WORLD INDIGENOUS MISSIONS, INC.

FINANCIAL STATEMENTS
WITH INDEPENDENT ACCOUNTANT'S REVIEW REPORT

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 – *REVIEWED*

DENNISON CPA
Church & Ministry Advisor

WORLD INDIGENOUS MISSIONS, INC.

TABLE OF CONTENTS

DENNISON CPA
Church & Ministry Advisor

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
World Indigenous Missions, Inc.
New Braunfels, Texas

We have reviewed the accompanying financial statements of World Indigenous Missions, Inc. (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of World Indigenous Missions, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Dennison CPA, PC

Saint Cloud, Minnesota
July 23, 2026

WORLD INDIGENOUS MISSIONS, INC.

(a not-for-profit corporation)

Statement of Financial Position

As of December 31,

	2025	2024
ASSETS		
Cash And Cash Equivalents	$ 1,086,261	$ 1,016,095
Cash And Cash Equivalents - Restricted	2,094,243	42,943
Accounts receivable	4,744	3,615
Operating Lease Right-Of-Use Asset	27,728	38,289
Property And Equipment - Net	244,235	245,424
TOTAL ASSETS	**$ 3,457,211**	**$ 1,346,367**
LIABILITIES		
Accounts Payable & Accrued Expenses	$ 15,514	$ 9,803
Lease Liability	27,728	38,289
TOTAL LIABILITIES	**43,242**	**48,092**
NET ASSETS		
Without Donor Restrictions		
Undesignated	$ 1,319,726	$ 1,255,331
Board Designated	-	-
Total Net Assets Without Donor Restrictions	1,319,726	1,255,331
With Donor Restrictions	2,094,243	42,943
Total Net Assets	3,413,968	1,298,275
TOTAL LIABILITIES AND NET ASSETS	**$ 3,457,211**	**$ 1,346,367**

WORLD INDIGENOUS MISSIONS, INC.

(a not-for-profit corporation)

Statement of Activities

For the Years Ended December 31,

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	**Total**	Without Donor Restrictions	With Donor Restrictions	**Total**
SUPPORT, REVENUE, GAINS, AND LOSSES						
Contributions	$ 2,758,960	$ 2,228,099	**$ 4,987,058**	$ 2,782,319	$ 168,591	**$ 2,950,910**
Administration Fee	97,120	-	**97,120**	50,509	-	**50,509**
Program Fees	43,065	-	**43,065**	23,958	-	**23,958**
Interest Revenue	12,441	-	**12,441**	11,402	-	**11,402**
Misc. Revenues	16,085	-	**16,085**	17,026	-	**17,026**
Net Assets Released from Restrictions	176,799	(176,799)	**-**	158,248	(158,248)	**-**
Total Revenue, Support, Gains/Losses	$ 3,104,470	$ 2,051,299	**$ 5,155,769**	$ 3,043,462	$ 10,343	**$ 3,053,805**
FUNCTIONAL EXPENSES						
Program Services Expense						
Missionary Support	2,491,901	-	**2,491,901**	2,756,807	-	**2,756,807**
Total Program Services Expenses	2,491,901	-	**2,491,901**	2,756,807	-	**2,756,807**
Supporting Services Expense						
Management and General	548,175	-	**548,175**	213,643	-	**213,643**
Fundraising and Development	-	-	**-**	-	-	**-**
Total Supporting Services Expenses	548,175	-	**548,175**	213,643	-	**213,643**
Total Expenses	3,040,076	-	**3,040,076**	2,970,451	-	**2,970,451**
Change in Net Assets	64,394	2,051,299	**2,115,694**	73,011	10,343	**83,355**
Net Assets, Beginning of Year	1,255,331	42,943	**1,298,275**	1,182,320	32,600	**1,214,920**
Net Assets, End of Year	$ 1,319,726	$ 2,094,243	**$ 3,413,968**	$ 1,255,331	$ 42,943	**$ 1,298,275**

See independent accountant's review report and notes to the financial statements

WORLD INDIGENOUS MISSIONS, INC.

(a not-for-profit corporation)

Statement of Cash Flows

For the Years Ended December 31,

OPERATING ACTIVITIES	2025	2024
Change in net assets	$ 2,115,694	$ 83,355
Adjustments to reconcile net assets to net cash provided by operating activities		
Depreciation	13,689	11,306
(Increase) decrease in operating assets:		
Accounts receivable	(1,129)	4,156
Increase (decrease) in operating liabilities:		
Accounts payable & accrued expenses	5,711	(90,989)
Net cash provided by operating activities	2,133,965	7,828
INVESTING ACTIVITIES		
Acquisitions of property and equipment	(12,500)	-
Net cash flows from investing activities	(12,500)	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,121,465	7,828
CASH AND CASH EQUIVALENTS - BEGINNING	1,059,039	1,051,211
CASH AND CASH EQUIVALENTS - ENDING	$ 3,180,503	$ 1,059,039

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WORLD INDIGENOUS MISSIONS, INC.

(a not-for-profit corporation)

Statement of Functional Expenses

For the Year Ended December 31, 2025

	Program		Supporting Services			
	Missionary Support	Total Program Services	Management and General	Fundraising and Development	Total Supporting Activities	Total
Advertising	$ -	**$ -**	$ 946	$ -	**$ 946**	**$ 946**
Bank fees	-	**-**	1,836	-	**1,836**	**1,836**
Depreciation	12,320	**12,320**	1,369	-	**1,369**	**13,689**
Donations	30,051	**30,051**	-	-	**-**	**30,051**
Maintenance & repairs	-	**-**	18,507	-	**18,507**	**18,507**
Operations & projects	249,023	**249,023**	34,518	-	**34,518**	**283,542**
Professional fees	-	**-**	18,105	-	**18,105**	**18,105**
Salaries & related benefits	2,105,884	**2,105,884**	424,077	-	**424,077**	**2,529,961**
Staff development	-	**-**	5,072	-	**5,072**	**5,072**
Supplies	-	**-**	31,999	-	**31,999**	**31,999**
Travel & conferences	82,210	**82,210**	10,366	-	**10,366**	**92,575**
Utilities	12,412	**12,412**	1,379	-	**1,379**	**13,792**
Total Expenses	$ 2,491,901	**$ 2,491,901**	$ 548,175	$ -	**$ 548,175**	**$ 3,040,076**

See independent accountant's review report and notes to the financial statements

WORLD INDIGENOUS MISSIONS, INC.

(a not-for-profit corporation)

Statement of Functional Expenses

For the Year Ended December 31, 2024

	Program		Supporting Services			
	Missionary Support	Total Program Services	Management and General	Fundraising and Development	Total Supporting Activities	Total
Advertising	-	**$ -**	756	$ -	**$ 756**	**$ 756**
Bank fees	-	**-**	1,448	-	**1,448**	**1,448**
Depreciation	10,175	**10,175**	1,131	-	**1,131**	**11,306**
Donations	30,419	**30,419**	-	-	**-**	**30,419**
Maintenance & repairs	-	**-**	9,823	-	**9,823**	**9,823**
Operations & projects	322,119	**322,119**	15,985	-	**15,985**	**338,105**
Professional fees	-	**-**	14,187	-	**14,187**	**14,187**
Salaries & related benefits	2,352,466	**2,352,466**	116,836	-	**116,836**	**2,469,302**
Staff development	-	**-**	7,872	-	**7,872**	**7,872**
Supplies	-	**-**	39,054	-	**39,054**	**39,054**
Travel & conferences	27,992	**27,992**	5,037	-	**5,037**	**33,029**
Utilities	13,636	**13,636**	1,515	-	**1,515**	**15,151**
Total Expenses	$ 2,756,807	**$ 2,756,807**	$ 213,643	$ -	**$ 213,643**	**$ 2,970,451**

See independent accountant's review report and notes to the financial statements

NOTE 1 - NATURE OF ORGANIZATION:

World Indigenous Missions, Inc. (Organization) was organized and incorporated in the State of Texas on July 2, 1981. The purpose of the Organization is to serve as a mission sending organization who has sent ordinary people around the world for one purpose: to disciple the nations to reach the world. The Organization carries out its mission through the following programs:

> Missionary Support: This program encompasses the Organization's activities related to recruiting, training, equipping, and supporting missionaries serving in cross-cultural ministry throughout the world. Missionaries engage in evangelism, disciple-making, church planting, leadership development, and humanitarian outreach while establishing indigenous ministries. The Organization provides administrative, financial, pastoral, and member care support to missionaries to promote effective ministry and advance its mission of sharing the Gospel globally.

The Organization has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3). The Organization qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under IRC Section 509(a)(1). In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. We have determined that the entity is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Reporting – Method of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP) and include all activities carried on in the name of the Organization. Revenues and expenses are recognized in the period earned or incurred.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board from time to time designates, from net assets without donor restrictions, net assets for an operating reserve and/or board-designated programs.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. We report contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. We report conditional contributions restricted by donors as increases

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released when received and released from restrictions when the assets are placed in service.

Cash & Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held in bank accounts. The Organization considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents. These balances are maintained at financial institutions that management believes to be of high credit quality. Deposits are insured up to $250,000 per depositor, per institution. On December 31, 2025 and 2024, the Organization had approximately $2,300,503 and $809,039, respectively, in deposits in excess of insured limits.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Revenue Recognition

The Organization and its affiliated school recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, and ASC Topic 958, *Not-for-Profit Entities*. The Organization's revenue streams primarily include contributions, program fees, and ancillary activities. Revenue is recognized when performance obligations are satisfied, and control of promised goods or services is transferred to the customer.

Contributions: Contributions received without donor restrictions are recognized as revenue when received or unconditionally promised. These revenues are considered nonexchange transactions and are accounted for under ASC 958-605. Contributions with donor-imposed restrictions are reported as restricted support and are reclassified to net assets without donor restrictions upon satisfaction of the restriction.

Program Revenue and Exchange Transactions: Revenue from exchange transactions is recognized when control of the promised goods or services is transferred to the customer or beneficiary in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. This includes program service fees, sales of materials, and event fees. The Organization identifies the contract, performance obligations, transaction price, and allocates the transaction price to the performance obligations, recognizing revenue when or as the performance obligations are satisfied.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Administration Fee: The Organization charges an administration fee on contributions received for missionary support to recover the costs of providing donor administration, financial management, compliance, member care, and other support services to missionaries. The administration fee represents consideration for services provided and is recognized as revenue at the point in time the related missionary support contributions are received and the associated administrative services are performed. Administration fee revenue is reported separately from contribution revenue in the accompanying statement of activities.

Donated Services

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the years ended December 31, 2025 and 2024, respectively.

Accounts Receivable and Allowance for Credit Losses

Accounts receivables are stated at the amount the Organization expects to collect from outstanding balances. On January 1, 2023, the Organization adopted FASB Accounting Standards Update 2016-13 Financial Instruments – Credit Losses, which required revisions to the existing methodology for expected losses that is referred to as the current expected credit loss methodology. There was no adjustment necessary as a result of the adoption of the new standard. The Organization maintains allowances for credit losses for estimated losses resulting from the inability of the organizations and individuals to make the required payments. Management considers the following factors when determining the collectability of specific accounts: organizations and individuals' creditworthiness, past transaction history with the organizations and individuals, current economic industry trends, and changes in organizations and individuals' payment terms. Past due balances over 90 days and other higher risk amounts are reviewed individually for collectability. Based on management's assessment, the Organization provides for probable uncollectible amounts through a charge to operations and a credit to an allowance. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. Accounts receivable totaled $50,000 and $45,000 as of December 31, 2025 and 2024, respectively.

Changes in accounts receivable are as follows:

	2025	2024
Accounts receivable, beginning of year	$ 3,615	$ 7,771
Accounts receivable collected or written off that was included at the beginning of year	(3,615)	(7,771)
Increase in accounts receivable due to revenue recognized	4,744	3,615
Accounts receivable, ending of year	$ 4,744	$ 3,615

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

The Organization evaluates its receivables for collectability and determines an allowance for credit losses based on historical experience, aging, and specific review of accounts. As of December 31, 2025 and 2024, management determined that no allowance for credit losses was necessary, as all receivables are expected to be fully collectible.

Advertising Costs

The Organization expenses advertising costs as they are incurred which totaled $946 and $756 for the years ended December 31, 2025 and 2024, respectively.

Asset Impairment

The Organization routinely evaluates the carry value of its long-lived assets for impairment. The evaluations address the estimated recoverability of assets' carry value, which is principally determined based on projected undiscounted net cash flows generated by the underlying tangible assets. When carrying value of an asset exceeds estimated recoverability, an asset impairment is recognized. No asset impairment changes were recorded during the years ended December 31, 2025 and 2024, respectively.

Property, Equipment, and Depreciation

The Organization follows the practice of capitalizing all expenditures for property, furniture, fixtures, equipment, and leasehold improvements in excess of $1,000. In accordance with GAAP, land is not depreciated, and Construction-in-Progress is depreciated when it is completed and placed into service. Maintenance, repairs, and minor renewal are expensed when incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income. We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

Property and equipment – net consist of the following:

	December 31,		
	2025	2024	Depreciation Lives
Furniture & equipment	$ 14,500	$ 2,000	5 - 7 Years
Building & improvements	372,816	372,816	20 - 39 Years
Land & improvements	65,098	65,098	0 - 15 Years
Less: Accumulated depreciation	(208,179)	(194,490)	
Total Property & Equipment	$ 244,235	$ 245,424	

Depreciation expense totaled $13,689 and $11,306 for the years ended December 31, 2025 and 2024, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Income Taxes

The Organization is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

Uncertain Tax Positions

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based upon technical merits, that the position will be sustained upon examinations. Interest and penalties, if any, are included in expenses in the statements of activities. As of December 31, 2025 and 2024, respectively, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Concentration of Support Risk

The Organization is primarily dependent upon contributions from its membership to meet expenses of operation and for the payment of principal and interest on debt, if any. Although management of the Organization expects contributions to be adequate, there can be no assurance that such contributions will be sufficient to meet the obligations. Also, there is no assurance that Organization membership will increase or remain stable, or that per capita contribution by members will increase or remain stable.

Fair Value of Financial Instruments

The Organization reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 – Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

Subsequent Events

The Organization has evaluated events and transactions subsequent to the financial statement date through the date of this report, which is the date the financial statements were available to be issued. Based on this evaluation, no events were identified that require recognition or disclosure in the financial statements. Events occurring after that date have not been evaluated for potential recognition or disclosure.

NOTE 3 – LIQUIDITY AND AVAILABILITY:

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing programs as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows, which identifies the sources and uses of the Organization's cash and shows cash generated by operations for fiscal years ending December 31, 2025 and 2024.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	December 31,	
	2025	2024
Cash and Cash Equivalents	$ 3,180,503	$ 1,059,039
Accounts Receivable	4,744	3,615
Total Financial Assets	3,185,248	1,062,654
Contractual or Donor-Imposed Restrictions:		
Projects	(2,072,986)	(21,687)
Memorials	(21,257)	(21,257)
Total Contractual or Donor-Imposed Restrictions:	(2,094,243)	(42,943)
Financial Assets Available To Meet Cash Needs For General Expenditures Within One Year	$ 1,091,005	$ 1,019,710

Restricted financial assets totaled $2,094,243 and $42,943 for the years ending December 31, 2025 and 2024, respectively.

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are restricted for the following purposes for the years ended December 31, 2025 and 2024:

	2025			
Subject to expenditure for specific purpose:	Beginning Balance	Contributions and Other Income	Releases	Ending Balance
Projects	$ 21,687	$ 2,228,099	$ 176,799	$ 2,072,986
Memorials	21,257	-	-	21,257
Total	42,943	2,228,099	176,799	2,094,243

	2024			
Subject to expenditure for specific purpose:	Beginning Balance	Contributions and Other Income	Releases	Ending Balance
Projects	11,343	168,591	158,248	21,687
Memorials	21,257	-	-	21,257
Total	$ 32,600	$ 168,591	$ 158,248	$ 42,943

NOTE 5 – LEASES – ASC 842 – RIGHT-OF-USE:

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12-months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

The Organization leases equipment under several long-term noncancelable operating leases that expires at various dates through 2029. The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. The lease agreements require monthly combined payments of $1,279 per month until expiration. The discount rates on these leases range from 2.997% - 6.440%.

Cash paid for amounts in the measurement of lease liabilities:	
Operating cash flows from operating leases:	$ 15,346

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined by using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to the building and office equipment classes of assets.

NOTE 5 – LEASES – ASC 842 – RIGHT-OF-USE: (continued)

The following summarizes the weighted average remaining term and the weighted average discount rate:

	2025	2024
Weighted-average remaining lease terms in years:		
Operating leases	2.34	3.19
Weighted-average discount rate:		
Operating leases	4.811%	5.704%

The future minimum lease payments under noncancelable operating lease(s) with terms greater than one year are listed below as of December 31, 2025:

Year Ending December 31,	
2026	$ 13,742
2027	12,138
2028	2,819
2029	1,050
2030	-
Total lease payments	29,750
Less interest	(2,022)
Present value of lease liabilities	$ 27,728

NOTE 6 – FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the Organization’s various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Allocation methods include specific identification, employee time and effort, and usage-based metrics, as appropriate to the nature of the expense.

Expenses are categorized as follows:

- Program Services: Activities that result in goods and services being distributed to beneficiaries, customers, or members that fulfill the purposes or mission of the Organization.

- Management and General: Expenses that are not directly identifiable with any specific program or fundraising activity but are indispensable to the conduct of those activities and to the Organization’s existence.

- Fundraising: Costs incurred to induce potential donors to contribute to the Organization.

NOTE 6 – FUNCTIONAL ALLOCATION OF EXPENSES: (continued)

Expenses that are allocated between two or more categories include occupancy expenses such as rent, utilities, mortgage interest, depreciation, and amortization, which are allocated on a square footage basis. Other expenses such as salaries & wages, benefits, payroll taxes, and other expenses are allocated on the basis of estimates of time and effort.