2,196	0	332,394
Construction in process	520,013	0	0	520,013
Total	5,796,415	924,570	0	6,720,985
Accumulated depreciation	2,777,502	664,649	0	3,442,151
Net Property and Equipment	3,018,913	259,921	0	3,278,834
OTHER ASSETS				
Investment in annuities	0	0	37,019	37,019
Total Other Assets	0	0	37,019	37,019
TOTAL ASSETS	12,372,607	506,811	40,253	12,919,671

LIABILITIES AND NET ASSETS

	<u>General</u>	<u>Stewardship</u>	<u>Annuity</u>	<u>Total</u>
CURRENT LIABILITIES				
Accounts payable	166,201	0	0	166,201
Accrued expenses	105,575	24,936	0	130,511
Current portion of annuity obligations	0	0	2,099	2,099
Notes payable	0	26,667	0	26,667
Total Current Liabilities	271,776	51,603	2,099	325,478
LONG-TERM LIABILITIES				
Annuity obligations	0	0	34,920	34,920
TOTAL LIABILITIES	271,776	51,603	37,019	360,398
NET ASSETS				
Without donor restrictions	11,055,117	455,208	3,234	11,513,559
With donor restrictions	1,045,714	0	0	1,045,714
TOTAL NET ASSETS	12,100,831	455,208	3,234	12,559,273
TOTAL LIABILITIES AND NET ASSETS	12,372,607	506,811	40,253	12,919,671

The Notes to Financial Statements are an integral part of this statement.

WORLD MISSIONARY PRESS, INC.New Paris, Indiana

STATEMENT OF FINANCIAL POSITION

September 30, 2024

ASSETS

	<u>General</u>	<u>Stewardship</u>	<u>Annuity</u>	<u>Total</u>
CURRENT ASSETS				
Cash, cash equivalents, and restricted cash	1,040,157	220,992	3,234	1,264,383
Accounts receivable	10,678	654	0	11,332
Short-term investments	9,948,866	0	0	9,948,866
Inventories	488,920	0	0	488,920
Prepaid expenses	136,491	3,346	0	139,837
Total Current Assets	11,625,112	224,992	3,234	11,853,338
PROPERTY AND EQUIPMENT				
Land	136,432	61,275	0	197,707
Buildings and building improvements	2,101,912	861,099	0	2,963,011
Machinery and equipment	2,641,335	0	0	2,641,335
Furniture, fixtures, and office equipment	324,543	2,196	0	326,739
Total	5,204,222	924,570	0	6,128,792
Accumulated depreciation	2,591,112	644,052	0	3,235,164
Net Property and Equipment	2,613,110	280,518	0	2,893,628
OTHER ASSETS				
Investment in annuities	0	0	38,982	38,982
Total Other Assets	0	0	38,982	38,982
TOTAL ASSETS	14,238,222	505,510	42,216	14,785,948

LIABILITIES AND NET ASSETS

	<u>General</u>	<u>Stewardship</u>	<u>Annuity</u>	<u>Total</u>
CURRENT LIABILITIES				
Accounts payable	130,251	5,629	0	135,880
Accrued expenses	61,583	32,186	0	93,769
Current portion of annuity obligations	0	0	1,961	1,961
Notes payable	0	26,667	0	26,667
Total Current Liabilities	191,834	64,482	1,961	258,277
LONG-TERM LIABILITIES				
Annuity obligations	0	0	37,021	37,021
TOTAL LIABILITIES	191,834	64,482	38,982	295,298
NET ASSETS				
Without donor restrictions	12,374,066	441,028	3,234	12,818,328
With donor restrictions	1,672,322	0	0	1,672,322
TOTAL NET ASSETS	14,046,388	441,028	3,234	14,490,650
TOTAL LIABILITIES AND NET ASSETS	14,238,222	505,510	42,216	14,785,948

The Notes to Financial Statements are an integral part of this statement.

WORLD MISSIONARY PRESS, INC.

New Paris, Indiana

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

	<u>General</u>	<u>Stewardship</u>	<u>Annuity</u>	<u>Total</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS				
Revenues:				
Contributions	4,474,452	0	0	4,474,452
Nonfinancial contributions	22,158	0	0	22,158
Rental income	0	71,745	0	71,745
Miscellaneous income	66,717	0	0	66,717
Total revenues without donor restrictions	4,563,327	71,745	0	4,635,072
Net assets released from restrictions:				
Satisfaction of purpose restrictions	2,346,876	0	0	2,346,876
Satisfaction of capital acquisition restrictions	10,563	0	0	10,563
Total net assets released from restrictions	2,357,439	0	0	2,357,439
Total revenues and other support without donor restrictions	6,920,766	71,745	0	6,992,511
Expenses:				
Program services:				
Production	5,365,779	0	0	5,365,779
Shipping	1,961,399	0	0	1,961,399
Total program services	7,327,178	0	0	7,327,178
Supporting activities:				
Development	870,896	0	0	870,896
General and administrative	886,910	59,134	0	946,044
Total supporting activities	1,757,806	59,134	0	1,816,940
Total expenses	9,084,984	59,134	0	9,144,118
Other income:				
Investment return, net	845,269	1,569	0	846,838
Change in net assets without donor restrictions	(1,318,949)	14,180	0	(1,304,769)
NET ASSETS WITH DONOR RESTRICTIONS				
Contributions	1,730,831	0	0	1,730,831
Net assets released from restrictions	(2,357,439)	0	0	(2,357,439)
Change in net assets with donor restrictions	(626,608)	0	0	(626,608)
Total change in net assets	(1,945,557)	14,180	0	(1,931,377)
NET ASSETS, BEGINNING OF YEAR				
Net assets without donor restrictions	12,374,066	441,028	3,234	12,818,328
Net assets with donor restrictions	1,672,322	0	0	1,672,322
Total net assets, beginning of year	14,046,388	441,028	3,234	14,490,650
NET ASSETS, END OF YEAR				
Net assets without donor restrictions	11,055,117	455,208	3,234	11,513,559
Net assets with donor restrictions	1,045,714	0	0	1,045,714
Total net assets, end of year	12,100,831	455,208	3,234	12,559,273

The Notes to Financial Statements are an integral part of this statement.

WORLD MISSIONARY PRESS, INC.New Paris, Indiana

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

	<u>General</u>	<u>Stewardship</u>	<u>Annuity</u>	<u>Total</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS				
Revenues:				
Contributions	5,517,766	6,078	0	5,523,844
Nonfinancial contributions	1,054	0	0	1,054
Rental income	0	75,747	0	75,747
Miscellaneous income	67,222	0	0	67,222
Total revenues without donor restrictions	5,586,042	81,825	0	5,667,867
Net assets released from restrictions:				
Satisfaction of purpose restrictions	4,463,635	0	0	4,463,635
Satisfaction of capital acquisition restrictions	110,089	0	0	110,089
Total net assets released from restrictions	4,573,724	0	0	4,573,724
Total revenues and other support without donor restrictions	10,159,766	81,825	0	10,241,591
Expenses:				
Program services:				
Production	5,361,187	0	0	5,361,187
Shipping	1,713,552	0	0	1,713,552
Total program services	7,074,739	0	0	7,074,739
Supporting activities:				
Development	822,969	0	0	822,969
General and administrative	892,457	65,511	0	957,968
Total supporting activities	1,715,426	65,511	0	1,780,937
Total expenses	8,790,165	65,511	0	8,855,676
Other income:				
Investment return, net	2,003,970	1,545	0	2,005,515
Change in net assets without donor restrictions	3,373,571	17,859	0	3,391,430
NET ASSETS WITH DONOR RESTRICTIONS				
Contributions	1,194,986	0	0	1,194,986
Nonfinancial contributions	1,485,427	0	0	1,485,427
Net assets released from restrictions	(4,573,724)	0	0	(4,573,724)
Change in net assets with donor restrictions	(1,893,311)	0	0	(1,893,311)
Total change in net assets	1,480,260	17,859	0	1,498,119
NET ASSETS, BEGINNING OF YEAR				
Net assets without donor restrictions	9,000,495	423,169	3,234	9,426,898
Net assets with donor restrictions	3,565,633	0	0	3,565,633
Total net assets, beginning of year	12,566,128	423,169	3,234	12,992,531
NET ASSETS, END OF YEAR				
Net assets without donor restrictions	12,374,066	441,028	3,234	12,818,328
Net assets with donor restrictions	1,672,322	0	0	1,672,322
Total net assets, end of year	14,046,388	441,028	3,234	14,490,650

The Notes to Financial Statements are an integral part of this statement.

WORLD MISSIONARY PRESS, INC.New Paris, Indiana

STATEMENT OF FUNCTIONAL EXPENSESFor the Year Ended September 30, 2025

	<u>Program Services</u>		<u>Total Program</u>	<u>Supporting Services</u>		<u>Total Support</u>	<u>Total</u>
	<u>Production</u>	<u>Shipping</u>		<u>Development</u>	<u>General and Administrative</u>		
Expenses							
Paper, printing and related costs	3,541,616	0	3,541,616	74,941	3,324	78,265	3,619,881
Postage, shipping, and related costs	1,078	1,420,462	1,421,540	75,313	1,507	76,820	1,498,360
Payroll and employee benefits	1,463,263	446,055	1,909,318	578,915	676,330	1,255,245	3,164,563
Occupancy and equipment	218,291	48,527	266,818	14,662	45,643	60,305	327,123
Professional and non-employee fees	112	656	768	376	54,130	54,506	55,274
Other administrative costs	148	4,666	4,814	118,029	84,795	202,824	207,638
Depreciation	141,271	41,033	182,304	8,660	42,022	50,682	232,986
Interest expense	0	0	0	0	833	833	833
Insurance	0	0	0	0	12,247	12,247	12,247
Rental costs	0	0	0	0	25,213	25,213	25,213
TOTAL FUNCTIONAL EXPENSES	5,365,779	1,961,399	7,327,178	870,896	946,044	1,816,940	9,144,118

The Notes to Financial Statements are an integral part of this statement.

WORLD MISSIONARY PRESS, INC.New Paris, Indiana

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2024

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total Support</u>	<u>Total</u>
	<u>Production</u>	<u>Shipping</u>	<u>Total Program</u>	<u>Development</u>	<u>General and Administrative</u>		
Expenses							
Paper, printing and related costs	3,690,616	0	3,690,616	75,279	7,392	82,671	3,773,287
Postage, shipping, and related costs	0	1,169,227	1,169,227	70,776	13,252	84,028	1,253,255
Payroll and employee benefits	1,317,240	454,081	1,771,321	462,524	652,070	1,114,594	2,885,915
Occupancy and equipment	211,669	48,605	260,274	9,620	28,204	37,824	298,098
Professional and non-employee fees	56	0	56	2,210	64,813	67,023	67,079
Other administrative costs	0	0	0	193,236	109,739	302,975	302,975
Depreciation	141,606	41,639	183,245	9,324	37,510	46,834	230,079
Interest expense	0	0	0	0	833	833	833
Insurance	0	0	0	0	10,880	10,880	10,880
Rental costs	0	0	0	0	33,275	33,275	33,275
TOTAL FUNCTIONAL EXPENSES	5,361,187	1,713,552	7,074,739	822,969	957,968	1,780,937	8,855,676

The Notes to Financial Statements are an integral part of this statement.

WORLD MISSIONARY PRESS, INC.New Paris, Indiana

STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2025

	<u>General</u>	<u>Stewardship</u>	<u>Annuity</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	(1,945,557)	14,180	0	(1,931,377)
Adjustments to reconcile change in net assets to net cash from operating activities:				
Depreciation	212,389	20,597	0	232,986
Loss on disposal of assets	5,622	0	0	5,622
Realized and unrealized gains on investments	(541,309)	0	0	(541,309)
Donated stock	(70,680)	0	0	(70,680)
Contribution revenue restricted for long-term purposes	(913,983)	0	0	(913,983)
Adjustments for changes in operating assets and liabilities:				
Accounts receivable	2,994	127	0	3,121
Inventories	41,489	0	0	41,489
Prepaid expenses	(39,941)	580	0	(39,361)
Accounts payable	35,950	(5,629)	0	30,321
Accrued expenses	43,992	(7,250)	0	36,742
Net Cash Flows Provided by (Used in) Operating Activities	(3,169,034)	22,605	0	(3,146,429)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	(623,814)	0	0	(623,814)
Purchase of long-term investments	(220,844)	0	0	(220,844)
Sale of long-term investments	2,725,000	0	0	2,725,000
Net Cash Flows Provided by Investing Activities	1,880,342	0	0	1,880,342
CASH FLOWS FROM FINANCING ACTIVITIES				
Reinsured annuity payments received	0	0	10,277	10,277
Annuity payments	0	0	(10,277)	(10,277)
Collections of contributions restricted for long-term purposes	913,983	0	0	913,983
Net Cash Flows Provided by Financing Activities	913,983	0	0	913,983
CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(374,709)	22,605	0	(352,104)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH BEGINNING OF YEAR	1,040,157	220,992	3,234	1,264,383
CASH, CASH EQUIVALENTS AND RESTRICTED CASH END OF YEAR	665,448	243,597	3,234	912,279

SUPPLEMENTARY DISCLOSURE OF CASH FLOWS:

Interest paid

833

The Notes to Financial Statements are an integral part of this statement.

WORLD MISSIONARY PRESS, INC.New Paris, Indiana

STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2024

	<u>General</u>	<u>Stewardship</u>	<u>Annuity</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	1,480,260	17,859	0	1,498,119
Adjustments to reconcile change in net assets to net cash from operating activities:				
Depreciation	209,589	20,490	0	230,079
Realized and unrealized gains on investments	(1,685,755)	0	0	(1,685,755)
Contribution revenue restricted for long-term purposes	(130,252)	0	0	(130,252)
Donated property	(1,600,000)	0	0	(1,600,000)
Adjustments for changes in operating assets and liabilities				
Accounts receivable	(3,373)	(482)	0	(3,855)
Contributions receivable	167,117	0	0	167,117
Inventories	119,098	0	0	119,098
Prepaid expenses	(39,374)	(503)	0	(39,877)
Accounts payable	33,980	5,279	0	39,259
Accrued expenses	26,286	(1,060)	0	25,226
Notes payable	0	(5,000)	0	(5,000)
Net Cash Flows Provided by (Used in) Operating Activities	(1,422,424)	36,583	0	(1,385,841)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	0	(8,352)	0	(8,352)
Proceeds from sale of donated property	1,485,427	0	0	1,485,427
Purchase of short-term investments	(320,944)	0	0	(320,944)
Withdrawals from investments	800,000	0	0	800,000
Increase in money market investment accounts	8,106	0	0	8,106
Net Cash Flows Provided by (Used in) Investing Activities	1,972,589	(8,352)	0	1,964,237
CASH FLOWS FROM FINANCING ACTIVITIES				
Reinsured annuity payments received	0	0	10,277	10,277
Annuity payments	0	0	(10,277)	(10,277)
Collections of contributions restricted for long-term purposes	130,252	0	0	130,252
Net Cash Flows Provided by Financing Activities	130,252	0	0	130,252
CHANGE IN CASH , CASH EQUIVALENTS, AND RESTRICTED CASH				
	680,417	28,231	0	708,648
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH BEGINNING OF YEAR				
	359,740	192,761	3,234	555,735
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH END OF YEAR				
	1,040,157	220,992	3,234	1,264,383

SUPPLEMENTARY DISCLOSURE OF CASH FLOWS:

Interest paid

833

The Notes to Financial Statements are an integral part of this statement.

WORLD MISSIONARY PRESS, INC.

New Paris, Indiana

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

NATURE OF BUSINESS

World Missionary Press, Inc. ("the Organization") was established in 1961 to publish and distribute Scripture booklets, Bible studies, and other gospel literature worldwide at no cost to the recipient, relying on contributions to support operations.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting: The Organization's accounts are maintained in accordance with the principles of fund accounting. Resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; accordingly, all financial transactions have been recorded and reported by fund.

The assets, liabilities and net assets of the Organization are reported in three self-balancing funds, as follows:

The General Fund includes restricted and unrestricted resources and represents the portion of expendable funds that is available for support of program services (production and shipping) and supporting activities (development and general).

The Stewardship Fund includes rental properties and revocable life loans, the proceeds from which are invested primarily in rental properties for the Organization's workers.

The Annuity Fund includes gift annuity agreements whereby the Organization accepted a principal sum from an individual and, in return, pays the individual a fixed sum for life, or for two lives in the case of joint gift annuities, at rates consistent with Revenue Rule 72-438 of the Internal Revenue Service ("IRS"). The liability for annuities payable is the present value of all future annuity payments based upon the life expectancy of the annuitant and the anticipated rate of return of funds invested. The difference between the total payments and the reduction in the computed liability each year is netted to miscellaneous income for the Annuity Fund.

BASIS OF PRESENTATION

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") on the accrual basis of accounting.

The Organization adheres to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, which sets standards for reporting on financial statements of not-for-profit organizations. FASB ASC 958-205 requires the classification and presentation of net assets in two categories: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

WORLD MISSIONARY PRESS, INC.

New Paris, Indiana

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

FAIR VALUE MEASUREMENTS

Management accounts for all assets and liabilities that are measured and reported on a fair value basis under the Fair Value Measurements and Disclosures Topic of FASB ASC 820. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The framework for measuring fair value establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

USE OF ESTIMATES

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

CASH AND CASH EQUIVALENTS

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments without donor restrictions with an initial maturity of three months or less to be cash equivalents. Cash is held at a local bank and is insured up to the limits by the FDIC. It is common throughout the course of operations for the Organization's cash balance to exceed the insured limit.

CONTRIBUTIONS RECEIVABLE

Contributions receivable represent amounts received in the first week subsequent to year-end attributable to the calendar year results, pursuant to the Organization's year-end giving cut-off policy. Management has determined all outstanding promises to give are fully collectible and no allowance for doubtful accounts is necessary.

INVENTORIES

Inventories of raw materials and printing supplies are stated at the lower of cost (first-in, first-out) or net realizable value. The cost of materials used is charged to the expense when the materials enter production since the finished product is distributed at no charge to the recipient. Management has determined no obsolescence reserve is necessary to record at September 30, 2025 and 2024.

PROPERTY AND EQUIPMENT

Donations of property and equipment are recorded as current support at estimated fair value unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. Net assets with donor restrictions are reclassified to net assets without donor restrictions at that time. The Organization received \$0 and \$1,485,427 of donor-restricted assets during the years ended September 30, 2025 and 2024, respectively. These amounts are included in Contributions of nonfinancial assets for the years ended September 30, 2025 and 2024, respectively.

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Purchased property and equipment are stated at cost. Expenditures for additions, improvements and replacements are added to the property and equipment accounts. Repairs and maintenance are charged to expense as incurred. When equipment is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and any gain or loss arising from the disposition is reflected in income. Depreciation is provided for over the estimated useful lives of the assets using the straight-line method. Depreciation expense was \$232,986 and \$230,079 for the years ended September 30, 2025 and 2024, respectively. Construction in process of \$520,013 and \$0 was not depreciated as of September 30, 2025 and 2024, respectively.

A summary of the range of lives by asset category follows:

Buildings and building improvements	10 - 40 years
Machinery and equipment	5 - 20 years
Furniture, fixtures and office equipment	3 - 10 years

INVESTMENTS

Investments in bonds, mutual funds, and equities with readily determinable fair values are stated at fair value based on quoted market prices. Donated securities are recorded at fair value on the date of donation. Donated securities are immediately liquidated upon receipt from donor. Investment income including unrealized gains and losses on investments, dividends, and interest are reported under revenue in the Statements of Activities. Certificates of deposit are recorded at cost. Reinsured charitable gift annuities are valued at their present value based on actuarial assumptions.

CHARITABLE GIFT ANNUITIES

The Organization has in the past received assets from various individuals under agreements which require the Organization to pay the donors varying amounts during their lifetimes. These assets were recognized at their fair market value at the time of their receipt. An actuarial present value of the assets based on the donor's present age is used to determine the obligation. The value of the gifts received was based on the value of the assets less the obligation at the time the gifts were received.

CONTRIBUTIONS

Contributions, including promises to give, are recorded when the contribution is deemed unconditional. Contributions are reflected in the financial statements at the earlier of the transfer of the assets or at the time an unconditional promise to give is made.

Contributions received are considered to be available for current use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. A donor restriction expires when a stipulated time restriction ends or when a purpose restriction is accomplished. Upon expiration, 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.

INCOME TAXES

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The IRS has determined that the Organization is not a private foundation within the meaning of Section 509(a).

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The Income Taxes Topic, FASB ASC 740, clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. FASB ASC 740 requires an entity to disclose the nature of uncertain tax positions taken, if any, when filing its income tax return utilizing a two-step process to recognize and measure any uncertain tax positions taken. The entity recognizes a tax benefit only if it is more likely than not the position would be sustained in a tax examination, with a tax examination being presumed to occur. No tax benefit will be recorded on tax positions not meeting the more likely than not test. Interest and penalties accrued or incurred, if any, as a result of applying FASB ASC 740 will be recorded to interest expense and other expense, respectively.

Based on its evaluation, the Organization has concluded that there are no uncertain tax positions requiring recognition in its financial statements. The Organization's evaluation was performed for all federal and state tax periods still subject to examination. The Organization's 2021 through 2023 federal and state exempt organization returns remain subject to examination by the IRS and state taxing authorities.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the program and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated between program and supporting activities benefited based upon personnel time and space utilized for the related activities.

Expenses that are allocated include the following:

Expense	Method of Allocation
Paper, printing and related costs; postage shipping and related costs	Labor distribution and production output
Payroll and employee benefits	Labor distribution
Occupancy and equipment	Square footage and labor distribution

Other expenses are assigned to the respective functional category by method of direct assignment.

NOTE 2 - LIQUIDITY AND AVAILABILITY

The Organization has working capital of \$9,278,340 and \$11,595,061 and average days cash on hand of as of 36 and 52 as of September 30, 2025 and 2024, respectively.

The table below represents financial assets available for general expenditures in the General fund within one year at September 30:

	2025	2024
Cash, cash equivalents, and restricted cash	665,448	1,040,157
Accounts receivable	7,684	10,678
Investments	8,056,699	9,948,866
Less assets limited to use:		
Donor restricted	(1,045,714)	(1,672,322)
Total financial assets available for general expenditures within one year:	7,684,117	9,327,379

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The table below represents financial assets available in the Stewardship fund within one year at September 30:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	216,930	194,325
Accounts receivable	527	654
Total financial assets available for general expenditures within one year:	217,457	194,979

The Stewardship fund restricts \$26,667 of cash on hand to pay for any life loans that are revocable until the end of the lender's life for both years ended September 30, 2025 and 2024.

The Organization has cash and cash equivalents of \$3,234 available within one year to meet cash needs related to annuitant interest payments for both years ended September 30, 2025 and 2024. Gift annuities are insured on an "installment refund" basis and payments from insurance companies cover annuity interest payments to annuitants.

NOTE 3 - INVENTORIES

Inventories consisted of the following at September 30:

	<u>2025</u>	<u>2024</u>
Paper, ink, and printing supplies	447,431	488,920

NOTE 4 - FAIR VALUE MEASUREMENTS

The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Basis of Fair Value Measurement

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 - Quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. As required by FASB ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following tables present the financial instruments carried at fair value on a recurring basis as of September 30, 2025 and 2024, by valuation hierarchy, all of which were based on the market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets.

For reinsured charitable gift annuities, fair value is based on purchased annuities from an insurance carrier, which approximates the value of the contractual life-income liability. The annuities are adjusted annually using the present value technique based on donors' life expectancy.

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Assets measured at fair value on a recurring basis, as of September 30, 2025 were as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
International equity exchange traded funds	637,363	0	0	637,363
Bond exchange traded funds	954,571	0	0	954,571
Domestic equity exchange traded funds	2,783,241	0	0	2,783,241
International mutual funds	638,986	0	0	638,986
Domestic mutual funds	1,448,539	0	0	1,448,539
Bond mutual funds	1,593,969	0	0	1,593,969
Corporate bonds	0	30	0	30
Reinsured charitable gift annuities	0	0	37,019	37,019
Total	8,056,669	30	37,019	8,093,718

Assets measured at fair value on a recurring basis, as of September 30, 2024 were as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
International equity exchange traded funds	1,008,562	0	0	1,008,562
Bond exchange traded funds	1,075,690	0	0	1,075,690
Domestic equity exchange traded funds	2,839,190	0	0	2,839,190
International mutual funds	1,120,589	0	0	1,120,589
Domestic mutual funds	2,036,207	0	0	2,036,207
Bond mutual funds	1,868,598	0	0	1,868,598
Corporate bonds	0	30	0	30
Reinsured charitable gift annuities	0	0	38,982	38,982
Total	9,948,836	30	38,982	9,987,848

During the years ended September 30, 2025 and 2024, there were no transfers in or out of Level 3.

At September 30, 2025 and 2024, the Organization held investments in the following funds that accounted for 10% or more of total investments:

	<u>2025</u>	<u>2024</u>
Domestic equity exchange traded fund	17 %	0 %
Bond exchange traded fund	11 %	11 %
Bond mutual fund	15 %	15 %
International equity exchange traded fund	0 %	10 %

Investment securities in general are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near-term and such changes could materially affect the amounts reported in the Statements of Financial Position.

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NOTE 5 - NOTES PAYABLE

Unsecured notes payable to individuals consists of the following at September 30:

	<u>2025</u>	<u>2024</u>
Stewardship Fund:		
*Payable within 30 days of demand, non-interest bearing	10,000	10,000
*Payable within 30 days of demand, 5.0%	16,667	16,667
Total	26,667	26,667

Interest expense for both of the years ended September 30, 2025 and 2024 was \$833 in the Stewardship fund.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction are available for the following purposes at September 30:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose:		
Specific booklets/shipments	110,401	1,640,429
Specific operations projects	935,313	31,893
Total	1,045,714	1,672,322

During the years ended September 30, 2024 and 2023, net assets with donor restrictions were released from donor restrictions in the amount of \$2,357,439 and \$4,573,724, respectively. These releases were used for capital acquisitions and production of booklets and related shipments.

NOTE 7 - CONTRIBUTED NONFINANCIAL ASSETS

In-kind contributions are recognized as Contributions of nonfinancial assets in the Statements of Activities based on the fair market value at the date of donation. Donated properties and stocks and bonds are liquidated as soon as possible after received.

In-kind contributions were as follows for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Donated property, net	0	1,485,427
Other	22,158	1,054
Total Contributions of Nonfinancial Assets	22,158	1,486,481

As a general policy, the Organization will consume nonfinancial contributions if there is an applicable use for the nonfinancial contributions within its normal course of operations. Nonfinancial contributions that cannot be utilized internally are monetized as soon as there is an ability to do so. Funds are then used for operational and programmatic purposes.

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NOTE 8 - LEASES

The Organization owns several properties it leases as low rental housing to its workers or others in Christian ministry on a month-to-month basis. The Organization is responsible for all property taxes and maintenance on these units.

NOTE 9 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through February 23, 2026, the date the financial statements were available to be issued. No events or transactions occurred during this period which require recognition or disclosure in the financial statements.