WORLD GOSPEL MISSION, INC. AND SUBSIDIARIES

Consolidated Financial Statements
With Independent Auditor's Report

March 31, 2026 and 2025

WORLD GOSPEL MISSION, INC. and SUBSIDIARIES

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CAPINCROUSE
A DIVISION OF Carr, Riggs & Ingram

INDEPENDENT AUDITOR'S REPORT

Board of Directors
World Gospel Mission, Inc. and Subsidiaries
Marion, Indiana

Opinion

We have audited the accompanying consolidated financial statements of World Gospel Mission, Inc. and Subsidiaries (a nonprofit organization), which comprise the consolidated statements of financial position as of March 31, 2026 and 2025, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of World Gospel Mission, Inc. and Subsidiaries as of March 31, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of World Gospel Mission, Inc. and Subsidiaries 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about World Gospel Mission, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

345 Massachusetts Avenue, Suite 300
Indianapolis, IN 46204
505.50.CAPIN
capincrouse.com

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of World Gospel Mission, Inc. and Subsidiaries' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about World Gospel Mission, Inc. and Subsidiaries' 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.

Capin Crouse LLC

Indianapolis, Indiana
September 16, 2026

WORLD GOSPEL MISSION, INC. and SUBSIDIARIES

Consolidated Statements of Financial Position

	March 31, 2026	March 31, 2025
ASSETS:		
Cash held by WGM	$ 2,521,823	$ 2,094,221
Cash held by subsidiaries	25,123	42,572
Cash and cash equivalents	2,546,946	2,136,793
General investments	20,494,771	19,396,204
Investments of Fairhaven South (subsidiary)	592,956	508,161
Prepaid expenses, field advances, and other assets	811,997	582,371
Note receivable	-	281,232
Agency investments	1,773,358	1,611,213
Other assets of IO (subsidiary)	650,727	672,038
Land held for sale	35,000	-
Property and equipment, net:		
United States	4,785,283	4,226,905
Other countries	3,166,003	3,301,676
Trust assets	350,190	342,273
Endowment investments	21,153,816	17,279,057
Total Assets	$ 56,361,047	$ 50,337,923
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	$ 457,695	$ 428,622
Liabilities of Fairhaven South (subsidiary)	109,328	109,328
Liabilities of IO (subsidiary)	149,585	203,887
Annuities payable	106,716	140,402
Agency funds held for others	1,773,358	1,611,213
Trusts liabilities:		
Revocable	200,685	203,362
Irrevocable	65,005	62,257
Total liabilities	2,862,372	2,759,071
Net assets:		
Without donor restrictions	11,066,603	10,280,702
With donor restrictions:		
Time or purpose restrictions	28,335,158	26,096,969
Perpetual restrictions	14,096,914	11,201,181
Total with donor restrictions	42,432,072	37,298,150
Total net assets	53,498,675	47,578,852
Total Liabilities and Net Assets	$ 56,361,047	$ 50,337,923

See notes to consolidated financial statements

WORLD GOSPEL MISSION, INC. and SUBSIDIARIES

Consolidated Statements of Activities

	Years Ended March 31,					
	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Support:						
Contributions	$ 679,607	$ 21,111,736	$ 21,791,343	$ 601,290	$ 18,955,769	$ 19,557,059
Grant income	859,415	-	859,415	-	-	-
Legacies and bequests	400,625	-	400,625	584,776	-	584,776
	1,939,647	21,111,736	23,051,383	1,186,066	18,955,769	20,141,835
Revenue:						
Investment returns–net	992,857	5,243,889	6,236,746	336,540	733,685	1,070,225
Change in value of annuities and trusts	222,537	(16,920)	205,617	60,700	(158,019)	(97,319)
Mission field rental income	709,398	-	709,398	647,692	-	647,692
Fee income	714,794	-	714,794	658,578	-	658,578
Other income	768,024	-	768,024	593,440	-	593,440
	3,407,610	5,226,969	8,634,579	2,296,950	575,666	2,872,616
Total Support and Revenue	5,347,257	26,338,705	31,685,962	3,483,016	19,531,435	23,014,451
RECLASSIFICATIONS:						
Net assets released from restrictions:						
Assessments against restricted gifts	1,551,849	(1,551,849)	-	1,628,747	(1,628,747)	-
Satisfaction of purpose restrictions	19,652,934	(19,652,934)	-	18,915,580	(18,915,580)	-
Total Reclassifications	21,204,783	(21,204,783)	-	20,544,327	(20,544,327)	-
EXPENSES:						
Program services:						
Church growth and evangelism	9,975,708	-	9,975,708	8,724,479	-	8,724,479
Medical and relief	6,736,822	-	6,736,822	6,453,824	-	6,453,824
Education ministries	2,343,451	-	2,343,451	2,271,911	-	2,271,911
Field administration	2,228,313	-	2,228,313	1,966,191	-	1,966,191
Homeland ministries	1,038,017	-	1,038,017	1,126,506	-	1,126,506
Bible schools and seminaries	354,384	-	354,384	409,234	-	409,234
Furlough ministries	130,427	-	130,427	531,847	-	531,847
Media ministries	80,822	-	80,822	85,096	-	85,096
	22,887,944	-	22,887,944	21,569,088	-	21,569,088
Supporting activities:						
Management and general	3,034,791	-	3,034,791	3,122,219	-	3,122,219
Fundraising	889,217	-	889,217	1,524,631	-	1,524,631
	3,924,008	-	3,924,008	4,646,850	-	4,646,850
Total Expenses	26,811,952	-	26,811,952	26,215,938	-	26,215,938
Change in Net Assets before Subsidiaries Operations	(259,912)	5,133,922	4,874,010	(2,188,595)	(1,012,892)	(3,201,487)

(continued)

See notes to consolidated financial statements

WORLD GOSPEL MISSION, INC. and SUBSIDIARIES

Consolidated Statements of Activities
(continued)

	Years Ended March 31,					
	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUBSIDIARIES OPERATIONS:						
Revenue:						
Net sales	359,872	-	359,872	348,969	-	348,969
Lease revenue	963,588	-	963,588	944,694	-	944,694
Investment returns–net	84,645	-	84,645	41,362	-	41,362
Other income	1,544	-	1,544	28,656	-	28,656
Cumulative translation adjustment and exchange rate loss	(13,610)	-	(13,610)	(40,591)	-	(40,591)
Total revenue	1,396,039	-	1,396,039	1,323,090	-	1,323,090
Expenses:						
IO expenses	347,276	-	347,276	376,392	-	376,392
Fairhaven South operating expenses	2,950	-	2,950	3,426	-	3,426
Total expenses	350,226	-	350,226	379,818	-	379,818
Net Income from Subsidiaries Operations	1,045,813	-	1,045,813	943,272	-	943,272
Change in Net Assets after Subsidiaries Operations	785,901	5,133,922	5,919,823	(1,245,323)	(1,012,892)	(2,258,215)
Net Assets, Beginning of Year	10,280,702	37,298,150	47,578,852	11,526,025	38,311,042	49,837,067
Net Assets, End of Year	$ 11,066,603	$ 42,432,072	$ 53,498,675	$ 10,280,702	$ 37,298,150	$ 47,578,852

See notes to consolidated financial statements

WORLD GOSPEL MISSION, INC. and SUBSIDIARIES

Consolidated Statements of Cash Flows

	Years Ended March 31, 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 5,919,823	$ (2,258,215)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Gain on sale of property and equipment	(105,749)	(100,337)
Exchange rate loss	13,610	40,591
Unrealized and realized gains on investments	(6,321,391)	(389,426)
Depreciation	567,986	554,235
Contributions for long-term purposes	(1,500)	(3,000)
Actuarial change in value of annuities and trusts	6,173	106,416
Changes in:		
Other assets of IO (subsidiary)	3,251	16,750
Prepaid expenses, field advances, and other assets	(229,626)	39,963
Accounts payable and accrued expenses	29,073	14,223
Liabilities of IO (subsidiary)	(67,912)	(150,711)
Net Cash Used in Operating Activities	(186,262)	(2,129,511)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of fixed assets	(1,198,224)	(401,406)
Proceeds from sale of property and equipment	296,342	109,483
Purchases of long-term investments	(4,198,352)	(2,698,650)
Proceeds from sale of long-term investments	5,448,042	4,687,069
Payments on notes receivable	281,232	79,827
Net Cash Provided by Investing Activities	629,040	1,776,323
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments to annuitants and trust beneficiaries	(34,125)	(312,360)
Proceeds from long-term gifts	1,500	3,000
Net Cash Used in Financing Activities	(32,625)	(309,360)
Change in Cash and Cash Equivalents	410,153	(662,548)
Cash and Cash Equivalents, Beginning of Year	2,136,793	2,799,341
Cash and Cash Equivalents, End of Year	$ 2,546,946	$ 2,136,793

See notes to consolidated financial statements

WORLD GOSPEL MISSION, INC. and SUBSIDIARIES

Notes to Consolidated Financial Statements

March 31, 2026 and 2025

1. NATURE OF ORGANIZATION:

World Gospel Mission, Inc. (WGM) is an Illinois not-for-profit corporation, which is a religious order associated with churches of the Protestant faith. As an interdenominational Christian missionary organization, WGM's mission is to engage Christ-like disciples to transform the world. Its operations are designed to minister through preaching, teaching, and healing ministries; assisting in forming culturally relevant congregations comprised of maturing disciples of Jesus Christ who will evangelize and reproduce themselves within their own cultures and across cultural boundaries (II Timothy 2:2) and call believers to the deeper work of God in the human heart of being cleansed from all sin and filled with the Holy Spirit by faith (I Thessalonians 4:3). These operations occur in the United States and other countries.

WGM focuses on church ministries, children's ministries, educational ministries, medical ministries, and humanitarian ministries. Current fields of service include: Albania, Argentina, Bolivia, Cambodia, Czech Republic, Haiti, Honduras, Hungary, Japan, Kenya, Mexico, Southwest Ministries (Arizona/New Mexico), Papua New Guinea, Paraguay, Spain, South Sudan, Taiwan, Texas/Mexico Border (McAllen, Texas), U.S. Hispanic Ministries, Uganda, United Kingdom, inner city youth at Stockton Peniel (California), and Creative Access Countries.

WGM is funded by contributions from individuals, churches, foundations, and other organizations. Funds are raised by missionaries and staff for support and programs as listed in the consolidated statements of activities. Support is also derived from direct mail and digital appeals and the operation of planned giving programs.

The consolidated financial statements include the following subsidiaries: Fairhaven South, Inc. (d.b.a. Oaks at Avon), a Florida not-for-profit corporation which leases a 104-bed skilled and intermediate care nursing facility; and Industrias Olanchanas (IO), a for-profit corporation under applicable laws in Honduras, which operates a farm in Honduras.

WGM and Fairhaven South, Inc., (Note 6) its wholly owned subsidiary, are classified by the Internal Revenue Service as a tax-exempt, publicly supported 501(c)(3) religious organization under a group exemption letter dated April 29, 1993. Fairhaven South, Inc. files information tax returns in the U.S. and Florida. Fairhaven South, Inc. is generally no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The significant accounting policies followed are described below to enhance the usefulness of the statements to the reader.

BASIS OF ACCOUNTING

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASU).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

FISCAL PERIOD

The accompanying consolidated statements of financial position reflect balances for WGM as of March 31, 2026 and 2025, for Fairhaven South, Inc. as of December 31, 2025 and 2024, and for IO as of December 31, 2025 and 2024. The consolidated statements of activities and cash flows reflect operating activities for WGM for the years ended March 31, 2026 and 2025, for Fairhaven South, Inc. for the years ended December 31, 2025 and 2024, and for IO for the years ended December 31, 2025 and 2024.

USE OF ESTIMATES

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to estimated useful lives of property and equipment and depreciation, fair value of investments, and the allocation of functional expenses.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the worldwide ministries of WGM, Fairhaven South, Inc., and IO (collectively WGM unless subsidiaries are individually mentioned). Additionally, IO balances as of and for the years ended December 31, 2025 and 2024, are converted from the Honduran currency (lempiras) to U.S. dollars for consolidated financial statement reporting purposes and any reported exchange rate gains or losses are reported in the consolidated statements of activities. All material intercompany financial activities have been eliminated from these consolidated financial statements.

WGM operates a comprehensive branch (field) accounting and reporting system that provides for all activity worldwide to be reported as incurred instead of reflecting transfers as expenses when transmitted to the field and omitting field-based income and assets. The system includes the recognition of all field based revenues, expenses, cash and investments, property and equipment, and other assets and liabilities. Therefore, these consolidated financial statements portray a comprehensive picture of WGM’s worldwide activity and consolidated financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS
The consolidated financial statements report amounts by class of net assets. See Note 12.

Net assets without donor restrictions are currently available for ministry purposes under the direction of management or amounts designated by the Board for specific use, and resources invested in property and equipment.

Net assets with donor restrictions are contributed with donor stipulations for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled or lifetime beneficiary interests have ceased. Net assets with donor restrictions also include those assets required to be held in perpetuity by donor restrictions. Only the income earned on these assets may be used for the purposes stated in the endowment agreements.

CASH AND CASH EQUIVALENTS AND CREDIT RISK
For purposes of the statements of cash flows, WGM considers all highly liquid investments with an original maturity of three months or less to be cash equivalents, except for those held as investments in brokerage accounts and invested as a part of WGM's endowment portfolio and overall investment allocation strategy. Cash and cash equivalents represent cash on hand and in checking accounts in both U.S. and foreign currency, money market accounts, certificates of deposit with original maturity of 90 days or less, and savings accounts. At March 31, 2026 and 2025, the cash accounts not covered by FDIC insurance and the amounts exceeding FDIC insured limits totaled approximately $1,921,000 and $1,734,000, respectively.

GENERAL INVESTMENTS, ENDOWMENT INVESTMENTS, AGENCY INVESTMENTS AND INVESTMENTS OF FAIRHAVEN SOUTH (SUBSIDIARY)
Investments are reported at fair value, tax assessed value, contract value, or cost as further detailed in Note 4. Interest, dividends, gains and losses are included in the consolidated statements of activities. Donated investments are reported at fair value on the date of donation and thereafter carried in accordance with the above provisions. Annuity investments are included within general investments on the consolidated statements of financial position. Investment return is recognized when earned and derived from various investment classes. See summary in Note 13. Agency investments are funds held by WGM that legally belong to it's employees for the employees children's educational needs, see Note 10.

PREPAID EXPENSES, FIELD ADVANCES, AND OTHER ASSETS
WGM's prepaid expenses, field advances, and other assets balance consists of expenses paid in advance that will be recognized as expenses when incurred, which is typically in the following year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

NOTE RECEIVABLE
Note receivable consists of an installment sale on a property with an original balance of $568,000. The terms of the note required a $200,000 down payment plus monthly principal and interest payments of $8,745, starting March 8, 2024, through maturity on February 8, 2028. The interest rate is fixed at 5%. No allowance has been recorded as management asserts this note is fully collectible. As of March 31, 2026, this note was repaid in full resulting in a $-0- balance.

LIABILITIES OF FAIRHAVEN SOUTH (SUBSIDIARY)
Liabilities of Fairhaven South (subsidiary) consist of a refundable security deposit held on behalf of the lessee. See Note 6.

OTHER ASSETS AND LIABILITIES OF IO (SUBSIDIARY)
Other assets of IO consists of accounts receivable, inventory, livestock, and equipment and machinery. Liabilities of IO (subsidiary) consist of trade accounts payable and a note payable. See Note 7.

Accounts receivable are held at net realizable value and are written-off when they are considered to be uncollectible. The allowance for credit losses was $-0- as of December 31, 2025 and 2024, as all amounts are deemed by management to be fully collectible.

Inventory consists of various young livestock and silage crops and is valued at the lower of cost or net realizable value. Mature livestock used in production are classified as fixed assets and valued at historical cost.

Property and equipment, with useful lives greater than one year, consist of machinery and other equipment used in the farming operation. Property and equipment are depreciated over their useful lives ranging from five to ten years.

PROPERTY AND EQUIPMENT, NET
Items over $2,500 are capitalized as property and equipment and are reported at cost. Donated items are reported at their fair market value on the date of the gift. Repairs and maintenance expenses that neither materially add to the value of the property nor prolong its life are charged to expense as incurred. Land is not depreciated and construction in process is not depreciated until assets are placed in service. Depreciation, is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Land improvements	33 years
Buildings	33 years
Furniture and equipment	5-10 years
Vehicles and other	5-20 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

IMPAIRMENT OF LONG-LIVED ASSETS

The carrying values of property and equipment are reviewed 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. There were no indicators of asset impairment during the years ended March 31, 2026 or 2025.

ANNUITIES AND TRUSTS

WGM has established a gift annuity plan whereby donors may contribute assets to the organization in exchange for the right to receive a fixed dollar annual return during their lifetimes. A portion of the transfer is considered to be a charitable contribution for income tax purposes. The difference between the amount provided for the gift annuity and the present value of future payments, determined on an actuarial basis using applicable discount rates ranging from 1.2 percent to 10.6 percent, is reported as public support at the date of the gift. The annuity liability is revalued annually based upon actuarially computed present values. Resulting actuarial gain or loss is reported as actuarial changes in the consolidated statements of activities.

As trustee, WGM administers revocable (grantor) trusts that provide for a beneficial interest to WGM and/or other beneficiaries at the grantor’s death. Because the trusts are revocable at the discretion of the grantor, the principal amounts provided are reported as liabilities. All trust income, deductions, and credits are reportable by the grantor for tax purposes. At the grantor’s death, the remaining trust assets, if designated for WGM, will be reported as contribution income. Any trust designated for other beneficiaries will be distributed in accordance with the trust agreement.

As trustee, WGM administers irrevocable trusts, including charitable remainder unitrusts and annuity trusts. These trusts provide for the payment of lifetime distributions to the grantor or other designated beneficiaries. The present value of the income interests are reported as trust liabilities using federal discount and mortality tables. At the death of the lifetime beneficiaries, the trusts provide for the distribution of assets to designated remaindermen. The present value of the remainder interest of WGM is reported as contributions with donor restrictions in the period received, net assets with donor restrictions, and as a reclassification to net assets without donor restrictions when the trust matures. Certain trusts contain provisions to distribute assets to remaindermen other than WGM. The portion attributable to others is reflected as a part of trust liabilities on the consolidated statements of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT (CONTRIBUTIONS, LEGACIES AND BEQUESTS) AND RECLASSIFICATIONS
Support is recognized when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred. Legacies and bequests are reported as support at the time WGM has an established right to the legacy or bequest gift and proceeds are measurable. WGM reports gifts of cash and other assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets for specific missionary or field activities or projects. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Commitments to support missionaries are treated as faith promises that are an expression of intent to give based on God's future provision. All conditions rest with the donor, who has the unilateral right to modify the commitment. Additionally, they are not measurable as the duration is not indicated. Accordingly, such commitments are not reported in these consolidated financial statements.

Grant income is recognized as earned when the barriers to recognition are met and eligible expenses are incurred. WGM has elected the simultaneous release option and reports conditional grants in which the restriction is met in the same fiscal year as grant revenue without donor restrictions. For the year ended March 31, 2026, WGM recognized grant revenue of $859,415, related to the Employee Retention Credit (ERC) received in the accompanying consolidated statements of activities. WGM believes all conditions and barriers related to the ERC funds have been met and therefore recognized the grant revenue. Laws and regulations concerning government programs, including the ERC, established by the U.S. Coronavirus Aid, Relief, and Economic Security (CARES) Act are complex and subject to varying interpretation. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge WGM's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon WGM.

REVENUE RECOGNITION
WGM recognizes revenue at a point in time when earned. Fee income is recognized as revenue when the performance obligation is satisfied at the point in time in which the goods or services are provided or fulfilled or when the event or sale takes place. There were no contract assets or liabilities associated with fee income as of April 1, 2024, March 31, 2025, or March 31, 2026. Other income is recognized over the period earned.

Mission field rental income and lease revenue are recognized over the life of the lease. The tenant rental or lease is charged based upon the rate listed in the terms of the lease agreement. A refundable deposit of $109,328 was included in liabilities of Fairhaven South (subsidiary) on the consolidated statements of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ADMINISTRATIVE ASSESSMENTS
Restricted gifts for individual missionary support or project funds are charged an administrative fee, which varies based upon type of activity or project involved, in order to offset WGM's cost of administering those activities. During the years ended March 31, 2026 and 2025, approximately $1,552,000 and $1,629,000, respectively, was transferred from missionary and project funds to net assets without donor restrictions. Such amounts are reported under reclassifications in the accompanying consolidated statements of activities.

EXPENSES, FUNCTIONAL ALLOCATION, AND JOINT COSTS
Expenses are reported when incurred.

The costs of providing the various program services and supporting activities of WGM have been summarized on a functional basis in Note 14. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. These expenses include depreciation, salaries and benefits, and other expenses. These expenses are allocated based on time and efforts or based on the programmatic purpose of the asset being depreciated. Costs of other categories were allocated based on programmatic purpose of the employees directly affected by the expense.

In connection with missionary furlough salaries, housing, and ministry expenses for the years ended March 31, 2026 and 2025, WGM incurred joint costs of $326,068 and $1,329,618, respectively. Of these costs, $130,427 and $531,847 has been allocated to program services, for the years ended March 31, 2026 and 2025, and $195,641 and $797,771 has been allocated to fundraising for the years ended March 31, 2026 and 2025, all respectively.

See Note 14 for expenses by both nature and function. Expenses of Fairhaven South are included in management and general. Expenses of IO are included as a separate program of WGM.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

FOREIGN OPERATIONS

In connection with its worldwide ministry, WGM maintains schools, clinics, and other supporting facilities in various countries outside the United States. As of March 31, 2026 and 2025, assets in other countries, including cash, receivables, and assets held to conduct ministry activities, totaled approximately $507,000 and $696,000, respectively. Property and equipment, net of accumulated depreciation, amounted to approximately $3,166,000 and $3,302,000 for the years ended March 31, 2026 and 2025, respectively. Account balances relating to foreign operations are reflected in the consolidated financial statements in United States dollars. In addition to the previously mentioned foreign assets, WGM also had foreign source income in the amounts of approximately $1,173,000 and $838,000 for the years ended March 31, 2026 and 2025, respectively. WGM's worldwide activities resulted in an aggregate exchange gain of $30,185 and $31,383 reported for the years ended March 31, 2026 and 2025, respectively.

IO operates exclusively in Honduras. Non-U.S. operations are subject to risks inherent in operating under different legal systems and various political and economic environments. As of the report date, there continues to be normal fluctuations in currency valuation between the U.S. dollar relative to the Honduras lempira. It is not practical to determine the effects of these rate changes on WGM's consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CUMULATIVE CURRENCY TRANSLATION ADJUSTMENT

WGM's worldwide activities resulted in an aggregate net exchange gain of $30,185 and $31,383, reported in other income on the consolidated statements of activities for the years ended March 31, 2026 and 2025, respectively.

The resulting currency exchange or translation adjustments were as follows:

	March 31,	
	2026	2025
Cumulative Translation Adjustments, beginning of year	$ 306,060	$ 274,677
Foreign currency translation adjustment	30,185	31,383
Cumulative Translation Adjustments, end of year	$ 336,245	$ 306,060

In the consolidation of the foreign subsidiary IO, all assets and liabilities are translated at the current exchange rate as of IO's year end of December 31, and revenue and expense accounts are translated at the average rate of exchange in effect during the year. The net loss of $13,610 and $40,591 are separately reported on the consolidated statements of activities under Subsidiaries' operations.

The resulting currency exchange or translation adjustments for IO were as follows:

	December 31,	
	2025	2024
Cumulative Translation Adjustments, beginning of year	$ (285,214)	$ (244,623)
Foreign currency translation adjustment	(13,610)	(40,591)
Cumulative Translation Adjustments, end of year	$ (298,824)	$ (285,214)

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects WGM's financial assets reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statements of financial position dates.

	March 31, 2026	March 31, 2025
Financial assets:		
Cash and cash equivalents	$ 2,521,823	$ 2,094,221
General investments	20,494,771	19,396,204
Note receivable	-	281,232
Agency investments	1,773,358	1,611,213
Assets of Fairhaven South (subsidiary) (cash and investments)	611,391	519,140
Assets of IO (subsidiary) (cash and receivables)	52,400	91,385
Trust assets	350,190	342,273
Endowment investments	21,153,816	17,279,057
	46,957,749	41,614,725
Less those not available for general expenditures within one year due to contractual or donor-imposed restrictions:		
Agency investments held for others	(1,773,358)	(1,611,213)
Note receivable collectible beyond one year	-	(177,802)
Trust assets	(350,190)	(342,273)
Restricted by donor with time or purpose restrictions	(4,383,745)	(4,361,675)
Perpetual endowments and accumulated earnings	(20,725,736)	(16,868,304)
Board designated quasi-endowment funds	(428,080)	(410,753)
	(27,661,109)	(23,772,020)
Financial assets available to meet cash needs for general expenditures within one year	$ 19,296,640	$ 17,842,705

3. LIQUIDITY AND FUNDS AVAILABLE, continued:

WGM is substantially supported by contributions primarily with donor-imposed restrictions for missionary and field project support. Those contributions with donor restrictions require resources to be used in a particular manner or in a future period. WGM must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. Net assets with donor restrictions for missionary and project support for the years ended March 31, 2026 and 2025, totaled $21,706,336 and $20,429,846, respectively. Of these net assets with donor restrictions, $17,322,591 and $16,068,171 are considered available to meet needs for general expenditures within one year for the years ended March 31, 2026 and 2025, respectively.

As part of WGM's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. WGM invests cash in excess of daily requirements in short-term investments. A board policy is in place that requires the organization to maintain three months of operating reserves. The administration and board monitor these balances to ensure an adequate level of liquidity and reserves are available when needed. During the years ended March 31, 2026 and 2025, WGM maintained an adequate level of liquidity and reserves to meet general expenditures.

4. GENERAL, AGENCY, ENDOWMENT, AND SUBSIDIARY INVESTMENTS:

General, agency, endowment, and subsidiary investments consist of:

	March 31, 2026	March 31, 2025
Investments at fair value (Note 5):		
Common stock	$ 11,417,285	$ 10,231,874
Preferred stock	4,706,792	4,340,671
Exchange-traded and closed-end funds	5,289,365	3,843,796
Unit investment trusts	7,543,269	6,643,412
Mutual funds	4,451,088	4,345,686
Fixed income securities	914,760	752,144
Structured products	733,104	138,360
	35,055,663	30,295,943
Investments at fair value–NAV (Note 5):		
Hedge funds	383,606	822,567
Investments held at other than fair value:		
Cash and cash equivalents, held at cost	2,358,056	510,513
Real property, held at tax assessed value	-	807,309
Variable annuity, held at contract value	6,216,186	6,296,014
Other, held at cost	1,390	62,289
	$ 44,014,901	$ 38,794,635
General investments	$ 20,494,771	$ 19,396,204
Agency investments	1,773,358	1,611,213
Endowment investments	21,153,816	17,279,057
Subsidiary (Fairhaven South, Inc.) investments (Note 6)	592,956	508,161
	$ 44,014,901	$ 38,794,635

5. FAIR VALUE MEASUREMENTS:

The *Fair Value Measurements and Disclosure* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority and are unobservable and significant to the fair value measurement.

5. FAIR VALUE MEASUREMENTS, continued:

WGM uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, WGM measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. Fair values of assets measured on a recurring basis at March 31, 2026, are as follows:

		Fair Value Measurements Using		
	Fair Value	Level 1	Level 2	Level 3
March 31, 2026:				
General, agency, endowment and subsidiary investments:				
Common stock:				
Equities	$ 11,370,370	$ 11,370,370	$ -	$ -
Fixed income	46,915	46,915	-	-
Preferred stock	4,706,792	4,706,792	-	-
Structured products: equities	733,104	733,104	-	-
Fixed income securities:				
Corporate	790,969	-	790,969	-
Mortgage-backed	5,533	-	5,533	-
Mutual funds	2,955	-	2,955	-
Preferred securities	3,972	-	3,972	-
Closed-end funds and Exchange-traded products	111,331	-	111,331	-
Exchange-traded/closed-end funds:				
Equities	1,823,598	1,823,598	-	-
Fixed income	1,452,876	1,452,876	-	-
Alternative strategy	467,573	467,573	-	-
Non-traditional	1,545,318	1,545,318	-	-
Unit investment trusts:				
Equities	7,543,269	7,543,269	-	-
Mutual funds:				
Equities	1,041,432	1,041,432	-	-
Fixed income	1,680,024	1,680,024	-	-
Alternative strategy	1,729,632	1,729,632	-	-
	35,055,663	$ 34,140,903	$ 914,760	$ -
Hedge funds held at NAV	383,606			
	$ 35,439,269			

5. FAIR VALUE MEASUREMENTS, continued:

		Fair Value Measurements Using		
	Fair Value	Level 1	Level 2	Level 3
March 31, 2026, continued:				
Trust assets:				
Stocks:				
Equities	$ 76,584	$ 76,584	$ -	$ -
Alternative strategy	1,675	1,675	-	-
Exchange-traded and closed-end funds:				
Fixed income	204,061	204,061	-	-
Alternative strategy	5,021	5,021	-	-
Mutual funds:				
Equities	12,101	12,101	-	-
Fixed income	37,684	37,684	-	-
Alternative strategy	11,616	11,616	-	-
	$ 348,742	$ 348,742	$ -	$ -

5. FAIR VALUE MEASUREMENTS, continued:

Fair values of assets measured on a recurring basis at March 31, 2025, are as follows:

		Fair Value Measurements Using		
	Fair Value	Level 1	Level 2	Level 3
March 31, 2025:				
General, agency, endowment and subsidiary investments:				
Common stock:				
Equities	$ 10,211,743	$ 10,211,743	$ -	$ -
Fixed income	8,409	8,409	-	-
Alternative strategy	11,722	11,722	-	-
Preferred stock	4,340,671	4,340,671	-	-
Structured products: equities	138,360	138,360	-	-
Fixed income securities:				
Corporate	746,594	-	746,594	-
Mortgage-backed	5,550	-	5,550	-
Exchange-traded and closed-end funds:				
Equities	1,667,406	1,667,406	-	-
Fixed income	404,047	404,047	-	-
Alternative strategy	424,649	424,649	-	-
Non-traditional	1,347,694	1,347,694	-	-
Unit investment trusts:				
Equities	6,640,767	6,640,767	-	-
Fixed income	2,645	2,645	-	-
Mutual funds:				
Equities	955,575	955,575	-	-
Fixed income	1,666,109	1,666,109	-	-
Alternative strategy	1,724,002	1,724,002	-	-
	30,295,943	$ 29,543,799	$ 752,144	$ -
Hedge funds held at NAV	822,567			
	$ 31,118,510			

(continued)

5. FAIR VALUE MEASUREMENTS, continued:

		Fair Value Measurements Using		
	Fair Value	Level 1	Level 2	Level 3
March 31, 2025, continued:				
Trust assets:				
Stocks:				
Equities	$ 71,878	$ 71,878	$ -	$ -
Alternative strategy	1,000	1,000	-	-
Exchange-traded and closed-end funds:				
Fixed income	206,389	206,389	-	-
Alternative strategy	4,311	4,311	-	-
Mutual funds:				
Equities	10,558	10,558	-	-
Fixed income	35,823	35,823	-	-
Alternative strategy	11,004	11,004	-	-
	$ 340,963	$ 340,963	$ -	$ -

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy. There were no changes in valuation techniques as of March 31, 2026 or 2025.

Level 1 Fair Value Measurements
The fair values of common stock, preferred stock, exchange-traded funds, unit investment trusts, equity structured products, mutual funds, and closed-end funds are based on quoted market prices.

Level 2 Fair Value Measurements
The fair value of corporate and mortgage-backed bonds are based on yields using credit ratings, risk premium, coupon rate and other various inputs.

5. FAIR VALUE MEASUREMENTS, continued:

Non-leveled Investments held at Net Asset Value

The fair value of the hedge funds is reported at the estimated net asset value (NAV), as a practical expedient. These investments are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. The values assigned to these holdings do not necessarily represent amounts which might ultimately be realized upon sale or other disposition since such amounts depend on future circumstances and cannot reasonably be determined until the actual liquidation occurs. Because of the inherent uncertainty, the estimated NAV may differ significantly from the values that would have been used had a ready market for such investments existed and the differences could be material.

Investments valued at NAV as of March 31, 2026, consisted of the following:

	NAV	Unfunded Commitments	Redemption Frequency/ Restrictions	Redemption Notice Period
Hedge funds:				
Growth fund	$ 28,701	$ -	Annually	None
Private credit fund	354,905	$ -	Quarterly / Limited to 5% of outstanding shares	60 days
	$ 383,606			

Investments valued at NAV as of March 31, 2025, consisted of the following:

	NAV	Unfunded Commitments	Redemption Frequency/ Restrictions	Redemption Notice Period
Hedge funds:				
Growth fund	$ 453,396	$ 46,604	Annually	None
Private credit fund	369,171	$ -	Quarterly / Limited to 5% of outstanding shares	60 days
	$ 822,567			

6. ASSETS, LIABILITIES, NET ASSETS, AND ACTIVITIES OF SUBSIDIARY FAIRHAVEN SOUTH, INC.:
WGM has control over Fairhaven South, Inc. through the appointment of its Board of Directors. Assets, liabilities, net assets, and activities of Fairhaven South, Inc. are shown in the tables below.

	December 31, 2025	December 31, 2024
Assets:		
Cash and cash equivalents	$ 18,435	$ 10,979
Investments (Note 4)	592,956	508,161
Total Assets	$ 611,391	$ 519,140
Liabilities:		
Refundable deposits	$ 109,328	$ 109,328
Net Assets:		
Net assets without donor restrictions	502,063	409,812
Total Liabilities and Net Assets	$ 611,391	$ 519,140

	Years Ended December 31, 2025	Years Ended December 31, 2024
Revenue:		
Lease revenue	$ 963,588	$ 944,694
Investment return–net	84,645	41,362
Other income	1,968	4,968
Total revenue	1,050,201	991,024
Expenses:		
Donation expense*	955,000	954,000
Operating expenses	2,950	3,426
	957,950	957,426
Change in net assets before elimination	92,251	33,598
Add: expenses eliminated in consolidation	955,000	954,000
Change in net assets after consolidation	$ 1,047,251	$ 987,598

*Fairhaven South, Inc., donated approximately $955,000 and $954,000, to WGM during the years ended December 31, 2025 and 2024, respectively. These amounts are eliminated in consolidation.

6. ASSETS, LIABILITIES, NET ASSETS, AND ACTIVITIES OF SUBSIDIARY FAIRHAVEN SOUTH, INC., continued:

OPERATING LEASE AND RENTAL INCOME

Fairhaven South, Inc. leases the Oaks at Avon nursing facility to an unrelated third party. During 2015, Fairhaven South, Inc. renegotiated the existing lease with a new term from July 1, 2016 through June 30, 2031, with two additional renewal options of five years each. Annual rental income to be received by Fairhaven South, Inc. for the first year is $807,620, with a two percent increase each successive year of the lease. The property and equipment under the lease are fully depreciated.

Future minimum lease payments to be received are as follows:

Year Ending December 31,	
2026	$ 984,484
2027	1,004,174
2028	1,024,257
2029	1,044,742
2030	1,065,637
Thereafter	538,094
	$ 5,661,388

7. ASSETS, LIABILITIES, OWNER'S EQUITY, AND ACTIVITIES OF SUBSIDIARY INDUSTRIAS OLANCHANAS (IO):

As the sole owner, WGM has control over IO, a for-profit corporation organized under the applicable laws in Honduras. Assets, liabilities, owner's equity, and activities of IO are shown in the table below in U.S. dollars based upon exchange rate conversion from Honduras lempiras. Pre-consolidated assets, liabilities, and owner's equity of IO consist of:

	December 31,	
	2025	2024
Assets:		
Cash and cash equivalents	$ 6,688	$ 31,593
Accounts receivable	45,712	59,792
Other assets	32,896	33,583
Inventory–livestock and silage	327,236	322,900
Livestock	164,063	168,256
Property and equipment, net	80,820	87,507
Total Assets	$ 657,415	$ 703,631
Liabilities:		
Accounts payable	$ 302,330	$ 435,613
Due to WGM (eliminated in the consolidated financial statements)	1,018,713	930,208
	1,321,043	1,365,821
Owner's Equity	(663,628)	(662,190)
Total Liabilities and Owner's Equity	$ 657,415	$ 703,631

7. ASSETS, LIABILITIES, OWNER'S EQUITY, AND ACTIVITIES OF SUBSIDIARY INDUSTRIAS OLANCHANAS (IO), continued:

Activities of IO consist of:

	Years Ended December 31, 2025	Years Ended December 31, 2024
Sales	$ 801,508	$ 931,046
Cost of sales	(441,636)	(582,077)
Net sales	359,872	348,969
General, production, and administrative expenses	347,276	376,392
Other income (loss)	(424)	23,682
Exchange rate loss	(13,610)	(40,591)
Net loss	(1,438)	(44,332)
Add: expenses eliminated in consolidation	-	-
Net loss after eliminations	$ (1,438)	$ (44,332)

For the years ended December 31, 2025 and 2024, IO's depreciation expense was $18,060 and $37,429, respectively.

CURRENCY TRANSLATION

IO uses the local currency (Honduras lempiras) as the functional currency. For purposes of consolidation, IO's financial activity as of and for the years ended December 31, 2025 and 2024, has been translated into U.S. dollars using the exchange rates in effect at December 31, 2025 and 2024. See Note 2 for the cumulative currency translation adjustment disclosure.

8. PROPERTY AND EQUIPMENT, NET:

Management has reviewed the assets in other countries and has determined that they are under the control and ownership of WGM. Such items are recognized as assets of WGM, but it should be noted that the political situation in many countries is subject to rapid change. Therefore, the reader should be aware that while WGM believes the assets are properly stated at the date of this report, subsequent changes could occur that would adversely affect the realizable value of the assets in other countries. It should also be understood that the carrying value of the assets in other countries may not be representative of the amount that would be realized should the assets be sold. Many of the assets designed to carry out the programs of WGM might have limited resale potential and may ultimately be granted to national churches and affiliated ministries in each country. See below for details on property and equipment held in the United States and other countries.

8. PROPERTY AND EQUIPMENT, NET, continued:

As of March 31, 2026, property and equipment, net consist of:

	United States	Other Countries	Total
Land	$ 595,437	$ 610,392	$ 1,205,829
Land improvements	444,348	87,562	531,910
Buildings	8,357,611	5,013,708	13,371,319
Furniture and equipment	1,378,501	1,274,249	2,652,750
Vehicles and other	298,185	1,708,545	2,006,730
	11,074,082	8,694,456	19,768,538
Less accumulated depreciation	(6,360,519)	(5,540,389)	(11,900,908)
	4,713,563	3,154,067	7,867,630
Construction in process	71,720	11,936	83,656
	$ 4,785,283	$ 3,166,003	$ 7,951,286

As of March 31, 2025, property and equipment, net consist of:

	United States	Other Countries	Total
Land	$ 506,746	$ 619,602	$ 1,126,348
Land improvements	363,326	87,562	450,888
Buildings	7,798,398	5,282,624	13,081,022
Furniture and equipment	1,855,427	1,281,383	3,136,810
Vehicles and other	505,625	1,714,727	2,220,352
	11,029,522	8,985,898	20,015,420
Less accumulated depreciation	(6,833,451)	(5,696,158)	(12,529,609)
	4,196,071	3,289,740	7,485,811
Construction in process	30,834	11,936	42,770
	$ 4,226,905	$ 3,301,676	$ 7,528,581

WGM's depreciation expense was $549,926 and $516,806 for the years ended March 31, 2026 and 2025, respectively. The consolidated total depreciation expense which includes WGM and IO was $567,986 and $554,235, for the years ended March 31, 2026 and 2025, respectively.

9. TRUST ASSETS AND LIABILITIES:

Trust assets consist of:

	March 31, 2026	March 31, 2025
Cash and cash equivalents	$ 1,448	$ 1,310
Investments held at fair value (Note 2):		
Stocks	78,259	72,878
Exchange-traded and closed-end funds	209,082	210,700
Mutual funds	61,401	57,385
	348,742	340,963
	$ 350,190	$ 342,273

Trust liabilities and net assets consist of:

	March 31, 2026	March 31, 2025
Trust liabilities:		
Revocable trusts	$ 200,685	$ 203,362
Irrevocable trusts–other remaindermen and lifetime interests	65,005	62,257
Total trust liabilities	265,690	265,619
Trust net assets (Note 12)	84,500	76,654
Total trust liabilities and net assets	$ 350,190	$ 342,273

Trust assets are reported separately in the consolidated statements of financial position. Annuity assets are included within general investments in the consolidated statements of financial position. The change in value of annuities and trusts have been reported together on the consolidated statements of activities and consist of:

	Years Ended March 31, 2026	Years Ended March 31, 2025
Interest and dividends	$ 24,267	$ 27,593
Net realized and unrealized gains	209,302	81,032
Actuarial change	6,173	106,416
Payments to beneficiaries	(34,125)	(312,360)
Change in value of annuities and trusts	$ 205,617	$ (97,319)

10. AGENCY FUNDS HELD FOR OTHERS:

Agency funds held for others are funds held by WGM as a fiscal agent for others. The composition of the funds is as follows:

	March 31, 2026	March 31, 2025
Employee funds for children's education	$ 1,773,358	$ 1,611,213

11. EMPLOYEE BENEFIT PLANS:

DEFINED CONTRIBUTION PENSION PLAN

WGM has a 403(b) Defined Contribution Plan administered through Guidestone to provide eligible employees with a pension benefit upon retirement. Active participants are eligible to share in and benefit from the contribution determined by the Board of Directors, at their discretion, by resolution adopted on or before the last day of the plan year. All missionaries and full-time support staff are eligible to participate immediately and are fully vested on their hire dates. Contributions for the years ended March 31, 2026 and 2025, were approximately $693,000 and $748,000, respectively

MEDICAL BENEFITS

WGM had a self-funded medical plan for missionaries and staff through December 31, 2023. Effective January 1, 2024, WGM moved to a new medical plan for missionaries and staff while retirees remained on the existing self-funded plan. All active employees working at least 30 hours per week are eligible for participation in the medical benefit plan. Under the old self-funded plan, there is an annual maximum of $1,000,000 per individual. WGM has contracted with an insurance provider for stop-loss coverage in excess of $150,000 per plan year, per individual. Effective December 31, 2025, the self-funded medical plan for retirees was terminated. Total claims incurred, but not reported, included in accounts payable were $-0- and $31,429 for the years ended March 31, 2026 and 2025, respectively. The total expenses paid by WGM under both medical benefit plans amounted to approximately $1,282,000 and $1,217,000 for the years ended March 31, 2026 and 2025, respectively.

12. NET ASSETS:

Net assets consist of:

	March 31, 2026	March 31, 2025
Net assets without donor restrictions:		
Undesignated	$ 10,638,523	$ 9,869,949
Board-designated quasi-endowments	428,080	410,753
Total net assets without donor restrictions	11,066,603	10,280,702
Subject to expenditure for specified purpose or appropriation:		
Missionary life investment–principal and accumulated gains	4,091,527	3,658,214
Unappropriated endowment income	2,537,295	2,008,909
	6,628,822	5,667,123
Missionary support-active missionaries	7,241,604	6,650,447
Missionary support–retired missionaries	4,227,745	4,205,675
Missionary support–volunteers	546,617	484,160
Projects	2,391,893	2,218,414
Ministries	4,755,751	4,309,838
Operational	2,302,226	2,328,658
Missionary life investment–transfers from ministry funds	156,000	156,000
Charitable remainder trusts (Note 9)	84,500	76,654
	28,335,158	26,096,969
Subject to restriction in perpetuity:		
Missionary life investment	6,163,000	6,161,500
Other endowment	7,933,914	5,039,681
	14,096,914	11,201,181
Total net assets with donor restrictions	42,432,072	37,298,150
Total net assets	$ 53,498,675	$ 47,578,852

WGM’s governing board through specific action has created self-imposed limits on net assets without donor restrictions. The board has earmarked amounts for student aid purposes and missionary life investment transfers when these are released from restriction. For the years ended March 31, 2026 and 2025, these board-designated net assets totaled $428,080 and $410,753, respectively.

12. <u>NET ASSETS, continued:</u>

ENDOWMENT

WGM's endowment consists of approximately 30 individual funds established for a variety of purposes, which are donor-restricted endowment funds and quasi-endowment funds. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

INTERPRETATION OF RELEVANT LAW

The Board of Directors of WGM has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, WGM classifies as net assets with donor restrictions held in perpetuity (a) the original value of gifts donated to the endowment held in perpetuity, (b) the original value of subsequent gifts to the endowment held in perpetuity, and (c) accumulations to the endowment held in perpetuity made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not held in perpetuity is classified as net assets with donor restrictions subject to expenditure for specified purposes or until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA. WGM considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of WGM and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of WGM
7. The investment policies of WGM

Endowment net asset composition by type of fund as of March 31, 2026:

		With Donor Restrictions		
	Without Donor Restrictions	Accumulated Gains (Losses) and Other	Original Gift Amount in Perpetuity	Total
Endowment net assets, March 31, 2026:				
Donor-restricted endowment funds	$ -	$ 6,628,822	$ 14,096,914	$ 20,725,736
Board-designated endowment funds	428,080	-	-	428,080
Total endowment funds	$ 428,080	$ 6,628,822	$ 14,096,914	$ 21,153,816

12. NET ASSETS, continued:

ENDOWMENT, continued

Changes in endowment net assets for the year ended March 31, 2026:

		With Donor Restrictions		
	Without Donor Restrictions	Accumulated Gains (Losses) and Other	Original Gift Amount in Perpetuity	Total
Endowment net assets, April 1, 2025	$ 410,753	$ 5,667,123	$ 11,201,181	$ 17,279,057
Investment return:				
Dividend and interest income	4,766	439,166	-	443,932
Net realized and unrealized gains	4,562	1,910,490	2,894,233	4,809,285
Total investment return	9,328	2,349,656	2,894,233	5,253,217
Contributions and grant income	2,000	38,861	1,500	42,361
Expenditures:				
Appropriated for endowment purposes	-	(760,153)	-	(760,153)
Fees	(1)	(87,365)	-	(87,366)
Total expenditures	(1)	(847,518)	-	(847,519)
Transfers	6,000	(579,300)	-	(573,300)
Endowment net assets, March 31, 2026	$ 428,080	$ 6,628,822	$ 14,096,914	$ 21,153,816

12. NET ASSETS, continued:

ENDOWMENT, continued

Endowment net asset composition by type of fund as of March 31, 2025:

		With Donor Restrictions		
	Without Donor Restrictions	Accumulated Gains (Losses) and Other	Original Gift Amount in Perpetuity	Total
Endowment net assets, March 31, 2025:				
Donor-restricted endowment funds	$ -	$ 5,667,123	$ 11,201,181	$ 16,868,304
Board-designated endowment funds	410,753	-	-	410,753
Total endowment funds	$ 410,753	$ 5,667,123	$ 11,201,181	$ 17,279,057

Changes in endowment net assets for the year ended March 31, 2025:

		With Donor Restrictions		
	Without Donor Restrictions	Accumulated Gains (Losses) and Other	Original Gift Amount in Perpetuity	Total
Endowment net assets, April 1, 2024	$ 355,963	$ 5,887,991	$ 11,204,469	$ 17,448,423
Investment return:				
Dividend and interest income	953	424,405	-	425,358
Net realized and unrealized gains (losses)	(159)	309,280	-	309,121
Total investment return	794	733,685	-	734,479
Contributions and grant income	-	39,444	3,000	42,444
Expenditures:				
Appropriated for endowment purposes	-	(754,326)	-	(754,326)
Fees	(4)	(89,594)	-	(89,598)
Total expenditures	(4)	(843,920)	-	(843,924)
Transfers	54,000	(150,077)	(6,288)	(102,365)
Endowment net assets, March 31, 2025	$ 410,753	$ 5,667,123	$ 11,201,181	$ 17,279,057

12. NET ASSETS, continued:

FUNDS WITH DEFICIENCIES
From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires WGM to retain as a fund of perpetual duration. Deficiencies result from unfavorable market fluctuations that occurred after the investment of contributions restricted in perpetuity was deemed prudent by the Board of Directors. There were no funds with deficiencies as of March 31, 2026 or 2025.

RETURN OBJECTIVES AND RISK PARAMETERS
WGM has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 Index while assuming a moderate level of investment risk. WGM expects its endowment funds, over time, to provide an average rate of return of approximately seven percent annually. Actual returns in any given year may vary from this amount.

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES
To satisfy its long-term rate-of-return objectives, WGM relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). WGM targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

SPENDING POLICY AND INVESTMENT OBJECTIVES RELATING TO SPENDING POLICY
WGM has a policy of appropriating four percent of its endowment fund's average fair value over the prior fiscal year. In establishing this policy, WGM considered the long-term expected return on its endowment. Accordingly, over the long term, WGM expects the current spending policy to allow its endowment to grow at an average of one percent annually. This is consistent with WGM's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

13. INVESTMENT RETURN–NET:

Investment return–net consists of:

	Year Ended March 31, 2026			
	General Investments (Note 4)	Trust Assets (Note 9)	Endowment Investments (Note 12)	Total
Interest and dividends, net of fees	$ 983,529	$ 24,267	$ 443,932	$ 1,451,728
Net unrealized and realized gains	-	209,302	4,809,285	5,018,587
	983,529	233,569	5,253,217	6,470,315
Less: investment gain included within change in value of annuities and trusts on a separate line in the consolidated statements of activities	-	(233,569)	-	(233,569)
	$ 983,529	$ -	$ 5,253,217	$ 6,236,746

	Year Ended March 31, 2025			
	General Investments (Note 4)	Trust Assets (Note 9)	Endowment Investments (Note 12)	Total
Interest and dividends, net of fees	$ 336,473	$ 27,593	$ 425,358	$ 789,424
Net unrealized and realized gains (losses)	(727)	81,032	309,121	389,426
	335,746	108,625	734,479	1,178,850
Less: investment gain included within change in value of annuities and trusts on a separate line in the consolidated statements of activities	-	(108,625)	-	(108,625)
	$ 335,746	$ -	$ 734,479	$ 1,070,225

14. EXPENSES BY BOTH NATURE AND FUNCTION:

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of WGM. Accordingly, certain costs have been allocated among the program services and supporting activities benefited and are based on estimates of time and effort.

The following table presents expenses by both their nature and function for the year ended March 31, 2026:

	Program Services									Supporting Activities		
	Church Growth and Evangelism	Medical and Relief	Education Ministries	Field Admini-stration	Homeland Ministries	Bible Schools and Seminaries	Furlough Ministries	Industrias Olanchanas	Media Ministries	Management, General and Fairhaven South	Fundraising	Total Expenses
Salaries and benefits	$ 4,717,582	$ 1,613,312	$ 1,168,852	$ 1,612,496	$ 677,127	$ 120,456	$ 69,716	$ 174,422	$ 34,157	$ 1,960,795	$ 603,105	$ 12,752,020
Grants to partners	1,171,253	3,867,235	230,354	32,826	28,486	116,217	660	293	4,478	43,500	5,628	5,500,930
Travel/transportation	1,259,661	376,744	163,301	323,054	75,162	31,943	26,406	4,502	7,597	62,219	63,786	2,394,375
Supplies and other	1,336,433	536,287	426,722	96,039	105,068	25,493	17,242	471,127	24,230	125,366	63,352	3,227,359
Professional fees	328,211	128,931	64,610	70,191	65,530	14,411	5,282	34,496	8,810	604,365	117,455	1,442,292
Utilities	442,808	46,486	144,910	24,813	33,088	6,964	4,751	31,387	722	111,448	17,508	864,885
Depreciation	294,876	33,766	97,465	29,424	8,068	20,144	-	18,060	-	66,183	-	567,986
Training	102,345	92,733	13,478	25,765	12,989	3,958	6,227	-	-	11,578	11,390	280,463
Repairs and maintenance	179,577	27,675	22,723	3,867	6,652	14,309	143	54,625	487	2,005	1,355	313,418
Insurance	142,962	13,653	11,036	9,838	25,847	489	-	-	341	50,282	5,638	260,086
Total expenses	9,975,708	6,736,822	2,343,451	2,228,313	1,038,017	354,384	130,427	788,912	80,822	3,037,741	889,217	27,603,814
Less expenses included in cost of sales	-	-	-	-	-	-	-	(441,636)	-	-	-	(441,636)
	$ 9,975,708	$ 6,736,822	$ 2,343,451	$ 2,228,313	$ 1,038,017	$ 354,384	$ 130,427	$ 347,276	$ 80,822	$ 3,037,741	$ 889,217	$ 27,162,178

WORLD GOSPEL MISSION, INC. and SUBSIDIARIES

Notes to Consolidated Financial Statements

March 31, 2026 and 2025

14. EXPENSES BY BOTH NATURE AND FUNCTION, continued:

The following table presents expenses by both their nature and function for the year ended March 31, 2025:

	Program Services									Supporting Activities		
	Church Growth and Evangelism	Medical and Relief	Education Ministries	Field Admini-stration	Homeland Ministries	Bible Schools and Seminaries	Furlough Ministries	Industrias Olanchanas	Media Ministries	Management, General and Fairhaven South	Fundraising	Total Expenses
Salaries and benefits	$ 4,063,606	$ 1,848,794	$ 1,110,044	$ 1,443,018	$ 783,446	$ 132,037	$ 286,819	$ 189,515	$ 31,262	$ 2,115,929	$ 923,119	$ 12,927,589
Grants to partners	1,040,588	3,497,494	280,102	40,098	4,472	191,397	9,024	325	10,718	29,538	14,264	5,118,020
Travel/transportation	1,183,757	369,934	141,238	203,637	82,040	24,474	71,724	5,415	8,315	53,009	136,272	2,279,815
Supplies and other	1,109,211	419,826	383,495	95,791	84,461	24,484	115,555	628,059	31,554	127,606	241,803	3,261,845
Professional fees	276,907	136,574	60,987	89,497	87,222	4,511	11,181	10,988	895	534,382	134,394	1,347,538
Utilities	396,008	64,470	145,562	24,319	33,833	6,227	20,571	29,455	1,057	142,683	41,284	905,469
Depreciation	289,624	26,866	88,602	29,269	8,371	13,999	-	37,429	573	59,502	-	554,235
Training	64,266	54,083	8,926	26,615	16,805	10,855	15,199	-	-	960	26,060	223,769
Repairs and maintenance	162,772	15,343	34,379	7,347	4,255	1,250	1,758	57,283	338	664	3,335	288,724
Insurance	137,740	20,440	18,576	6,600	21,601	-	16	-	384	61,372	4,100	270,829
Total expenses	8,724,479	6,453,824	2,271,911	1,966,191	1,126,506	409,234	531,847	958,469	85,096	3,125,645	1,524,631	27,177,833
Less expenses included in cost of sales	-	-	-	-	-	-	-	(582,077)	-	-	-	(582,077)
	$ 8,724,479	$ 6,453,824	$ 2,271,911	$ 1,966,191	$ 1,126,506	$ 409,234	$ 531,847	$ 376,392	$ 85,096	$ 3,125,645	$ 1,524,631	$ 26,595,756

14. EXPENSES BY BOTH NATURE AND FUNCTION, continued:

Reconciliation of expenses by both nature and function to the consolidated statements of activities is as follows:

	Years Ended March 31, 2026	Years Ended March 31, 2025
WGM expenses	$ 26,811,952	$ 26,215,938
IO expenses	347,276	376,392
Fairhaven South expenses	2,950	3,426
Total expenses	$ 27,162,178	$ 26,595,756

15. LEASES AS LESSOR:

WGM leases property in Arizona on its Southwest Ministries field to other nonprofit organizations under various long-term noncancellable agreements. The lease terms range from April 1, 2024 to August 1, 2031. Monthly rental income to be received by WGM varies per lease ranging from $500 to $10,000. During the years ended March 31, 2026 and 2025, WGM received $315,923 and 339,600, respectively, in rental income associated with these long-term agreements, which is reported within mission field rental income on the consolidated statements of activities.

Future minimum lease payments to be received are as follows:

Year Ending March 31,	
2027	$ 111,231
2028	84,608
2029	87,056
2030	89,578
2031	92,175
Thereafter	131,038
	$ 595,686

16. RELATED PARTY TRANSACTIONS:

During the year ended March 31, 2026, WGM's Honduras field loaned El Sembrador Society (ESS), a for-profit company organized in Honduras for the purpose of residential land development, $137,304 for initial operational costs, with the expectation of full repayment as operations commence in fiscal year 2027. ESS was formed by WGM missionaries and staff in Honduras in order to develop and sell residential land lots on approximately 28 acres of land donated to ESS by WGM. In return, WGM will receive 20% of every cash receipt. There was no revenue recognized by WGM based upon this arrangement during the year ended March 31, 2026 as sales had not yet occurred.

17. SUBSEQUENT EVENTS:
Subsequent events have been evaluated through September 16, 2026, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.