NEW LIFE MINISTRIES

FINANCIAL STATEMENTS

AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2025

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
New Life Ministries
885 E. Collins Blvd, Suite 108
Richardson, TX 75081

Opinion

We have audited the financial statements of New Life Ministries (the "Ministry") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net deficit, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ministry as of December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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.

Report on Summarized Comparative Information

We have previously audited the Ministry's December 31, 2024 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated July 21, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Saville CPAs & Advisors, LLC

Saville CPAs & Advisors, LLC
Dallas, Texas

July 8, 2026

NEW LIFE MINISTRIES
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025
(with summarized financial information for the year ended December 31, 2024)

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 368,884	$ 564,741
Receivables	25,938	175,047
Prepaid expenses	42,997	42,956
Inventory, net	71,438	77,602
Short-term deposits	33,550	133,303
Total current assets	542,807	993,649
PROPERTY AND EQUIPMENT, NET	106,308	59,120
NONCURRENT ASSETS		
Operating lease right-of-use assets, net	83,524	297,291
Long-term investments	336,255	266,444
Deposits	18,848	18,848
Total other assets	438,627	582,583
TOTAL ASSETS	$ 1,087,742	$ 1,635,352
LIABILITIES AND NET ASSETS (DEFICIT)		
CURRENT LIABILITIES		
Current portion of operating lease liabilities	$ 83,524	$ 213,766
Current portion of finance lease liabilities	8,570	9,867
Unearned program fees	64,331	306,726
Accounts payable	1,100,277	761,261
Accrued expenses	413,307	524,100
Total current liabilities	1,670,009	1,815,720
NONCURRENT LIABILITIES		
Operating lease liabilities, net of current portion	-	83,524
Finance lease liabilities, net of current portion	9,859	18,021
Deferred compensation	144,000	96,000
Total noncurrent liabilities	153,859	197,545
TOTAL LIABILITIES	1,823,868	2,013,265
NET ASSETS (DEFICIT)		
Without donor restrictions	(1,105,653)	(926,859)
With donor restrictions	369,527	548,946
Total net assets (deficit)	(736,126)	(377,913)
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	$ 1,087,742	$ 1,635,352

NEW LIFE MINISTRIES

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (DEFICIT)

FOR THE YEAR ENDED DECEMBER 31, 2025

(with summarized financial information for the year ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024
REVENUE AND PUBLIC SUPPORT				
Contributions	$ 4,849,392	$ 191,161	$ 5,040,553	$ 5,652,620
Program fees	1,605,159	-	1,605,159	1,701,364
Product sales	169,195	-	169,195	182,219
Commissions and contracts	3,913	-	3,913	3,259
Investment income	17,992	19,934	37,926	17,973
Net assets released from restrictions	390,514	(390,514)	-	-
Total revenue and public support	7,036,165	(179,419)	6,856,746	7,557,435
EXPENSES				
Program services	5,073,855	-	5,073,855	5,594,674
Management and general	1,080,419	-	1,080,419	1,144,193
Fundraising	1,060,685	-	1,060,685	1,013,716
Total expenses	7,214,959	-	7,214,959	7,752,583
CHANGES IN NET ASSETS (DEFICIT)	(178,794)	(179,419)	(358,213)	(195,148)
NET ASSETS (DEFICIT), beginning of year	(926,859)	548,946	(377,913)	(182,765)
NET ASSETS (DEFICIT), end of year	$ (1,105,653)	$ 369,527	$ (736,126)	$ (377,913)

See accompanying independent auditors' report and notes.

NEW LIFE MINISTRIES
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(with summarized financial information for the year ended December 31, 2024)

	Program Services		Supporting Services			
	Media Ministries and Resource Center	Workshops and Other Operating Programs	Management and General	Fundraising	2025 Total	2024
Salaries and benefits						
Salaries	$ 892,023	$ 330,320	$ 430,239	$ 587,421	$ 2,240,003	$ 2,570,403
Other employee benefits	216,581	79,700	133,537	112,127	541,945	499,093
NLL program broadcast	1,422,769	-	-	1,450	1,424,219	1,655,312
Advertising and promotion	62,920	27,596	-	7,355	97,871	108,587
Bank fees	-	-	107,662	-	107,662	126,207
Business insurance	12,927	77	73,624	-	86,628	83,373
Business travel	4,753	85,120	6,974	12,267	109,114	105,144
Contract services	212,563	3,430	-	31,900	247,893	189,021
Depreciation and amortization	14,116	5,227	6,809	9,296	35,448	43,091
Equipment rental	-	-	2,671	7,500	10,171	14,532
Equipment repairs and maintenance	1,801	-	-	-	1,801	2,601
Information technology	210,731	57,052	51,658	74,717	394,158	397,548
Interest expense	-	-	3,522	-	3,522	3,014
Loss on contractual obligation	-	-	-	-	-	107,897
Occupancy costs:						
Rent	74,344	39,728	80,559	16,514	211,145	215,524
Telephone and utilities	9,747	2,862	5,853	-	18,462	18,468
Maintenance and repairs	-	-	22,488	-	22,488	19,264
Office expenses	2,556	1,356	8,171	1,735	13,818	15,578
Other expenses	25,131	89,894	84,212	7,184	206,421	199,688
Postage and shipping	10,328	15,805	2,462	35,224	63,819	73,234
Printing	2,583	1,014	626	39,586	43,809	81,256
Product costs and premiums	97,473	9,450	-	2,664	109,587	138,683
Professional fees for services	60,000	663,402	59,352	27,000	809,754	697,914
Program supplies, facility, and catering	3,643	324,833	-	86,745	415,221	387,151
TOTAL	$ 3,336,989	$ 1,736,866	$ 1,080,419	$ 1,060,685	$ 7,214,959	$ 7,752,583

See accompanying independent auditors' report and notes.

NEW LIFE MINISTRIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(with summarized financial information for the year ended December 31, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets (deficit)	$ (358,213)	$ (195,148)
Adjustments to reconcile change in net assets (deficit) to net cash used in operating activities:		
Depreciation and amortization	24,429	30,631
Amortization of operating lease right-of-use assets	211,095	213,766
Amortization of finance lease right-of-use assets	11,019	12,460
Realized and unrealized losses (gains) on investments	(22,447)	6,757
Reinvestment of interest and dividends	(10,960)	(8,230)
Loss on disposal of asset	-	1,466
Changes in operating account balances:		
Receivables	149,109	(119,832)
Prepaid expenses	(41)	6,178
Inventory	6,164	1,845
Deposits	99,753	(110,278)
Unearned program fees	(242,395)	201,059
Accounts payable	339,016	85,154
Accrued expenses	(110,793)	(68,674)
Deferred compensation	48,000	96,000
Operating lease liability	(211,094)	(213,766)
Net cash used in operating activities	(67,358)	(60,612)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(82,636)	(17,206)
Purchase of long-term investments	(47,812)	(96,000)
Proceeds from sale of long-term investments	11,408	13,046
Net cash used in investing activities	(119,040)	(100,160)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on finance lease liabilities	(9,459)	(12,482)
Net cash used in financing activities	(9,459)	(12,482)
CHANGE IN CASH AND CASH EQUIVALENTS	(195,857)	(173,254)
CASH AND CASH EQUIVALENTS, beginning of year	564,741	737,995
CASH AND CASH EQUIVALENTS, end of year	$ 368,884	$ 564,741
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 3,522	$ 3,131
Finance lease right-of-use asset and lease liability obtained from lease commencement and modifications	$ -	$ 15,859

See accompanying independent auditors' report and notes.

1) NATURE OF ORGANIZATION

New Life Ministries (the "Ministry") was founded March 26, 1993 and is chartered in the state of California. The Ministry was organized to provide low cost resources and counseling based in Christianity to interested persons.

New Life Ministries produces 'New Life Live', a nationally syndicated, interactive program addressing mental health, emotional, relational, and spiritual issues from a biblical perspective with clinical counseling expertise. The program is broadcast on radio stations nationwide including SiriusXM, with additional digital access via the Ministry's phone app, website, social media, NRB television, and podcast. The Ministry has a call center to assist callers as well as books, and digital resources. The Ministry provides resources both in-person and online, for recovery, intensive workshops, e-courses, webinars, online coaching groups, and a nationwide network of Christian counselors.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements are presented on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (GAAP). As required by GAAP, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

> Net assets without donor restrictions include those economic resources of the Ministry that are expendable for any purpose in performing the primary objectives of the Ministry.
>
> Net assets with donor restrictions include those assets whose use by the Ministry is limited by donor-imposed stipulations that expire through either the passage of time or actions of the Ministry.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, 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 such estimates.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Liquidity

In connection with the preparation of these financial statements, management has evaluated whether there are conditions and events that raise substantial doubt about the Ministry's ability to continue as a going concern within one year from the date these financial statements are available to be issued. This evaluation identified the following conditions: recurring annual operating losses, a working capital deficiency, a significant payable to a media vendor, and revenue levels below budgeted amounts due in part to the ministry's reliance on year-end donor contributions.

In response to these conditions, management has developed and implemented a plan intended to mitigate these factors and improve the Ministry's liquidity and operating results. Key components of that plan include: (1) the restructuring of the media vendor payable into a long-term note payable, removing the obligation from current liabilities; (2) the downsizing of office leased space in Texas and California, resulting in confirmed monthly cost reductions effective in 2026; (3) the discontinuation of certain radio broadcast station contracts, reducing annual airtime expenditures ; (4) reductions in personnel costs through staff retirements and work schedule modifications; and (5) the identification and implementation of additional operational expense reductions across multiple cost centers.

Management believes that the foregoing plans, taken together, are probable of effective implementation and sufficient to mitigate the conditions described above within one year of the issuance date of these financial statements. Accordingly, management has concluded that substantial doubt about the Ministry's ability to continue as a going concern has been alleviated. These financial statements have been prepared on the going concern basis of accounting.

Cash and Cash Equivalents

The Ministry considers cash and highly liquid investments with an original maturity date of less than three months to be cash equivalents.

Concentration of Credit Risk

The Ministry has a concentration of credit risk for cash deposits maintained at certain financial institutions which, at times, are in excess of insured limits set by the Federal Deposit Insurance Corporation or the National Credit Union Administration. The Ministry has not experienced any losses in such accounts and believes that they are not exposed to any significant credit risk related to cash.

At December 31, 2025, the Ministry's cash accounts exceeded federally insured limits by approximately $127,600.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments in equity securities with readily determinable fair values and all debt securities are reported at fair value. Donated investments are recorded at fair value on the date of the gift. Unrealized and realized gains and losses are reported as increases or decreases in net assets within the statements of activities and changes in net assets (deficit). Interest and dividend income is also reported in the statements of activities and changes in net assets (deficit).

Accounts Receivable

The Ministry's receivables are primarily registration fees for donor trips. The Ministry’s receivables are primarily derived from program participants. At each balance sheet date, the Ministry recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. The estimate is calculated on a pooled basis where similar characteristics exist.

The allowance estimate is derived from a review of the Ministry’s historical losses based on the aging of receivables. This estimate is adjusted for management’s assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors considered relevant by the Ministry. The Ministry believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses.

The Ministry determined no allowance for credit losses was necessary as of December 31, 2025 and 2024.

The Ministry writes off receivables where there is information that indicates that all collection efforts have been exhausted and the potential for recovery is considered remote. If any recoveries are made from any account previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the Ministry’s accounting policy election. There were no write-offs for the years ended December 31, 2025 and 2024.

Prepaid Expenses

Prepaid expenses primarily consisted of amounts paid in advance for insurance, rent, and postage.

Inventory

Inventory, which consisted primarily of books, DVDs, and CDs, is stated at the lower of average cost or net realizable value. The Ministry annually evaluates their inventory for obsolescence. Provision for obsolete inventory is recorded at the time when inventory becomes obsolete. The provision for obsolete inventory amounted to $15,945 for each of the years ended December 31, 2025 and 2024.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Acquisitions of property and equipment, including assets held under finance leases, are capitalized based on analysis of the cost and expected useful life of the asset. Maintenance, repairs, and renewals which do not materially prolong the useful lives of the assets are charged to expense as incurred. Property and equipment are carried at cost or, if donated, at fair value on the date of donation. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets, which generally ranges from three to five years for furniture and equipment, two years for software, and the shorter of useful life or lease term for leasehold improvements.

Donated Property

The Ministry reports gifts of equipment and furniture as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Ministry reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Impairment of Long-Lived Assets

The Ministry reviews potential impairments of long-lived assets when there is evidence that events or changes in circumstances have made the recovery of an asset's carrying value unlikely. An impairment loss is recognized if the sum of the expected, undiscounted future cash flow is less than the net book value of the asset. Generally, the amount of the impairment loss is measured as the excess of the net book value of the assets over the estimated fair value. For the years ended December 31, 2025 and 2024, no impairment of long-lived assets was necessary.

Deposits

The Ministry had short-term deposits related to events scheduled to take place in the subsequent year. The Ministry also had long-term deposits with buildings in which they currently have operating leases for office space.

Leases

At the inception of an arrangement, the Ministry determines whether the arrangement is or contains a lease based on the unique facts and circumstances present in the arrangement. Leases with a term greater than one year are recognized on the statements of financial position as a right-of-use asset and as short-term and/or long-term lease liabilities, as applicable.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Operating and finance lease liabilities and their corresponding right-of-use assets are initially recorded based on the present value of lease payments over the expected remaining lease term. As a result, the Ministry utilizes the private company practical expedient to utilize the risk free discount rate for present value calculations on all leases.

The Ministry has elected not to recognize leases with an original term of one year or less on the statements of financial position. The Ministry typically only includes an initial lease term in its assessment of a lease arrangement. Options to renew a lease are not included in the Ministry's assessment unless there is reasonable certainty that the Ministry will renew.

Support

The Ministry records contributions at the date received at fair value. The Ministry reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated asset. When a donor stipulation expires, that is, when the purpose or time restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets (deficit) as net assets released from restrictions.

Revenue Recognized at a Point in Time

Program fees include revenue from workshops and events, e-courses, webinars, and group coaching services. These events occur over a short duration of time, from beginning to end. Revenue from program fees is recognized at the time the event occurs.

Product sales include the sale of books, workbooks, DVDs, and CDs. Revenue from product sales is recognized at the time the product is shipped.

Unearned Program Fees

The Ministry records payments made in advance by attendees to its workshops and seminars as unearned program fees. These amounts are recognized as revenue when the event takes place.

Federal Income Taxes

The Ministry is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is made in these financial statements.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement Plan

Employees of the Ministry participate in a defined contribution plan which is qualified under Section 401(k) of the Internal Revenue Code. The Ministry's contribution to the plan is discretionary. Total matching contributions for the years ended December 31, 2025 and 2024 amounted to $28,825 and $27,298, respectively.

Fair Value of Financial Assets and Liabilities

The Ministry measures and discloses certain financial assets and liabilities at fair value. GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the classification of assets and liabilities within the fair value hierarchy. Because of the long-term nature of certain assets and liabilities measured at fair value as well as differences in the availability of market prices and market liquidity over their terms, inputs for some assets and liabilities may fall into any one of the three levels in the fair value hierarchy. GAAP requires these assets and liabilities to be classified in the lowest level in the hierarchy for which inputs are significant to the fair value measurement; a portion of that measurement may be determined using inputs from a higher level in the hierarchy.

The availability of valuation techniques and observable inputs can vary from investment to investment and is affected by a wide array of factors. In certain cases, the inputs used to measure fair value may fall into different levels of the hierarchy. For disclosure purposes, the level in the hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement. The estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Assets and Liabilities (Continued)

To the extent that a specific valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. As such, the degree of judgment exercised by the Ministry in determining fair value is greatest for investments in Level 3.

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

- *Cash and money market funds.* Cash equivalent holdings are valued at cost, which approximates fair value.

- *Mutual funds of registered investment companies*. Valued at the daily closing price as reported by the fund. Mutual funds held by the Ministry are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value to transact at that price. The mutual funds held by the Ministry are deemed to be actively traded.

- *Exchange-traded funds*. Funds that invest in a variety of assets traded on an active market. These funds are valued at the daily closing price reported on the public stock exchange.

Allocation of Functional Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. Certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and benefits, which are allocated on the basis of estimates of time and effort; information technology costs, which are allocated based on headcount as well as depreciation and amortization; and occupancy, which are allocated on a square footage basis. Other expenses, such as marketing fees and materials, are allocated based on estimated usage.

3) LONG-TERM INVESTMENTS

Long-term investments of the Ministry are stated at fair value. The following describes the components of the Ministry's investments at December 31:

	2025	2024
Cash and money market funds	$ 9,069	$ 14,567
Mutual funds	285,012	217,868
Exchange traded funds	42,174	34,009
Long-term investments at fair value	$ 336,255	$ 266,444

4) FAIR VALUE MEASUREMENTS

The following is a summary of the categorization within the fair value hierarchy of the Ministry's financial assets measured at fair value:

	Fair Value Measurements at December 31, 2025 Using:			
Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and money market funds	$ 9,069	$ -	$ -	$ 9,069
Mutual funds	285,012	-	-	285,012
Exchange traded funds	42,174	-	-	42,174
Investments at fair value	$ 336,255	$ -	$ -	$ 336,255

	Fair Value Measurements at December 31, 2024 Using:			
Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and money market funds	$ 14,567	$ -	$ -	$ 14,567
Mutual funds	217,868	-	-	217,868
Exchange traded funds	34,009	-	-	34,009
Investments at fair value	$ 266,444	$ -	$ -	$ 266,444

4) FAIR VALUE MEASUREMENTS (CONTINUED)

The Ministry has no financial instruments which were categorized using Level 3 inputs at December 31, 2025 and 2024.

The Ministry recognizes transfer between levels in the fair value hierarchy as of the end of the reporting period. There were no transfers between levels for the years ended December 31, 2025 and 2024.

5) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2025	2024
Furniture, fixtures, and equipment	$ 278,710	$ 280,216
Software	398,832	318,957
Leasehold improvements	62,541	62,541
Property and equipment, at cost	740,083	661,714
Less: accumulated depreciation and amortization	(633,775)	(602,594)
Property and equipment, net	$ 106,308	$ 59,120

Depreciation and amortization expense for the years ended December 31, 2025 and 2024 amounted to $35,448 and $43,091, respectively.

6) ENDOWMENTS

The Ministry's endowment assets consist of funds established for any of the Ministry's charitable purposes. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has determined that it would be desirable for the Ministry to preserve, on a long-term basis, the original value of a contribution of a donor-restricted endowment fund as of the gift date, subject to any express language in the applicable endowment agreement indicating otherwise and pursuant to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA" or the "Act"). Notwithstanding the foregoing, this determination is not intended to, and shall not, affect the Ministry's authority under the Act to spend amounts from an endowment fund on a short-term basis, even if the market value of the endowment fund is below the original value of the contributions by the donors. As a result of this determination, the Ministry classifies as net assets with donor restrictions (a) the original value of gifts contributed to a donor-restricted endowment fund and (b) the original value of subsequent gifts to a donor-restricted endowment fund.

6) ENDOWMENTS (CONTINUED)

Investment income (loss) and appreciation (depreciation) related to the donor-restricted endowment funds are classified as net assets with donor-restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by the Act. Most of those net assets are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. In accordance with UPMIFA, the Ministry considers the following factors in making a determination to appropriate or accumulate endowment funds:

1. The duration and preservation of the endowment assets
2. The purposes of the Ministry and the donor-restricted endowments
3. General economic conditions
4. The possible effects of inflation and deflation
5. Other resources of the Ministry
6. The investment policies of the Ministry

A summary of the Ministry's endowment assets by net asset class was as follows at:

	December 31, 2025		
Endowment Fund Type	Without Donor Restrictions	With Donor Restrictions	Total
General endowment	$ -	$ 169,510	$ 169,510
Total endowment assets	$ -	$ 169,510	$ 169,510

	December 31, 2024		
Endowment Fund Type	Without Donor Restrictions	With Donor Restrictions	Total
General endowment	$ -	$ 162,595	$ 162,595
Total endowment assets	$ -	$ 162,595	$ 162,595

6) ENDOWMENTS (CONTINUED)

Changes in endowment net assets for the years ended December 31, 2025 and 2024 were as follows:

December 31, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, January 1, 2025	$ -	$ 162,595	$ 162,595
Investment return:			
Net investment income (loss)	-	19,934	19,934
Expenditure of endowment assets	-	(13,019)	(13,019)
Endowment net assets, December 31, 2025	$ -	$ 169,510	$ 169,510

December 31, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, January 1, 2024	$ -	$ 166,839	$ 166,839
Investment return:			
Net investment income (loss)	-	9,736	9,736
Expenditure of endowment assets	-	(13,980)	(13,980)
Endowment net assets, December 31, 2024	$ -	$ 162,595	$ 162,595

6) ENDOWMENTS (CONTINUED)

Return Objectives and Risk Parameters

The Ministry has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, endowment assets are invested in a manner that, over a long-term investment horizon, is intended to produce results that at a minimum equal inflation, administrative costs, and management fees, while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy long-term return objectives, the Ministry relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Ministry targets a diversified asset allocation that places emphasis on investments in growth, income, and inflation protection assets to achieve its long-term return objectives within prudent risk constraints.

Erosion of Corpus, Spending Policy, and How the Investment Objectives Relate to Spending Policy

The bequest allowed for a 7% annual distribution to support the Ministry and its programs. The Ministry has a policy of appropriating its annual distributions for charitable purposes, and general Ministry operating costs. In monitoring this policy, the Ministry considers the long-term expected return on its endowments. Although the Ministry has adopted investment and spending policies, the investment returns may not be equal to the amount of the 7% annual distribution. In accordance with the donor-restricted endowment, the amounts of annual distributions could erode the original corpus of the endowment.

7) NET ASSETS

At December 31, 2025 and 2024, net assets (deficit) consisted of restricted contributions to be used for the following purposes:

	2025	2024
Net deficit without donor restrictions	$ (1,105,653)	$ (926,859)
Net assets with donor restrictions:		
Collected funds:		
Scholarship funds	200,017	311,351
Every Man's Battle		75,000
Endowment funds:		
General endowment*	169,510	162,595
Total net assets with donor restrictions	369,527	548,946
Total net assets (deficit)	$ (736,126)	$ (377,913)

*expendable annually at 7% to support the Ministry and its programs.

8) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Ministry's financial assets at December 31, 2025, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position sheet date.

Financial assets, at December 31, 2025	$ 731,078
Less those unavailable for general expenditures within one year, due to:	
Restricted by donor with time or purpose restrictions	(369,527)
Cash payments required for lease obligations	(93,546)
Financial assets available to meet cash needs for general expenditures within one year	$ 268,005

The financial assets at year-end include cash and cash equivalents, investments, and receivables. The Ministry is substantially supported by highly liquid cash contributions that are without restriction. As such, the Ministry has historically been able to cover any general expenditures with the financial assets on hand.

9) LEASES

The Ministry leases its facilities under non-cancelable operating leases. At December 31, 2025, maturity dates for leasing arrangements ranged from February 2026 to September 2026. During the years ended December 31, 2025 and 2024, monthly payment amounts ranged from $2,550 to $8,953, respectively.

The Ministry leases office equipment under finance lease agreements with maturity dates through February 2029. Monthly payment amounts range from $70 to $400. The finance lease right-of-use assets are included in property and equipment on the statements of financial position.

The following table presents the right-of-use assets and short-term and long-term liability amounts recorded on the statements of financial position at December 31, 2025 and 2024:

December 31, 2025

	Operating	Finance
Assets		
Right-of-use assets – gross	$ 925,592	$ 48,495
Right-of-use assets – accumulated amortization	(842,068)	(30,474)
Right-of-use assets – net	$ 83,524	$ 18,021
Liabilities		
Current portion of lease liability	$ 83,524	$ 8,570
Long-term lease liability, net of current portion	-	9,859
Total lease liability	$ 83,524	$ 18,429

December 31, 2024

	Operating	Finance
Assets		
Right-of-use assets – gross	$ 925,592	$ 48,251
Right-of-use assets – accumulated amortization	(628,301)	(20,327)
Right-of-use assets – net	$ 297,291	$ 27,924
Liabilities		
Current portion of lease liability	$ 213,766	$ 9,867
Long-term lease liability, net of current portion	83,524	18,021
Total lease liability	$ 297,290	$ 27,888

9) LEASES

The maturity of the Ministry's lease liabilities at December 31, 2025 was as follows:

Years Ending December 31,	Minimum Lease Commitments - Operating	Minimum Lease Commitments - Finance
2026	$ 83,714	$ 9,832
2027	-	6,403
2028	-	3,213
2029	-	-
2020	-	-
Less: imputed interest	(190)	(1,019)
Present value of lease liabilities	$ 83,524	$ 18,429

The remaining weighted average lease terms for operating and finance leases at December 31, 2025 and 2024 were 0.44 years and 1.35 years, and 2.49 years and 3.1 years, respectively. The weighted average discount rates used to present value operating and finance leases and related right-of-use assets at December 31, 2025 and 2024 were 1.18 and 1.17 and 4.09% and 1.64%, respectively.

Total lease expense for operating right-of-use assets for the years ended December 31, 2025 and 2024 amounted to $211,095 and $215,524, respectively, and was included in the total rent expense. Total lease expense for finance leases for the Ministry amounted to $11,019 and $12,460 for amortization of right-of-use assets and $2,166 and $1,709 for interest expense on lease liabilities for the years ended December 31, 2025 and 2024, respectively.

10) DEFERRED COMPENSATION ARRANGEMENT

The Organization has entered into a nonqualified deferred compensation arrangement under Internal Revenue Code Section 457(f) with its founder and former CEO. The arrangement provides for annual contributions of $48,000 per year for a period of 10 years, subject to the Organization or CEO's mutual agreement of the provisions. Although the formal terms of the arrangement include a risk of forfeiture in the event of separation from service before the end of the period, the Board of Directors has indicated its intent to honor the benefit on an annual basis regardless of early retirement. The Organization has determined that the risk of forfeiture is not substantive and therefore is accruing the benefit over the 10-year service period. As of the balance sheet date, the Organization recorded a related liability of $144,000. The liability is included in the accompanying statement of financial position.

11) SIGNIFICANT RISKS, UNCERTAINTIES, CONTINGENCIES, AND CONCENTRATIONS

The Ministry is highly dependent on contributions and donations. Therefore, the Ministry's programs and activities are affected by the level of donations and related factors, including general economic conditions. Based on these factors, the Ministry may experience substantial period-to-period fluctuations.

The Ministry can be subject to various claims and matters that arise in the ordinary course of its activities. No existing matters are expected to have any material or adverse effect on the Ministry's financial condition at December 31, 2025.

12) SUBSEQUENT EVENTS

We evaluated events that occurred after the balance sheet date through July 8, 2026, which is the date these financial statements were available to be issued. Subsequent to December 31, 2025, the Ministry entered into a promissory note with Salem Media Group, Inc. for approximately $1,116,000.