



Financial Statements

For the Year Ended September 30, 2025

ASAP Ministries, INC.

Table of Contents

	Page
Independent Auditors' Report	2-3
Statement of Financial Position	4
Statement of Activities	5-6
Statement of Functional Expenses	7-8
Statement of Cash Flows	9
Notes to Financial Statements	10-25



KBBA

Kochenower Blake
Blake Arango & Co., PA

Ben D. Kochenower, CPA, CVA, CICA, CGMA • Timothy S. Blake, CPA/PFS • Brandon A. Blake, CPA • Laura S. Arango, CPA

Independent Auditors' Report

To the Board of Directors
ASAP Ministries, Inc.
Berrien Springs, MI

Opinion

We have audited the accompanying financial statements of ASAP Ministries, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the period then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ASAP Ministries, Inc. as of September 30, 2025 and 2024, and the changes in its net assets 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ASAP Ministries, Inc. 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 ASAP Ministries, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

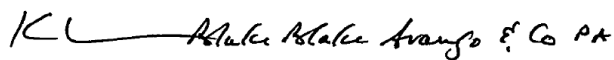
Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 ASAP Ministries, Inc.' 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about ASAP Ministries, Inc.'s ability to continue as a going concern for a reasonable period of time.

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



Gaffney, SC
May 29, 2026

ASAP Ministries, INC.

Statement of Financial Position September 30, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	729,167	2,115,730
Short-Term Investments	854,266	285,501
Accounts Receivable	130,000	4,353
Prepaid Expenses	41,840	45,675
Total Current Assets	1,755,273.00	2,451,259.00
PROPERTY AND EQUIPMENT		
Land	9,052	9,052
Buildings and Improvements	317,021	317,021
Leasehold Improvements	75,761	75,761
Equipment	32,294	78,406
Furniture and Fixtures	76,918	79,618
Software	9,455	9,455
Vehicles	23,450	19,400
Total	543,951	588,713
Accumulated Depreciation / Amortization	(272,041)	(294,640)
Net Property and Equipment	271,910	294,073
OTHER ASSETS		
Other Investments	406,517	378,620
Operating Right of Use Asset, Net of Amortization	141,365	188,441
Total Other Assets	547,882	567,061
TOTAL ASSETS	2,575,065	3,312,393
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	19,468	90,571
Accrued Expenses	107,287	245,866
Current Portion of Operating Lease Liability	50,196	47,046
Total Current Liabilities	176,951	383,483
LONG-TERM LIABILITIES		
Long-Term Operating Lease Liability	91,242	141,438
Total Other Liabilities	91,242	141,438
TOTAL LIABILITIES	268,193	524,921
NET ASSETS		
Net Assets without Donor Restrictions	1,126,692	1,245,795
Net Assets with Donor Restrictions	1,180,180	1,541,677
Endowment Funds	-	-
Total Net Assets	2,306,872	2,787,472
TOTAL LIABILITIES AND NET ASSETS	2,575,065	3,312,393

The accompanying notes are an integral part of these financial statements

ASAP Ministries, INC.
Statement of Activities
For the Year Ended September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Contributions and Grants	\$ 1,266,362	\$ 2,625,843	3,892,205
Contributions of Nonfinancial Assets	-		-
Rent Income	23,955		23,955
Investment Income, Net	35,427		35,427
Unrealized Gain on Investments	13,484		13,484
Other Income	7,622		7,622
Unrealized Gain on Foreign Currency Translation	(18,428)		(18,428)
Total Public Support and Revenue	<u>1,328,422</u>	<u>2,625,843</u>	<u>3,954,265</u>
Net Assets Released from Restrictions:	2,987,340	(2,987,340)	
Satisfaction of Restrictions			
FUNCTIONAL EXPENSES			
Program	3,446,654		3,446,654
Management and General	332,023		332,023
Fundraising Expenses	656,188		656,188
Total Functional Expenses	<u>4,434,865</u>	<u>-</u>	<u>4,434,865</u>
CHANGE IN NET ASSETS	(119,103)	(361,497)	(480,600)
NET ASSETS, BEGINNING OF YEAR	<u>1,245,795</u>	<u>1,541,677</u>	<u>2,787,472</u>
NET ASSETS, END OF YEAR	<u>\$ 1,126,692</u>	<u>\$ 1,180,180</u>	<u>\$ 2,306,872</u>

The accompanying notes are an integral part of these financial statements

ASAP MINISTRIES, INC.
Statement of Activities
For the Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Contributions and Grants	\$ 1,330,862	2,599,552	3,930,414
Contributions of Nonfinancial Assets	21,146	-	21,146
Rent Income	5,400	-	5,400
Investment Income, Net	76,152	-	76,152
Unrealized Gain on Investments	34,179	-	34,179
Other Income	4,641	-	4,641
Unrealized Gain on Foreign Currency Translation	27,586	-	27,586
Total Public Support and Revenue	<u>1,499,966</u>	<u>2,599,552</u>	<u>4,099,518</u>
Net Assets Released from Restrictions:			
Satisfaction of Restrictions	2,991,459	(2,991,459)	-
FUNCTIONAL EXPENSES			
Program	3,319,719	-	3,319,719
Management and General	476,504	-	476,504
Fundraising	602,687	-	602,687
Total Functional Expenses	<u>4,398,910</u>	<u>-</u>	<u>4,398,910</u>
CHANGE IN NET ASSETS	92,515	(391,907)	(299,392)
NET ASSETS, BEGINNING OF YEAR	<u>1,153,280</u>	<u>1,933,584</u>	<u>3,086,864</u>
NET ASSETS, END OF YEAR	<u>\$ 1,245,795</u>	<u>1,541,677</u>	<u>2,787,472</u>

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

ASAP Ministries, INC.
Statement of Functional Expenses
For the Year Ended September 30, 2025

		Supporting Services			
	Total Program Services	Management and General	Fundraising	Total Support Services	2025 Total
Grants, Contracts and Direct Assistance	2,413,968	-	-	-	2,413,968
Salaries and Wages	519,198	159,693	281,291	440,984	960,182
Payroll Taxes	36,280	13,019	23,009	36,028	72,308
Employee Benefits	119,165	40,914	74,206	115,120	234,285
Contract Services	40,451	23,826	37,916	61,742	102,193
Technology	22,466	13,485	39,931	53,416	75,882
Depreciation & Amortization	36,461	26,176	30,851	57,027	93,488
Insurance	3,190	1,491	1,757	3,248	6,438
Office Expense	15,021	3,343	4,952	8,295	23,316
Printing and Publications	23,510	313	31,392	31,705	55,215
Advertising and Promotion	38,008	85	19,488	19,573	57,581
Occupancy	21,876	28,476	8,417	36,893	58,769
Telephone	2,487	1,199	2,335	3,534	6,021
Travel	127,916	2,023	62,028	64,051	191,967
Bank Fees	14,750	12,199	11,778	23,977	38,727
Miscellaneous Expense	76	55	65	120	196
Interest Expense	4,116	2,955	3,483	6,438	10,554
Postage and Shipping	7,715	2,771	23,289	26,060	33,775
Total Functional Expenses	<u>\$ 3,446,654</u>	<u>\$ 332,023</u>	<u>\$ 656,188</u>	<u>\$ 988,211</u>	<u>\$ 4,434,865</u>

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

ASAP MINISTRIES, INC.
Statement of Functional Expenses
For the Year Ended September 30, 2024

	Total Program Services	Supporting Services		Total Support Services	2024 Total
		Management and General	Fundraising		
Grants, Contracts and Direct Assistance	\$ 2,269,573	-	-	-	2,269,573
Salaries and Wages	482,605	202,646	277,012	479,658	962,263
Payroll Taxes	37,985	16,033	20,594	36,627	74,612
Employee Benefits	103,762	63,865	69,653	133,518	237,280
Contract Services	27,926	78,552	21,905	100,457	128,383
Technology	28,707	21,435	38,305	59,740	88,447
Depreciation & Amortization	33,200	24,825	28,092	52,917	86,117
Insurance	3,493	796	2,799	3,595	7,088
Office Expense	32,829	6,367	6,347	12,714	45,543
Printing and Publications	24,623	202	49,219	49,421	74,044
Advertising and Promotion	73,898	174	24,736	24,910	98,808
Occupancy	6,118	6,033	4,517	10,550	16,668
Telephone	2,120	1,163	2,063	3,226	5,346
Travel	166,861	15,057	34,856	49,913	216,774
Bank Fees	-	35,897	-	35,897	35,897
Miscellaneous Expense	171	195	-	195	366
Interest Expense	13,507	-	-	-	13,507
Postage and Shipping	12,341	3,264	22,589	25,853	38,194
Total Functional Expenses	\$ 3,319,719	476,504	602,687	1,079,191	4,398,910

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

ASAP Ministries, INC.
Statement of Cash Flows
For the Year Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows Provided by Operating Activities		
Change in Net Assets	\$ (480,600)	(299,392)
Adjustment to Reconcile Decrease in Net Assets to Net Cash from (Used In) Operating Activities:		
Depreciation & Amortization	93,488	86,117
Unrealized (Gain) Loss	(13,484)	(34,179)
Realized Loss	223	-
Noncash Rent Expense		-
Adjustment for Changes in Operating Assets and Liabilities:		
Accounts Receivable	(125,647)	138,380
Prepaid Expenses	3,835	(11,748)
Accounts Payable	(71,103)	(10,662)
Accrued Expenses	(138,579)	165,419
Net Cash Flows Provided by (Used In) Operating Activities	<u>(731,867)</u>	<u>33,935</u>
Cash Flows Used in Investing Activities:		
Proceeds from Sale of Investments	259,741	2,416,241
Purchase of Investments	(842,919)	(1,080,426)
Purchases of Property and Equipment	(24,472)	(37,600)
Net Cash Flows Used in Investing Activities	<u>(607,650)</u>	<u>1,298,215</u>
Cash Flows Used in Financing Activities:		
Principal Payment of Lease Liability	(47,046)	(44,093)
CHANGE IN CASH, RESTRICTED CASH AND CASH EQUIVALENTS	(1,386,563)	1,288,057
Cash and Cash Equivalents - Beginning of Year	<u>2,115,730</u>	<u>827,673</u>
Cash and Cash Equivalents - End of Year	<u>729,167</u>	<u>2,115,730</u>

The accompanying notes are an integral part of these financial statements

ASAP Ministries, Inc.
Notes to Financial Statements
September 30, 2025 and 2024

NATURE OF BUSINESS

ASAP Ministries, Inc. (the “Organization”) is a nonprofit organization located in Berrien Springs, Michigan. ASAP Ministries mission is to empower local missionaries in Southeast Asia to restore and to disciple the marginalized with the wholistic gospel, which includes education and humanitarian endeavors. Funding is primarily provided by individual and corporate donations.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

BASIS OF PRESENTATION

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

The Organization adheres to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, which sets standards for reporting on financial statements of nonprofit organizations. ASC 958-205 requires the classification and presentation of net assets in two categories: net assets with donor restrictions and net assets without donor restrictions.

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

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES, Continued

FAIR VALUE MEASUREMENTS

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

USE OF ESTIMATES

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

CASH AND CASH EQUIVALENTS

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

The Organization had \$1,180,180 and \$1,541,667 of restricted net assets comprised of cash and investments include in current assets on the Statements of Financial Position at September 30, 2025 and 2024, respectively. Restricted cash is for use in the programs described in Note 4.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES, Continued

CONCENTRATION OF CREDIT RISK

Financial instruments with potential credit risk consists of cash. Concentration of credit risk with respect to cash generally relates to deposits held at the bank which may exceed the amount of insurance provided on the deposits and the potential inability to access liquidity in the financial institutions where the cash is concentrated. The risk is managed as the cash may be redeemed upon demand and is maintained in a financial institution with reputable credit, and, therefore, bears minimal credit risk.

ACCOUNTS RECEIVABLE

Receivable for point-in-time revenues are stated at the amount management expects to collect from outstanding balances and are presented net of allowance for doubtful accounts. Management has determined that no allowance is necessary at September 30, 2025 or 2024. Factors considered in determining collectability include past collection history, an aged analysis of receivables, economic conditions, as well as historical trends. The Organization does not charge interest on past due accounts.

PREPAID EXPENSES

Prepaid expenses consist of amounts advanced to individuals and other entities by the Organization for short-term projects. Those individuals and entities were to present receipts to the Organization to verify the purpose for which the funds advanced to them were spent. Expenses were recognized by the Organization at that time. Amounts for which the Organization did not receive verification of expenditure were to be refunded to the Organization by the individuals and entities.

Prepaid expenses also contain payments for goods or services not yet consumed.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES, Continued

CONTRIBUTIONS

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

Contributions received are considered to be available for current use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support that increases net assets with donor restrictions. A donor restriction expires when a stipulated time restriction ends or when a purpose restriction is accomplished. Upon expiration, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

CONTRIBUTIONS OF NONFINANCIAL ASSETS

In order to recognize donated services as contributions in the financial statements the services must require special skills, be provided by individuals who possess those skills, and typically need to be purchased if not contributed. A number of unpaid volunteers have made significant contributions of their time to the Organization's various programs. The value of the contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the requirements for recognition.

PROPERTY AND EQUIPMENT

Donations of property and equipment are recorded as current support at their estimated fair value unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. Net assets with donor restrictions are reclassified to net assets without donor restrictions at that time. The organization did not receive any donated assets during the years ended September 30, 2025 or 2024.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES, Continued

PROPERTY AND EQUIPMENT, Continued

Donations of property and equipment are recorded as current support at their estimated fair value unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. Net assets with donor restrictions are reclassified to net assets without donor restrictions at that time. The organization did not receive any donated assets during the years ended September 30, 2025 or 2024.

Purchased property and equipment are stated at cost. Expenditure for additions, improvements are added to the property and equipment accounts. Repairs and maintenance are charged to expense as incurred. When equipment is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and any gains or losses arising from the disposition are reflected in income. Depreciation is provided for over the estimated useful lives of the assets using the straight-line method. Depreciation expense was \$44,521 and \$40,104 for the years ended September 30, 2025 and 2024, respectively.

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

Building and Building Improvements	15-31.5 years
Leasehold Improvements	5 years
Equipment	3-5 years
Furniture and Fixtures	5-7 years
Vehicles	5 years

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES, Continued

ADVERTISING COSTS

Various costs relating to advertising are considered period costs and are expensed as incurred. Advertising costs for the years ended September 30, 2025 and 2024 were \$57,581 and \$80,399, respectively.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing program and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among program and supporting services benefited. Significant expenses that are allocated include the following:

Expense	Method of Allocation
Employee Benefits, Contract Services, Facility Equipment and Depreciation	Time and Effort

All other expenses are assigned to their respective functional category by method of direct assignment.

COPYRIGHTS AND TRADEMARKS

The Organization has adopted the policy of expensing as current expenses the legal fees of registering its copyrights and trademarks.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES, Continued

INCOME TAXES

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

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

Based on its evaluation, the Organization has concluded that there are no uncertain tax positions requiring recognition in its financial statements. The evaluation was performed for all federal and state tax periods still subject to examination. The Organization's 2022 through 2024 federal and state exempt organization returns remain subject to examination by the IRS and state taxing authorities.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES, Continued

CHANGE IN ACCOUNTING PRINCIPLE

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). FASB ASC 842 supersedes the lease requirements in FASB ASC 840. Under FASB ASC 842, lessees are required to recognize assets and liabilities on the statement of financial position for most leases and provide enhanced disclosures. The Organization adopted FASB ASC 842, with a date of initial application of October 1, 2022, by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU 2018-11, Leases (Topic 842): Targeted Improvements. The Organization did not restate prior comparative periods as presented under FASB ASC 840 and instead evaluated whether a cumulative effect adjustment to net assets as of October 1, 2022, was necessary for the cumulative impact of adoption of FASB ASC 842. No cumulative effect adjustment to net assets as of October 1, 2022, was necessary. FASB ASC 842 did not have a significant effect on the results of operations or cash flows for the year ended September 30, 2023.

As part of the transition, the Organization elected to apply the following practical expedients:

Package of practical expedients:

- Election not to reassess whether any expired or existing contracts are or contain leases.
- Election not to reassess the lease classification for any expired or existing leases.
- Election not to reassess initial direct costs on any existing leases.

Other practical expedients:

- Election whereby the lease and nonlease components will not be separated for leases.
- Election not to record right of use ("ROU") assets and corresponding lease liabilities for short-term leases with a lease term of twelve months or less, but greater than one month and leases of low-value assets. Leases of one month or less are not included in short-term lease costs. On such leases, lease payments are recognized as expense on a straight-line basis over the lease term.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES, Continued

LEASES

The Organization accounts for leases in accordance with ASU No. 2016-02, Leases (Topic 842). Leases are evaluated using the criteria outlined in FASB ASC 842 to determine whether they will be classified as operating leases or finance leases. Management determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. Management determines if an arrangement conveys the right to use an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Organization recognizes a lease liability and ROU asset at the commencement date of the lease.

Beginning September 30, 2023, operating lease ROU assets and related current and long-term portions of operating leases liabilities have been presented in the Statement of Financial Position

Lease liabilities: A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur:

(1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease-term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the Organization uses its incremental borrowing rate based on the information available at the commencement date of the lease. The incremental borrowing rate for a lease is the rate of interest the Organization would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment and geographic location. The Organization determines its incremental borrowing rates by starting with the interest rates on recent borrowings and other observable market rates and adjusting those rates to reflect differences in the amount of collateral and the payment terms of the leases.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES, Continued

ROU assets: A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for low-value leases and short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset that is reasonably certain to exercise. The Organization recognizes lease cost associated with its low-value and short-term leases on a straight-line basis over the lease term.

NOTE 2 – LIQUIDITY AND AVAILABILITY

The Organization has working capital of \$1,578,322 and \$2,067,776 and average days cash on hand of 34 and 73 as of September 30, 2025 and 2024, respectively.

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

	2025	2024
Cash	729,167	2,115,730
Investments	854,266	285,501
Accounts Receivable, Net	130,000	4,353
Less Assets Limited to use Donor Restricted	(1,180,180)	(1,541,677)
Financial Assets Available to Meet General Expenditures Within One Year	533,253	863,907

The Organization has certain donor restricted assets limited to use which are available for general expenditure within one year in the normal course of operations (Note 4).

Accordingly, these assets have been included in the qualitative information above for financial assets to meet general expenditure within one year.

NOTE 3 – FAIR VALUE MEASUREMENTS

The three levels of the fair value hierarchy under ASC 820 are described below: Basis of Fair Value Measurement

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

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

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

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

The fixed annuity contract has a 5-year term that will terminate April 27, 2027, with the Organization being named as the beneficiary. The Organization's intent is to not draw down the interest and to liquidate the fixed annuity on the termination date of April 27, 2027. The current contract provides for a fixed interest rate over the 5-year period of 3.25%. The organization may withdraw interest only for the first contract year, and following years may withdraw up to 15% of the contract value with no penalty.

The following table presents the Organization's fair value hierarchy for investment assets at fair value, as of September 30, 2025:

	Level 1	Level 2	Level 3	Total
Investments:				
Equities	128,458			128,458
Fixed Income	741,332			741,332
Fixed Annuity		390,993		390,993
Total	869,790	390,993	-	1,260,783

The following Table presents the Organization's fair value hierarchy for investment assets at fair value, as of September 30, 2024

NOTE 3 – FAIR VALUE MEASUREMENTS, Continued

	Level 1	Level 2	Level 3	Total
Investments:				
Equities	285,501			285,501
Fixed Annuity		378,620		378,620
Total	285,501	378,620		664,121

These tables show that the Organization held investments in a fixed annuity that made up approximately 31% and 57% of total investments on September 30, 2025 and 2024, respectively.

The portfolio of mutual funds, comprising 60% of total investments, had a moderate to significant concentration in income and credit risk factors. On September 10, 2025 the board approved a new investment policy to be implemented in the new fiscal year beginning October 1, 2026 restricting investments to:

1. U.S Treasury obligations with a maturity of 3 years or less.
2. Certificates of Deposit (domestic bank CDs, time deposits in domestic savings institutions). Maturity not to exceed 3 years. Principal balance and accrued interest are not to exceed FDIC Deposit Insurance Limit.
3. Money Market Mutual Funds. Investments are allowed in short term U.S. Government Agency money market funds which have minimal risk to principal.

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

Investments are recorded at fair value, which is obtained directly from the brokerage statement as of reporting date.

NOTE 4 – ENDOWMENTS

The Organization maintains the ASAP Ministries Education Endowment Fund established in January 2025 to support education expenses at ASAP-operated schools in Southeast Asia. The endowment was established through a \$15,000 donor-restricted contribution requiring that the principal be maintained in perpetuity, with distributions restricted for education expenses at ASAP Schools in Southeast Asia.

Under the terms of the endowment agreement, distributions of investment income may be made annually, or more frequently at the discretion of the Organization once the fund principal balance reaches \$30,000.

Once the fund balance reaches \$30,000 up to 80% of the realized interest generated during the Fund's accounting or fiscal year shall be distributed to the Organization while the remaining 20% of the realized interest generated is retained to support growth of the endowment.

As of year-end, the balance of the donor-restricted endowment fund was \$15,523.70 and is classified as net assets with donor restrictions. Because the fund balance had not yet reached the required threshold of \$30,000 no amounts were appropriated or released from restriction during the year.

NOTE 5 – LEASES

The Organization entered into a triple net lease with a related third party for commercial office space in Berrien Springs, Michigan commencing on May 1, 2023 and expiring May 30, 2028. The entity that owns the building is owned by the president of the Organization and is a board member. The lease initially requires monthly payments of \$4,800 with payments adjusted each year in January as calculated by multiplying the base rent by the annual change in the Consumer Price Index (CPI). The adjustment will not go lower than the full cost of the listed base rent. The lessee can renew the lease for a term of five years by giving written notice to the lessor no less than 90 days prior to the expiration of the lease or renewal period. The lessee is responsible for 76.5% of shared costs for the utilized space for utilities that supply the entire building which include natural gas, water, and sewer. Other property expenses the lessee is responsible for include, but are not limited to, personal property taxes, electricity, security system, insurance, and maintenance costs.

The lease is classified as an operating lease and reported on the Statements of Financial Position as of September 30, 2025 and 2024, with right-of-use assets of \$141,365 and \$188,441, net of accumulated amortization of \$108,686 and \$61,681, respectively.

NOTE 5 – LEASES, Continued

Corresponding operating lease liabilities are recorded as current liabilities of \$50,196 and \$47,046, and non-current liabilities of \$91,242 and \$141,438. Rent expense under this lease totaled \$57,600 in 2025 and \$57,600 in 2024

Management has elected not to separate nonlease components from lease components in leases.

The components of operating lease cost are as follows for the year ended September 30:

Lease Cost:	
Operating Lease Cost	57,600
Other Information:	
Right of Use Assets Obtained in Exchange for New Operating Lease Liabilities	250,122
Weighted-Average Remaining Lease Term - Operating Leases	3.67 years
Weighted-Average Discount Rate - operating Leases	6.5%

Maturities of operating and finance lease liabilities under ASC 842 are as follows for the years ending September 30:

	Principle	Interest	Total Lease Payments
2026	50,196	7,404	57,600
2027	53,558	4,042	57,600
2028	37,684	716	38,400
	<u>141,438</u>	<u>12,162</u>	<u>153,600</u>

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2025	2024
Outreach	503,951	675,164
Education	334,236	344,216
Humanitarian	16,476	134,543
Construction	277,001	219,290
Other	48,516	168,464
Total	1,180,180	1,541,677

Net assets were released from donor restrictions by incurring expenses satisfying the purpose of the restrictions as follows for the years ended September 30:

	2025	2024
Outreach	1,122,486	1,036,002
Education	1,248,793	991,737
Humanitarian	96,124	88,819
Construction	256,789	164,560
Other	263,148	710,341
Total	2,987,340	2,991,459

NOTE 7 – NET ASSETS WITHOUT DONOR RESTRICTIONS

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

Net assets without donor restrictions was \$1,126,692 and \$1,245,795 for the years ended September 30, 2025 and 2024, respectively.

The Organization's Board of Directors has designated \$1,000,000 of net assets without donor restrictions as an emergency reserve to support ongoing operations, including wages and project stipends. As a board designation, these funds remain available for use at the discretion of the Board.

NOTE 8 – RETIREMENT PLAN

The Organization maintains a Simplified Employee Pension (SEP) plan qualified under section 408(k)(1) of the Internal Revenue Code. Eligible employees must be 21 years of age or older and earn at least the minimum amount provided by IRS guidelines for SEP plans starting upon the date of hire. Upon qualification, the Organization will pay an amount equal to 5% of the employee's earnings into his/her SEP account. The Organization may waive this provision when funds are not available. There is no vesting period for the Organization's contribution. The Organization incurred expenses of \$40,657 and \$48,253 for the years ended September 30, 2025 and 2024, respectively.

NOTE 9 – FOREIGN CURRENCY TRANSLATION

The Organization receives and disburses grants in various foreign currencies. Foreign currency transactions are initially recorded in U.S. dollars based on exchange rates in effect at the transaction date. Assets and liabilities denominated in foreign currencies are remeasured at year-end rates.

For the year ended September 30, 2025 and 2024, the Organization recognized an unrealized foreign currency exchange gain of \$18,428 and \$27,586 respectively, related to cash accounts.

NOTE 10 – RELATED-PARTY TRANSACTIONS

The Organization leases office space from River Crossing Center LLC, an entity owned by Cheryl Hosford (51%) and Darryl Hosford (49%) (husband and wife). Darryl Hosford is the President of the Organization and serves as a member of management of the organization.

For the year ended September 30, 2025 and 2024, the Organization made lease payments totaling \$63,970 and \$58,307 respectively, to River Crossing Center for office facilities. Management believes the terms of the lease are comparable to those that would be obtained in an arm's-length transaction.

NOTE 11 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 29, 2026 the date the financial statements were available to be issued. No events or transactions occurred during this period which require recognition or disclosure in the financial statements.