

FORGOTTEN MAN MINISTRIES
(dba Reach the Forgotten Jail Ministry)

FINANCIAL STATEMENTS

June 30, 2025 and 2024

FORGOTTEN MAN MINISTRIES

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Independent Auditors' Report

To the Board of Directors
Forgotten Man Ministries
Grand Rapids, Michigan

Opinion

We have audited the accompanying financial statements of Forgotten Man Ministries (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets and cash flows for the years 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 Forgotten Man Ministries as of June 30, 2025 and 2024, 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 Financial Statements section of our report. We are required to be independent of Forgotten Man Ministries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Forgotten Man Ministries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Forgotten Man Ministries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Forgotten Man Ministries' 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.

VBA CPAS

Grand Rapids, MI
October 10, 2025

FORGOTTEN MAN MINISTRIES

Statements of Financial Position

June 30,

2025

2024

ASSETS

Cash and cash equivalents	\$ 88,079	\$ 219,850
Prepaid expenses	15,121	9,265
Endowment investments	33,889	33,638
Investments	382,601	486,154
Unconditional promises to give	10,510	28,096
Property and equipment, net	244,878	280,488
Right-of-use asset - operating lease, net	6,790	7,837
TOTAL ASSETS	<u>\$ 781,868</u>	<u>\$ 1,065,328</u>

LIABILITIES

Accounts payable	\$ 24,175	\$ 17,047
Accrued expenses	39,628	35,652
Lease obligation - operating lease	6,790	7,837
Lease obligation - finance leases	61,023	80,942
TOTAL LIABILITIES	<u>131,616</u>	<u>141,478</u>

COMMITMENTS AND CONTINGENCIES

(Notes F and G)

NET ASSETS:

Without donor restrictions	603,159	860,618
With donor restrictions	47,093	63,232
TOTAL NET ASSETS	<u>650,252</u>	<u>923,850</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 781,868</u>	<u>\$ 1,065,328</u>
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- See accompanying notes to the financial statements -

FORGOTTEN MAN MINISTRIES

*For the Year Ended
June 30, 2025*

Statements of Activities and Changes in Net Assets

	Without Donor Restrictions	With Donor Restrictions	Total
CHANGES IN NET ASSETS			
Revenue and Support:			
Contributions	\$ 2,191,553	\$ 13,204	\$ 2,204,757
Investment income (loss)	31,964	-	31,964
Interest income	17,289	251	17,540
Other income (expense)	(663)	-	(663)
Net Assets Released from Restrictions:			
Satisfaction of program restrictions	29,594	(29,594)	-
Total Revenue and Support	2,269,737	(16,139)	2,253,598
Expenses			
Program services	1,828,845	-	1,828,845
Management and general	415,592	-	415,592
Fundraising	282,759	-	282,759
Total Expenses	2,527,196	-	2,527,196
CHANGE IN NET ASSETS	(257,459)	(16,139)	(273,598)
NET ASSETS, at beginning of period	860,618	63,232	923,850
NET ASSETS, at end of period	\$ 603,159	\$ 47,093	\$ 650,252

- See accompanying notes to the financial statements -

FORGOTTEN MAN MINISTRIES

*For the Year Ended
June 30, 2024*

Statements of Activities and Changes in Net Assets

	Without Donor Restrictions	With Donor Restrictions	Total
CHANGES IN NET ASSETS			
Revenue and Support:			
Contributions	\$ 2,164,931	\$ 29,594	\$ 2,194,525
Investment income (loss)	57,149	-	57,149
Interest income	24,658	333	24,991
Other income (expense)	(279)	-	(279)
Net Assets Released from Restrictions:			
Satisfaction of program restrictions	5,000	(5,000)	-
Total Revenue and Support	2,251,459	24,927	2,276,386
Expenses			
Program services	1,896,279	-	1,896,279
Management and general	377,649	-	377,649
Fundraising	404,312	-	404,312
Total Expenses	2,678,240	-	2,678,240
CHANGE IN NET ASSETS	(426,781)	24,927	(401,854)
NET ASSETS, at beginning of period	1,287,399	38,305	1,325,704
NET ASSETS, at end of period	\$ 860,618	\$ 63,232	\$ 923,850

- See accompanying notes to the financial statements -

FORGOTTEN MAN MINISTRIES

<i>Statements of Cash Flows</i>	<i>For the Years Ended</i>	
	<i>June 30,</i>	
	<i>2025</i>	<i>2024</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (273,598)	\$ (401,854)
Adjustments to reconcile change in net assets to net cash provided (used) in operating activities:		
Depreciation	25,200	25,279
Amortization - right-of-use leased asset - finance	19,919	14,158
Amortization - right-of-use leased asset - operating	1,047	253
Change in (repayment of) operating lease obligations	(1,047)	(253)
(Gain) loss on sale of investments	(26,015)	(21,625)
Unrealized (gain) loss on investments	(5,807)	(38,309)
Loss on disposal of property and equipment	663	1,359
Changes in assets and liabilities:		
(Increase) decrease in promises to give	17,586	(23,096)
(Increase) in prepaid expenses	(5,856)	19,333
Increase (decrease) in accounts payable and accrued expenses	11,104	(12,285)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(236,804)	(437,040)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	150,000	380,000
Purchase of investments	(14,876)	(19,822)
Proceeds from sale of property and equipment	489	49
Purchase of property and equipment	(10,661)	(6,342)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	124,952	353,885
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease obligation - finance lease	(19,919)	(14,158)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(19,919)	(14,158)

	<i>For the Years Ended</i>	
	<i>June 30,</i>	
	<i>2025</i>	<i>2024</i>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>\$ (131,771)</u>	<u>\$ (97,313)</u>
CASH AND CASH EQUIVALENTS, at beginning of the year	<u>219,850</u>	<u>317,163</u>
CASH AND CASH EQUIVALENTS, at end of the year	<u>\$ 88,079</u>	<u>\$ 219,850</u>
NONCASH TRANSACTIONS		
Gifts of stock	<u>\$ 6,549</u>	<u>\$ -</u>
Noncash donations used for program expenses	<u>\$ 8,619</u>	<u>\$ 16,571</u>

- See accompanying notes to the financial statements -

FORGOTTEN MAN MINISTRIES

Notes to Financial Statements

NOTE A – ORGANIZATION AND PURPOSE

Forgotten Man Ministries' dba Reach the Forgotten Jail Ministry (the Organization) is a 501(c)3 religious organization. Founded in 1966, the Organization's main purpose is to disciple, in the name of Jesus Christ, inmates in Michigan county jails through chaplain-led, biblically based programs. This is best accomplished by the placement of the Organization's chaplain to coordinate a team of volunteers within each of the 32 jails currently being served.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements are presented on the accrual basis of accounting.

Cash and Cash Equivalents: For financial statement purposes, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments: Investments consist of certificates of deposit with original maturity dates greater than 90 days, equities, mutual funds, and exchange traded funds. Certificates of deposit are held at cost and annuities are held at contract value. Stocks, mutual funds, and exchange traded funds are held at fair value.

Promises to Give: Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. The Organization considers the promises to give fully collectible.

Fair Value Measurements: The Organization's investments are reported at fair value in the accompanying statements of financial position. The following presents fair value measurement information for certain financial instruments.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

FORGOTTEN MAN MINISTRIES

Notes to Financial Statements

Level 1 Fair Value Measurements

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

Level 2 Fair Value Measurements

Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specific (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability. The only level 2 asset is the fixed income security (see Footnote C for how it is valued).

Level 3 Fair Value Measurements

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. All investments are level 1, with the exception of the fixed income security described in Footnote C, and the Organization does not have any level 3 investments at June 30, 2025 and 2024. The following is a description of the valuation methodologies used for assets measured at fair value:

Common stock: Valued at the quoted price per the market on which the security is traded.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded and are presented as level 1 in the fair value measurements table.

Exchange-Traded Funds: Valued at their daily closing price as reported by the fund. The exchange traded funds held by the Organization are required to publish their daily net asset value (NAV) and to transact at that price. The exchange traded funds held by the Organization are deemed actively traded and are presented as level 1 in the fair value measurements table.

Property and Equipment: Property and equipment are stated at cost, except for donated items which are recorded at fair market value at the date of gift. Expenditures for additions and improvements over \$500 are capitalized; expenditures for repairs and maintenance are expensed as incurred. Depreciation is computed over the estimated useful lives of the assets by the straight-line method.

FORGOTTEN MAN MINISTRIES

Notes to Financial Statements

Leases: Accounting standards requires that leases with a lease term of more than 12 months be classified as either finance or operating leases. Leases are classified as finance leases when the Organization expects to consume a major part of the economic benefits of the leased assets over the remaining lease term. Conversely, when the Organization is not expected to consume a major part of the economic benefits of assets they are classified as operating leases.

The lease classification affects both the pattern and presentation of expense recognized in the statements of activities and changes in net assets, the categorization of assets and liabilities in the statements of financial position, and classification of cash flows in the statements of cash flows. The Organization has made a policy election not to capitalize certain short-term leases with a lease term of 12 months or less.

Lease obligations are measured and recorded at the present value of future lease payments using a discount rate. Right-of-use assets are generally measured and recorded at the sum of the lease obligation, any initial direct costs to consummate the lease, and any lease payments made on or before the commencement date. For operating leases, total lease cost is measured and recorded on a straight-line basis over the lease term.

Contributions: Contributions are recognized as revenue when they are received or unconditionally pledged. The Organization reports gifts of cash and other assets as with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-imposed restrictions that are fulfilled in the same period they are received are recorded as net assets without donor restrictions.

The Organization reports gifts of property and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how these long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Income Taxes: The Organization is a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Generally, income tax returns filed within the last three years remain open and subject to audit by regulatory authorities. The Organization concludes that there are no significant uncertain tax positions requiring recognition in the financial statements.

FORGOTTEN MAN MINISTRIES

Notes to Financial Statements

Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Risk: The Organization's financial instruments that are exposed to concentrations of risk consist primarily of cash and cash equivalents. At times, cash balances may be in excess of the F.D.I.C. insurance limit.

The Organization receives a substantial amount of its revenue from various individuals, churches, and organizations. A significant reduction in the level of this support, if it were to occur, may affect the Organization's programs and activities.

Functional Allocation of Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort. The remaining expenses have been allocated on a basis of estimates of usage by the various areas.

Non-Cash Contributions: Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. A number of individuals volunteer their time for the Organization's program services and general operations. The contributed services are not specialized in nature and are not reported as revenue and expenses in the accompanying financial statements. These services do not meet the criteria for recognition as donated services.

Reclassifications: Certain amounts as reported in the 2024 financial statements and footnotes have been reclassified to conform to the 2025 presentation.

NOTE C – ENDOWMENT INVESTMENTS

During the year ended June 30, 2021, the Organization entered into a 5-year annuity with a guaranteed return of 7.5% over the 5 year period. The annuity does provide a substantial penalty for early withdrawal. Interest income earned on the annuity was \$1,003 and \$1,332 for the years ended June 30, 2025 and 2024, respectively. The annuity is valued at contract value. The annuity is credited with earnings at stated crediting rates and reduced for charged fees. The issuer (Athene) is contractually obligated to repay the principal and a specified interest rate that is guaranteed by

FORGOTTEN MAN MINISTRIES

Notes to Financial Statements

the issuer. The crediting rate is reviewed on an annual basis for resetting. The annuity is not part of the fair value hierarchy.

NOTE D – INVESTMENTS

Investments consist of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Investments held at fair value:		
Stocks	\$ 20,618	\$ 12,730
Mutual funds	170,981	226,276
Exchange traded funds	188,525	245,281
Total fair value (level 1) investments	380,124	484,287
Annuity - contract value	2,477	1,867
Total investments	<u>\$ 382,601</u>	<u>\$ 486,154</u>

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Leasehold improvements	\$ 214,050	\$ 209,322
Office equipment	80,733	77,291
Software	7,965	7,965
Finance lease right of use assets	105,394	105,394
	408,142	399,972
Less accumulated depreciation and amortization	<u>(163,264)</u>	<u>(119,484)</u>
	<u>\$ 244,878</u>	<u>\$ 280,488</u>

NOTE F – LEASES

The Organization leases two pieces of office equipment under finance lease agreements with monthly payments through September 2027 and June 2029. The Organization used a discount rate of 3.3% and 8.5%, respectively, to calculate the finance lease liability balance. The Organization also leases an office building under an operating lease agreement with monthly payments through December 2030. The Organization used a discount rate of 4.99% to calculate the operating lease liability balance. These agreements do not include any material residual value guarantees or

FORGOTTEN MAN MINISTRIES

Notes to Financial Statements

restrictive covenants. Amounts recognized as right-of-use assets related to finance leases are included in property and equipment, net, in the statements of financial position.

Right-of-use assets and lease obligation related to finance and operating leases were as follows as of June 30:

	<u>2025</u>	<u>2024</u>
Right-of-use assets - finance leases:		
Cost	\$ 105,394	\$ 105,394
Less: Accumulated amortization	(44,371)	(24,452)
	<u>\$ 61,023</u>	<u>\$ 80,942</u>
Lease liabilities - finance leases:		
Current portion	\$ 21,018	\$ 19,919
Long-term portion	40,005	61,023
	<u>\$ 61,023</u>	<u>\$ 80,942</u>
Right-of-use asset - operating lease:		
Cost	\$ 8,091	\$ 8,091
Less: Accumulated amortization	(1,301)	(254)
	<u>\$ 6,790</u>	<u>\$ 7,837</u>
Lease liability - operating lease:		
Current portion	\$ 1,100	\$ 1,047
Long-term portion	5,690	6,790
	<u>\$ 6,790</u>	<u>\$ 7,837</u>

Quantitative lease information

Finance lease costs are included in equipment rental - finance leases, and operating lease costs are included in equipment rental on the statements of functional expenses. The components of finance and operating lease expenses for the years ended June 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Finance lease cost:		
Amortization of lease assets	\$ 19,919	\$ 14,158
Interest on lease liabilities	4,000	2,171
Total finance lease cost	<u>\$ 23,919</u>	<u>\$ 16,329</u>
Operating lease cost:	<u>\$ 1,414</u>	<u>\$ 353</u>

FORGOTTEN MAN MINISTRIES

Notes to Financial Statements

Weighted average lease term and discount rates for finance leases as of June 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Weighted average remaining finance lease term	2.99 years	3.91 years
Weighted average discount rate for finance leases	5.49%	5.27%

Maturity analysis and reconciliation to balance sheet

A summary of the future lease payments for finance and operating leases, reconciled to the lease obligations recorded at June 30, 2025, are as follows:

	<u>Finance</u>	<u>Operating</u>
2026	\$ 23,919	\$ 1,414
2027	23,919	1,414
2028	11,673	1,414
2029	7,590	1,414
2030	-	1,414
Thereafter	-	707
Total minimum lease payments	<u>67,101</u>	<u>7,777</u>
Less effects of discounting	<u>(6,078)</u>	<u>(987)</u>
Lease obligations recorded at June 30, 2025	61,023	6,790
Less current portion	<u>(21,018)</u>	<u>(1,100)</u>
Long-term lease obligations	<u>\$ 40,005</u>	<u>\$ 5,690</u>

NOTE G – NOTES PAYABLE

The Organization has a \$50,000 line-of-credit agreement with a bank secured by all assets. Borrowings under the agreement bear interest at prime (effective rate of 7.50% at June 30, 2025). There was no outstanding balance on the line as of June 30, 2025 and 2024 and is due on demand.

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Notes to Financial Statements

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

OTHER RESTRICTIONS

The Organization has received donations to support operations in specific county jails throughout Michigan. The remaining balance of \$2,694 and \$1,498 at June 30, 2025 and 2024, respectively is included in net assets with donor restrictions. In addition, the Organization has \$10,510 and \$28,096 in promises to give at June 30, 2025 and 2024, respectively. These amounts are also included in net assets with donor restrictions as they have time restrictions. \$4,086 is due in the year ending June 30, 2026, \$2,336 is due in each of the years ending June 30, 2027 and 2028, and the remaining balance of \$1,752 is due in the year ending June 30, 2029.

ENDOWMENT FUND

The Endowment Fund is restricted by the donor. Per the agreement with the donor, 25% of the earnings for the year on the restricted balance should remain restricted while the remaining 75% is to be used for chaplaincy related expenses.

The Board of Directors of the Organization 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, the Organization classifies as net assets with donor restrictions as (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment 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, if any, of the donor restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in the manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

The Organization has adopted investment and spending policies for endowment assets that attempt to subject the fund to low investment risk and provide operations with current income. Endowment assets were invested in an annuity in May 2021 (See Note C). The Organization seeks to build endowment assets through additional contributions. The current spending policy is not expected to allow the Organization's endowment fund to grow significantly as a result of investment returns.

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Notes to Financial Statements

This is consistent with the Organization's objectives to provide income for operations, preserve endowment assets without subjecting them to substantial risk, and provide additional real growth through new gifts.

Changes in the Endowment Fund are as follows for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Endowment fund, beginning of year	\$ 33,638	\$ 33,305
Investment income	251	333
Endowment fund, end of year	<u>\$ 33,889</u>	<u>\$ 33,638</u>

NOTE I – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization is supported by restricted and unrestricted contributions and grants. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. As part of the Organization's liquidity management, the Organization keeps cash on hand to cover future expenses. The following reflects the Organizations financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial Assets:

Cash and cash equivalents	\$ 88,079
Endowment investments	33,889
Investments	382,601
Promises to give	10,510
Financial Assets, at year end	<u>515,079</u>
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Permanent endowment restrictions	(33,889)
Restrictions by donor with time or purpose restrictions	<u>(13,204)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 467,986</u>

Additionally, the Organization has a line of credit with available funds up to \$50,000 which is due on demand.

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Notes to Financial Statements

NOTE J – SUBSEQUENT EVENTS

The Organization evaluates events and transactions that occur after year-end for potential recognition or disclosure in the financial statements. These subsequent events have been considered through the date of the independent auditors' report, October 10, 2025, which is also the date the financial statements were available to be issued.

FORGOTTEN MAN MINISTRIES

Notes to Financial Statements

NOTE K – FUNCTIONAL EXPENSES

For the year ended June 30, 2025:

	Program Services	Management and General	Fundraising	Total
Director compensation	\$ 33,541	\$ 33,541	\$ 34,557	\$ 101,639
Chaplains' salaries	1,163,030	-	-	1,163,030
Office salaries	96,809	198,081	63,870	358,760
Payroll taxes	83,098	18,136	8,682	109,916
Health insurance	106,663	15,741	12,778	135,182
Life insurance	549	462	56	1,067
Auto expense	41,987	9,517	4,479	55,983
Chaplains' expenses	47,220	-	-	47,220
Jail programs	31,053	-	-	31,053
Bibles	9,343	-	-	9,343
Discipleship materials	1,625	-	-	1,625
Bible courses	3,085	-	-	3,085
Events	38,019	-	88,710	126,729
Promotions	8,551	216	234	9,001
Insurance	2,324	2,614	871	5,809
Education	7,888	11,833	-	19,721
Communications	4,363	4,363	970	9,696
Subscriptions	1,785	2,071	-	3,856
Equipment rental - finance leases	9,568	9,568	4,783	23,919
Equipment rental	1,294	1,294	648	3,236
Equipment/technology expense	19,090	5,091	1,273	25,454
Building R&M	428	481	160	1,069
Depreciation	10,080	11,340	3,780	25,200
Facility expense	10,486	11,796	3,932	26,214
Professional fees	30,460	36,124	16,500	83,084
Office supplies	9,040	7,232	1,808	18,080
Mailing/printing	55,196	24,124	24,106	103,426
Interest & fees	-	10,994	10,562	21,556
Miscellaneous	2,270	973	-	3,243
	<u>\$ 1,828,845</u>	<u>\$ 415,592</u>	<u>\$ 282,759</u>	<u>\$ 2,527,196</u>

FORGOTTEN MAN MINISTRIES

Notes to Financial Statements (Concluded)

For the year ended June 30, 2024:

	Program Services	Management and General	Fundraising	Total
Director compensation	\$ 35,072	\$ 35,072	\$ 36,134	\$ 106,278
Chaplains' salaries	1,067,487	-	-	1,067,487
Office salaries	119,638	161,261	106,299	387,198
Payroll taxes	84,458	14,228	9,379	108,065
Health insurance	224,274	22,973	21,160	268,407
Life insurance	497	446	83	1,026
Auto expense	46,436	10,525	4,953	61,914
Chaplains' expenses	34,689	-	-	34,689
Jail programs	28,304	-	-	28,304
Bibles	5,940	-	-	5,940
Discipleship materials	1,076	-	-	1,076
Bible courses	1,797	-	-	1,797
Events	36,707	-	85,648	122,355
Promotions	57,907	1,463	1,585	60,955
Insurance	2,781	3,128	1,043	6,952
Education	6,241	9,362	-	15,603
Communications	5,171	5,171	1,149	11,491
Subscriptions	-	5,753	-	5,753
Equipment rental - finance leases	6,532	6,532	3,265	16,329
Equipment rental	1,255	1,254	629	3,138
Equipment/technology expense	23,482	6,262	1,565	31,309
Building R&M	1,314	1,478	493	3,285
Depreciation	10,112	11,375	3,792	25,279
Facility expense	4,571	5,142	1,714	11,427
Professional fees	37,989	24,176	71,300	133,465
Office supplies	7,489	5,991	1,498	14,978
Mailing/printing	42,696	32,310	40,388	115,394
Interest & fees	-	12,734	12,235	24,969
Miscellaneous	2,364	1,013	-	3,377
	<u>\$ 1,896,279</u>	<u>\$ 377,649</u>	<u>\$ 404,312</u>	<u>\$ 2,678,240</u>