SST
ACCOUNTANTS & CONSULTANTS

DENISON MINISTRIES

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2025 AND 2024

Denison Ministries
Table of Contents
September 30, 2025 and 2024

Page

INDEPENDENT AUDITORS' REPORT 1-2

FINANCIAL STATEMENTS
Statements of Financial Position 3

Statements of Activities 4

Statements of Changes in Net Assets 5

Statement of Functional Expenses for the Year Ended September 30, 2025 6

Statement of Functional Expenses for the Nine Months Ended September 30, 2024 7

Statements of Cash Flows 8

NOTES TO THE FINANCIAL STATEMENTS 9-18

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Denison Ministries

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Denison Ministries (a nonprofit organization) (Organization), which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the year ended September 30, 2025 and for the nine months ended September 30, 2024, 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 the Organization as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the year ended September 30, 2025 and for the nine months ended September 30, 2024 in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits 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 Organization 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 GAAP, 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 Organization's ability to continue as a going concern for one year after the date that the financial statements are 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 Organization'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 Organization'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.

SST Accountants & Consultants

SST Accountants & Consultants PLLC

March 31, 2026

Denison Ministries
Statements of Financial Position
September 30, 2025 and September 30, 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,576,725	$ 1,121,946
Accounts receivable	9,675	11,505
Contributions receivable, current	329,094	524,289
Investments	1,182,751	1,404,638
Prepaid expenses	179,033	156,278
Total Current Assets	3,277,278	3,218,656
Noncurrent Assets		
Property and equipment, net	126,154	199,931
Beneficial interest held by others	15,156	14,505
Security deposit	11,115	11,115
Operating lease right-of-use assets	327,106	415,062
Total Noncurrent Assets	479,531	640,613
TOTAL ASSETS	$ 3,756,809	$ 3,859,269
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 34,744	$ 38,193
Accrued expenses	10,780	10,048
Accrued payroll liabilities	32,636	31,528
Deferred revenue	69,090	-
Operating lease liabilities, current	90,384	90,567
Total Current Liabilities	237,634	170,336
Noncurrent Liabilities		
Annuity payment liability	42,792	44,547
Operating lease liabilities, net of current portion	265,581	355,965
Total Noncurrent Liabilities	308,373	400,512
TOTAL LIABILITIES	546,007	570,848
Net Assets		
Without Donor Restrictions		
Undesignated	2,561,487	2,690,110
Designated	621,558	585,157
	3,183,045	3,275,267
With Donor Restrictions	27,757	13,154
Total Net Assets	3,210,802	3,288,421
TOTAL LIABILITIES AND NET ASSETS	$ 3,756,809	$ 3,859,269

The accompanying notes are an integral part of these financial statements.

Denison Ministries
Statements of Activities
For the Year Ended September 30, 2025 and
For the Nine Months Ended September 30, 2024

	2025	2024
Without Donor Restrictions		
Revenues and Support		
Contributions of cash and other financial assets	$ 6,213,195	$ 3,882,087
Sales and other income	162,891	172,946
Investment income (loss)	173,276	133,397
	6,549,362	4,188,430
Net assets released from restrictions	57,397	752,490
Total Revenues and Support	6,606,759	4,940,920
Expenses		
Program services	3,744,183	2,963,946
Supporting services	2,954,798	2,006,540
Total Expenses	6,698,981	4,970,486
Change in Net Assets Without Donor Restrictions	(92,222)	(29,566)
With Donor Restrictions		
Contributions of cash and other financial assets	72,000	63,732
Net assets released from restrictions	(57,397)	(752,490)
Change in Net Assets With Donor Restrictions	14,603	(688,758)
Change in Net Assets	$ (77,619)	$ (718,324)

The accompanying notes are an integral part of these financial statements.

Denison Ministries
Statements of Changes in Net Assets
For the Year Ended September 30, 2025 and
For the Nine Months Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets, December 31, 2023	$ 3,304,833	$ 701,912	$ 4,006,745
Increase (Decrease) in Net Assets	(29,566)	(688,758)	(718,324)
Net Assets, September 30, 2024	3,275,267	13,154	3,288,421
Increase (Decrease) in Net Assets	(92,222)	14,603	(77,619)
Net Assets, September 30, 2025	$ 3,183,045	$ 27,757	$ 3,210,802

The accompanying notes are an integral part of these financial statements.

Denison Ministries
Statement of Functional Expenses
For the Year Ended September 30, 2025

	Program Services					Supporting Services		
	Christian Parenting	Denison Forum	Denison Ministries	First15	Possum Kingdom	General & Administrative	Fundraising	Total
Salaries and benefits	$ 563,242	$ 666,127	$ 1,136,291	$ -	$ 79,243	$ 1,302,801	$ 842,186	$ 4,589,890
Brand resources	57,952	76,214	8,880	10,743	26,110	5,000	-	184,899
Talent development	1,080	438	16,957	57	-	18,895	12,597	50,024
Donor relations and development	66,962	79,052	164	4,886	-	-	176,660	327,724
Professional fees	-	-	-	-	-	244,564	60,650	305,214
Promotion and growth	108,565	118,981	1,035	108,071	-	-	21,928	358,580
Office rent	17,118	17,118	17,118	17,118	-	12,840	4,280	85,592
Information technology	12,540	10,714	289,267	7,550	28	13,369	8,913	342,381
Administration and office expenses	9,662	18,211	24,029	4,622	-	190,236	934	247,694
Bank and merchant fees	4,547	42,078	12,674	18,093	-	-	-	77,392
Travel	6,663	5,958	13,024	-	5,981	14,513	9,675	55,814
Depreciation and amortization	14,755	14,755	14,755	14,755	-	11,068	3,689	73,777
	$ 863,086	$ 1,049,646	$ 1,534,194	$ 185,895	$ 111,362	$ 1,813,286	$ 1,141,512	$ 6,698,981

The accompanying notes are an integral part of this financial statement.

Denison Ministries
Statement of Functional Expenses
For the Nine Months Ended September 30, 2024

	Program Services					Supporting Services		
	Christian Parenting	Denison Forum	Denison Ministries	First15	Possum Kingdom	General & Administrative	Fundraising	Total
Salaries and benefits	$ 405,383	$ 532,296	$ 801,851	$ 1,308	$ 55,477	$ 911,959	$ 593,719	$ 3,301,993
Brand resources	37,226	42,137	8,369	18,505	24,042	-	-	130,279
Talent development	739	1,065	7,286	-	-	8,118	5,412	22,620
Donor relations and development	120,337	149,589	2,749	50,574	-	-	110,131	433,380
Professional fees	-	-	-	-	-	157,462	40,000	197,462
Promotion and growth	72,457	93,401	183	78,744	-	-	17,882	262,667
Office rent	13,543	13,543	13,543	13,543	-	10,155	3,386	67,713
Information technology	12,535	5,036	208,301	5,902	-	12,520	8,344	252,638
Administration and office expenses	21,863	3,554	16,802	3,554	-	94,962	888	141,623
Bank and merchant fees	4,544	34,504	4,716	13,705	-	-	-	57,469
Travel	6,484	3,260	10,827	-	4,481	12,063	8,043	45,158
Depreciation and amortization	11,497	11,497	11,497	11,497	-	8,622	2,874	57,484
	$ 706,608	$ 889,882	$ 1,086,124	$ 197,332	$ 84,000	$ 1,215,861	$ 790,679	$ 4,970,486

The accompanying notes are an integral part of this financial statement.

Denison Ministries
Statements of Cash Flows
For the Year Ended September 30, 2025 and
For the Nine Months Ended September 30, 2024

	2025	2024
Cash Flows From Operating Activities		
Change in Net Assets	$ (77,619)	$ (718,324)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	73,777	57,484
Net operating lease right-of-use assets and lease liabilities	(2,611)	27,794
Unrealized (gain) loss on investments	(72,163)	(63,753)
Realized (gain) loss on investments	2,830	165
Reinvested dividends and interest	(28,000)	(20,446)
Donation of securities	-	(319,550)
Annuity payment liability	(1,755)	(1,128)
Beneficial interest held by others	(651)	-
Changes in operating assets and liabilities:		
Accounts receivable	1,830	(9,865)
Contributions receivable	195,195	260,711
Prepaid expenses	(22,755)	(65,815)
Accounts payable	(3,449)	11,693
Accrued expenses	732	7,995
Accrued payroll liabilities	1,108	(107,110)
Deferred revenue	69,090	-
Net Cash Provided by (Used in) Operating Activities	135,559	(940,149)
Cash Flows From Investing Activities		
Proceeds from sale of investments	319,220	15,238
Net Cash Provided by Investing Activities	319,220	15,238
Net Change in Cash and Cash Equivalents	454,779	(924,911)
Cash and Cash Equivalents, Beginning of Year	1,121,946	2,046,857
Cash and Cash Equivalents, End of Year	$ 1,576,725	$ 1,121,946
Supplemental Cash Flow Information		
Right-of-use asset obtained in exchange for operating lease liability	$ -	$ 17,980

The accompanying notes are an integral part of these financial statements.

Note 1: Summary of Significant Accounting Policies

Organization

Denison Ministries (Organization) is a Texas nonprofit corporation that exists to create culture changing Christians who are committed to advancing the kingdom in their sphere of influence. The Organization aspires to equip believers every day through the following core programs: Christian Parenting, Foundations with Janet Denison (included with Christian Parenting in the statement of functional expenses), Denison Forum, Denison Ministries, First15, and Possum Kingdom.

Christian Parenting's mission is to equip believers to disciple the next generation to love and follow Jesus. Janet Denison's ministry is a Bible study ministry devoted to helping others understand and apply the truth of God's word to their daily lives. Denison Forum thoughtfully engages the issues of the day from a biblical perspective to help believers be a light where they are. Denison Ministries seeks to bring life transformation through meaningful content. First15 is a daily devotional ministry that provides believers a way to experience God in the first fifteen minutes of their day. Possum Kingdom is the physical expression of the Organization's ministry, where Sunday morning worship services are conducted by Denison Ministries on behalf of a gathering of believers.

The content of these ministries currently reaches over five million believers through a variety of methods, including email, web, app, podcast and print. The Organization's revenue is derived mainly from contributions.

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

Change in Fiscal Year

On November 8, 2023, the Board of Directors adopted a change in fiscal year end from December 31 to September 30, effective October 1, 2024. This change more accurately reflects the operational business cycle. As a result of this change, the Organization had a nine-month transaction period ended September 30, 2024.

Financial Statement Presentation

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 and reported as follows:

> <u>Net Assets Without Donor Restrictions</u> – Net assets not subject to donor-imposed stipulations. Net assets that are without donor restrictions but have been designated for a particular purpose by the Board, if any, are reflected as Board Designated Net Assets.
>
> <u>Net Assets With Donor Restrictions</u> – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.

Note 1: Summary of Significant Accounting Policies (Continued)
Financial Statement Presentation (Continued)
Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. As of September 30, 2025 and 2024, no such net asset restrictions existed.

Gifts of cash and other assets received without donor-imposed restrictions are reported as increases in net assets without donor restrictions unless the use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents
The Organization considers all highly-liquid investments with original maturity dates of three months or less to be cash equivalents. Cash equivalents were $544,925 and $269,464 as of September 30, 2025 and 2024, respectively. The Organization places its cash and cash equivalents, which, at times, may exceed federally insured limits, with high-credit quality financial institutions. The Organization has not experienced any losses on such amounts.

Income Taxes
The Organization is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) of 1986, as amended, as an organization described in Section 501(c)(3) of the IRC. The Organization has been classified as an organization that is not a private foundation under IRC Section 509(a)(2), and as such, contributions to the Organization qualify for deductions as charitable contributions. However, income generated from activities unrelated to the Organization’s exempt purpose is subject to tax under IRC Section 511.

Accounting for Uncertainty in Income Taxes
Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 740-10, *Accounting for Income Taxes*, 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 statements of activities or accrued in the statements of financial position. Federal and state tax returns of the Organization are generally open to examination by the relevant taxing authorities for a period of three years from the date the returns are filed.

Donated Stock
Securities that have been donated are recorded at the fair market value as of the date of the gift. The Organization converts securities to cash equivalents upon receipt. Increases or decreases in fair market value are recorded as unrealized gains or losses and reflected on the statements of activities.

Note 1: Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are stated at cost when purchased or fair value at the date of donation, less accumulated depreciation and amortization. Major expenditures which substantially increase useful lives are capitalized. Maintenance and repairs, which do not improve or extend the lives of the respective assets, are included in the statements of activities when incurred. When property or equipment is sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed, and any gain or loss is included in the statements of activities.

Depreciation and amortization are calculated using the straight-line convention over the estimated useful lives of the respective assets. Estimated useful lives are as follows:

Furniture and fixtures	7 years
Equipment	5 years
Leasehold improvements	Within the lease term
Software	5 years

Impairment of Long-Lived Assets

The Organization regularly evaluates its long-lived assets for indicators of possible impairment. Should impairment exist, the impairment loss would be measured based on the excess carrying value of the asset over the asset's fair value. No impairment losses were recognized for the year ended September 30, 2025 or for the nine months ended September 30, 2024.

Inventory

The Organization publishes and distributes books and related resources as part of its ministry. The books are primarily distributed at or near cost and do not have long-term value to the Organization. As such, no inventory is recorded on the Organization's financial statements.

Deferred Revenue

Deferred revenue consists of amounts received in advance for services or goods to be provided in future periods. The Organization recognizes revenue as the related services are performed or goods are delivered.

Leases

The Organization determines if a contract is classified as a lease at the contract's inception. Lease agreements are evaluated to determine whether the lease is a finance or operating lease. Right-of-use (ROU) assets and lease liabilities are recognized at the commencement date based on the net present value of lease payments over the lease term. The Organization's leases do not provide an implicit rate; therefore, the Organization has elected to use a risk-free rate as its incremental borrowing rate, based on the information available at the commencement date to determine the present value of the lease payments over the lease term. Leases with an initial term of 12 months or less are not recorded on the accompanying statements of financial position and are recognized as lease expense on a straight-line basis over the lease term.

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Organization recognizes contributions when cash and grants, securities or other assets or an unconditional promise to give is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Allocations are based on time and effort spent in each area. The allocated expenses include salaries and benefits, office rent, depreciation and amortization, and donor relations and development. All other natural expense categories using the key concept of direct conduct or direct supervision are charged to the benefiting program or support service.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. It is at least reasonably possible that the significant estimates used will change within the next year. Actual results could vary from estimates.

Beneficial Interest in Assets Held by Others

The Organization is the specified beneficiary of gift annuities held by HighGround Advisors (HGA). In accordance with FASB ASC Topic 958 *Not-for-Profit Entities*, for those assets which the Organization has an unconditional right to receive all or a portion of the specified cash flows from the charitable trust or pool of assets, the Organization records the beneficial interest, measuring it at the net present value of the expected remainder at year end. The beneficial interest in assets held by others is subsequently remeasured at the present value of the remainders at the following year end, using the various discounted rates with the change in valuation reflected in the statements of activities. It is included as a level 3 asset in the fair value disclosure at Note 6.

Other Investments

During 2020, the Organization received a charitable gift annuity of $100,000, which is held by HGA and included in investments in the statements of financial position as of September 30, 2025 and 2024. The charitable gift annuity requires quarterly payments to the donor until the time of death. A liability for these payments has been recorded in the statements of financial position as of September 30, 2025 and 2024.

Fair Value Measurements

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value 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) and the lowest priority to unobservable inputs (level 3).

Note 1: Summary of Significant Accounting Policies (Continued)
Fair Value Measurements (Continued)
The three levels of the fair value hierarchy under FASB ASC Topic 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the fund has the ability to access.

Level 2 Inputs to the valuation methodology include
- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There was no change in the methodology used at September 30, 2025 and 2024.

Equity securities: Valued at the closing price reported in an active market in which the security is traded.

Fixed income: Valued based on yield currently available on comparable securities issued or others issued with similar credit ratings.

Balanced funds: Valued at the net asset value (NAV) of shares held at year end. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. These balanced funds are classified within Level 2 of the valuation hierarchy because the NAV's unit price is quoted on a private market; however, the unit price is based on underlying investments which are traded on an observable active market. The balanced funds consist of a mix of equity funds, fixed income funds, real estate funds, and marketable alternative funds.

Beneficial interest: Subsequently remeasured at the present value of the remainders at the following year end, using the various discounted rates with the change in valuation, which is at Level 3.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization 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.

Note 1: Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

The provisions of FASB ASC Topic 820 did not have an impact on the Organization's nonfinancial assets and nonfinancial liabilities that are not permitted or required to be measured at fair value on a recurring basis.

Date of Management's Review

Subsequent events have been evaluated for potential recognition or disclosure through March 31, 2026, which is the date the financial statements were available to be issued.

Note 2: Contributions Receivable

As of September 30, 2025 and 2024, contributions receivable consists of future payments due from foundations within twelve months. Outstanding balances at September 30, 2025 and 2024 were deemed collectible; therefore, no allowance for uncollectible promises was recorded. During 2022, the Organization received a grant that contained $115,000 of conditional promises to give. For the nine months ended September 30, 2024, $58,000 was recorded as a contribution of cash as the conditions had been met. For the year ended September 30, 2025, $57,000 was recorded as a contribution of cash as the remaining conditions were satisfied.

Note 3: Property and Equipment

Property and equipment at September 30, 2025 and 2024 consisted of the following:

	2025	2024
Furniture and fixtures	$ 46,318	$ 46,318
Equipment	21,403	21,403
Leasehold improvements	26,401	26,401
Software	343,648	343,648
Total Property and Equipment	437,770	437,770
Less accumulated depreciation and amortization	(311,616)	(237,839)
Net Property and Equipment	$ 126,154	$ 199,931

Note 4: Lease Commitments

The Organization has obligations under noncancelable lease agreements for the use of office space and certain office equipment expiring between 2025 and 2029.

The components of lease costs were as follows for the year ended September 30, 2025 and the nine months ended September 30, 2024:

	2025	2024
Operating lease costs	$ 94,727	$ 68,248
Short-term lease costs	2,964	2,223
Non-lease components	-	-
Total lease costs	$ 97,691	$ 70,471

Note 4: Lease Commitments (Continued)
Lease costs are included in office rent and administrative and office expenses on the accompanying statements of functional expenses.

The Organization's weighted average remaining lease term and discount rate relating to its operating leases were as follows for the year ended September 30, 2025 and for the nine months ended September 30, 2024:

	2025	2024
Weighted average remaining lease term (years)	3.87	4.82
Weighted average discount rate	1.68%	1.73%

Supplemental information related to the Organization's leases were as follows for the year ended September 30, 2025 and for the nine months ended September 30, 2024:

	2025	2024
Cash paid for amounts included in measurement of lease liabilities	$ 97,338	$ 42,686

Future minimum lease payments required under these agreements were as follows:

For the years ending September 30,	
2026	$ 95,422
2027	91,590
2028	93,284
2029	86,933
2030 and thereafter	-
Total lease payments	367,229
Less interest	(11,264)
Present value of lease liabilities	$ 355,965

Note 5: Investments
As of September 30, investments and beneficial interest held by others consisted of the following:

	2025	2024
Equity securities	$ -	$ 250,346
Fixed income	-	69,204
Balanced funds	1,182,751	1,085,088
Beneficial interest held by others	15,156	14,505
	$ 1,197,907	$ 1,419,143

Note 5: Investments (Continued)
Investment income (loss) for the year ended September 30, 2025, and the nine months ended September 30, 2024, consisted of the following:

	2025	2024
Dividends and interest, cash portion	$ 77,047	$ 48,235
Reinvested dividends and interest	28,000	20,446
Realized gains (losses)	(2,830)	(165)
Unrealized gains (losses) (Investments)	72,163	63,753
Unrealized gains (losses) (Beneficial interest)	651	-
Change in annuity liability	(1,755)	1,128
	$ 173,276	$ 133,397

Note 6: Fair Value of Financial Instruments
The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30:

	September 30, 2025			
	Level 1	*Level 2*	*Level 3*	*Total*
Equity securities	$ -	$ -	$ -	$ -
Balanced funds	-	1,182,751	-	1,182,751
Beneficial interest	-	-	15,156	15,156
Total	$ -	$ 1,182,751	$ 15,156	$1,197,907

	September 30, 2024			
	Level 1	*Level 2*	*Level 3*	*Total*
Equity securities	$ 250,346	$ -	$ -	$ 250,346
Fixed income	69,204	-	-	69,204
Balanced funds	-	1,085,088	-	1,085,088
Beneficial interest	-	-	14,505	14,505
Total	$ 319,550	$ 1,085,088	$ 14,505	$1,419,143

Note 7: Board Designated Quasi-Endowment Fund
The Board of Directors (Board) has designated certain cash and investments as a Quasi-Endowment (endowment) fund. No part of the endowment funds may be transferred to another organization, agency, or individual without Board approval. In addition, the Organization may not withdraw funds from the endowment without Board approval.

The Organization has adopted an investment approach for endowment assets that attempts to protect the related assets and provide a reasonable return until authorized use. The Organization's investment philosophy is to invest in secure vehicles, obtain adequate return on investment and invest in vehicles which are compatible with purposes of the Organization. To satisfy its long-term objectives, the Organization relies primarily on a strategy of asset diversification through professional investment managers.

Note 7: Board Designated Quasi-Endowment Fund (Continued)

The Organization does not accept donor contributions to the endowment fund with donor-imposed restrictions. Investment income attributed to the endowment fund includes capital gains, unrealized gains/losses, and realized gains/losses. All interest and dividends reinvested in Organization investments are considered part of the operating fund.

The endowment fund is for future use by the Organization. The designated quasi-endowment rollforward for the year ended September 30, 2025 and the nine months ended September 30, 2024, was as follows:

December 31, 2023	$ 550,069
Contributions	20,051
Investment gains	35,089
Expenses	(20,052)
September 30, 2024	585,157
Contributions	27,656
Investment gains	36,400
Expenses	(27,655)
September 30, 2025	$ 621,558

Note 8: Retirement Plan

The Organization has a voluntary 403(b)(9) plan for all employees, other than leased employees and certain other employee classifications, which is managed by a third-party entity. Employees can make contributions, subject to certain limitations, on a pre-tax basis. The Organization matches 100% of employee contributions up to 5%, for certain employees. The Organization's contribution was $157,199 and $118,223 for the year ended and nine months ended September 30, 2025 and 2024, respectively.

Note 9: Related Party Transactions

The Organization conducts program activities with Possum Kingdom Lake Ministries, Inc. (Chapel) whereby the Organization provides a regular Sunday morning worship service to a gathering of believers. The Organization covers the cost of these activities. The Chapel is a separate 501(c)(3) organization that receives donations directly from donors, and there are no shared board members. If donations for the Chapel are received by the Organization, they are recorded as amounts held for others until remitted to the Chapel. As of September 30, 2025 and 2024, the Organization did not have any amounts held for others related to these donations.

Expenses related to program activities at the Chapel included salaries, information technology, pastoral care, and travel and totaled $44,000 and $84,000 for the year ended September 30, 2025 and the nine months ended September 30, 2024, respectively.

Note 10: Net Assets With Donor Restrictions

As of September 30, net assets with donor restrictions consisted of the following:

	2025	2024
Worship project	$ 27,757	$ 13,154

Net assets released from donor restrictions during the year ended September 30, 2025 and the nine months ended September 30, 2024 consisted of the following amounts:

	2025	2024
First15 app	$ 397	$ 7,500
Wisdom matters	-	5,732
Going Deeper	-	668,100
New program staff	57,000	71,158
Total releases from donor restrictions	$ 57,397	$ 752,490

Note 11: Liquidity and Availability

The Organization is substantially supported by unrestricted contributions, but the Board from time to time designates some of these funds for specific purposes. Because a Board's designation requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

The following reflects the Organization's financial assets, reduced by the amounts not available for general use because of donor-imposed restrictions and board designations within one year of the statement of financial position dates:

	2025	2024
Financial assets available at year end	$ 3,098,245	$ 3,062,378
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions	(27,757)	(13,154)
Board designated	(621,558)	(585,157)
Financial assets available within one year to meet cash needs for general expenditures	$ 2,448,930	$ 2,464,067