CROSSWORLD AND AFFILIATES

Consolidated Financial Statements
With Independent Auditor's Report

August 31, 2025 and 2024

CROSSWORLD AND AFFILIATES

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Crossworld and Affiliates
Kansas City, Missouri

Opinion
We have audited the accompanying consolidated financial statements of Crossworld and Affiliates (a nonprofit organization), which comprise the consolidated statements of financial position as of August 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses 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 previously present fairly, in all material respects, the consolidated financial position of Crossworld and Affiliates as of August 31, 2025 and 2024, and the changes in their consolidated 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 Crossworld and Affiliates 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; this includes 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 Crossworld and Affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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Board of Directors
Crossworld and Affiliates
Kansas City, Missouri

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 Crossworld and Affiliates' 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 Crossworld and Affiliates' 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

Naperville, Illinois
January 30, 2026

CROSSWORLD AND AFFILIATES

Consolidated Statements of Financial Position

	August 31, 2025	August 31, 2024
ASSETS:		
Cash and cash equivalents	$ 893,522	$ 895,887
Investments	12,100,234	12,445,592
Advances and other accounts receivable	112,422	74,730
Cash held for others	100,287	65,767
Prepaid expense	8,693	28,162
Property and equipment–net	1,776,388	1,697,966
Endowment assets	4,391,336	3,975,166
Total Assets	$ 19,382,882	$ 19,183,270
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	$ 637,946	$ 839,704
Custodial funds payable	100,287	65,767
Annuities payable	34,812	37,572
Total liabilities	773,045	943,043
Net assets:		
Without donor restrictions	4,918,494	4,581,508
With donor restrictions	13,691,343	13,658,719
Total net assets	18,609,837	18,240,227
Total Liabilities and Net Assets	$ 19,382,882	$ 19,183,270

See notes to consolidated financial statements

CROSSWORLD AND AFFILIATES

Consolidated Statements of Activities

	Years Ended August 31, 2025	2024
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions	$ 18,263,476	$ 17,814,565
Canada contributions	291,098	274,115
Investment income, net	228,312	268,597
Reclassifications–net assets released from restrictions:		
Satisfaction of purpose restrictions	(17,493,264)	(16,587,573)
Administrative assessments	(1,256,998)	(1,262,410)
Change in Net Assets With Donor Restrictions	32,624	507,294
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenues:		
Contributions	180,401	38,739
Investment income, net	921,192	1,499,471
Other	161,890	118,940
Change in value of charitable gift annuities	2,760	1,968
	1,266,243	1,659,118
Reclassifications–net assets released from restrictions:		
Satisfaction of purpose restrictions	17,493,264	16,587,573
Administrative assessments	1,256,998	1,262,410
Total Revenues and Reclassifications	20,016,505	19,509,101
Expenses:		
Program services	13,676,182	14,081,798
Supporting activities:		
Management and general	4,620,042	3,892,310
Fundraising	1,383,295	1,018,287
Total Expenses	19,679,519	18,992,395
Change in Net Assets Without Donor Restrictions	336,986	516,706
Change in Net Assets	369,610	1,024,000
Net Assets, Beginning of Year	18,240,227	17,216,227
Net Assets, End of Year	$ 18,609,837	$ 18,240,227

See notes to consolidated financial statements

CROSSWORLD AND AFFILIATES

Consolidated Statement of Functional Expenses

Year Ended August 31, 2025

	Program Services	Supporting Activities: Management and General	Supporting Activities: Fundraising	Supporting Activities: Total	Total
Salaries and benefits	$ 9,633,172	$ 2,958,760	$ 1,169,742	$ 4,128,502	$ 13,761,674
Self insured medical costs	686,964	210,996	83,417	294,413	981,377
Repairs, maintenance, and related projects	1,003,119	23,334	23,397	46,731	1,049,850
Travel	1,191,503	365,394	31,773	397,167	1,588,670
Office supplies and service costs	361,024	303,457	7,498	310,955	671,979
Recruitment, training, and public relations	328,680	58,321	16,889	75,210	403,890
Professional services	33,050	172,694	50	172,744	205,794
Depreciation and amortization	68,843	57,746	-	57,746	126,589
Bank and processing fees and membership dues	34,183	102,548	-	102,548	136,731
Utilities and vehicles	-	133,743	-	133,743	133,743
Seminars and conferences	39,527	27,417	8,219	35,636	75,163
Meals and entertainment	128,594	31,720	11,145	42,865	171,459
Postage	23,371	43,616	63	43,679	67,050
Annuity payments	-	-	7,725	7,725	7,725
Other	144,152	130,296	23,377	153,673	297,825
	$ 13,676,182	$ 4,620,042	$ 1,383,295	$ 6,003,337	$ 19,679,519

See notes to consolidated financial statements

CROSSWORLD AND AFFILIATES

Consolidated Statement of Functional Expenses

Year Ended August 31, 2024

	Program Services	Supporting Activities: Management and General	Supporting Activities: Fundraising	Supporting Activities: Total	Total
Salaries and benefits	$ 10,061,714	$ 2,481,890	$ 872,015	$ 3,353,905	$ 13,415,619
Self insured medical costs	600,362	148,089	53,232	201,321	801,683
Repairs, maintenance, and related projects	884,271	16,269	4,631	20,900	905,171
Travel	1,184,234	367,058	31,580	398,638	1,582,872
Office supplies and service costs	443,210	215,560	1,473	217,033	660,243
Recruitment, training, and public relations	273,125	53,855	20,909	74,764	347,889
Professional services	52,985	145,980	25	146,005	198,990
Depreciation and amortization	84,980	54,835	3,581	58,416	143,396
Bank and processing fees and membership dues	33,364	100,553	-	100,553	133,917
Utilities and vehicles	-	134,767	-	134,767	134,767
Seminars and conferences	144,505	24,321	4,681	29,002	173,507
Meals and entertainment	127,375	31,419	11,039	42,458	169,833
Postage	20,075	56,908	106	57,014	77,089
Annuity payments	-	-	8,710	8,710	8,710
Other	171,598	60,806	6,305	67,111	238,709
	$ 14,081,798	$ 3,892,310	$ 1,018,287	$ 4,910,597	$ 18,992,395

See notes to consolidated financial statements

CROSSWORLD AND AFFILIATES

Consolidated Statements of Cash Flows

	Years Ended August 31, 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 369,610	$ 1,024,000
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	126,589	143,396
Loss on sale of property and equipment	15,876	19,853
Actuarial change in value of annuities	(2,760)	(1,968)
Net realized and unrealized gains on investments and endowment assets	(837,531)	(1,361,919)
Net change in operating assets and liabilities:		
Advances and other accounts receivable	(37,692)	(24,636)
Prepaid expense	19,469	(16,710)
Accounts payable and accrued expenses	(201,758)	454,722
Custodial funds payable	34,520	(14,122)
Net Cash Used by Operating Activities	(513,677)	222,616
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net purchases of investments and endowment assets	(1,691,686)	(1,114,517)
Net sales of investments and endowment assets	2,458,405	211,522
Proceeds from sales of property and equipment	16,586	36,461
Purchases of property and equipment	(237,473)	(169,565)
Net Cash Provided (Used) by Investing Activities	545,832	(1,036,099)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Annuity maturities	-	(7,566)
Net Cash Used by Financing Activities	-	(7,566)
Net Change in Cash and Cash Equivalents	32,155	(821,049)
Cash and Cash Equivalents, Beginning of Year	961,654	1,782,703
Cash and Cash Equivalents, End of Year	$ 993,809	$ 961,654

See notes to consolidated financial statements

CROSSWORLD AND AFFILIATES

Notes to Consolidated Financial Statements

August 31, 2025 and 2024

1. NATURE OF ORGANIZATION:

Crossworld and Affiliates (Crossworld) is an international Christian evangelistic organization. Its overseas ministry operations are conducted under the terms of a joint ministries agreement between Crossworld (a U.S. nonprofit corporation) and Crossworld Canada under the direction of a Joint Ministries Council composed of representatives appointed by the U.S. and Canadian boards. Discipleship is at the heart of Crossworld's ministry reaching people without a knowledge of the Gospel and establishing them in local churches for Christian nurture, training for service, and opportunities for outreach to others. The primary source of support and revenue is contributions.

Crossworld was incorporated as the Unevangelized Fields Mission (UFM) under the Nonprofit Corporation Act of the Commonwealth of Pennsylvania in 1942.

After years of operating as a Pennsylvania non-profit corporation as UFM International, Inc. dba Crossworld, on July 1, 2020, the organization moved its state of incorporation to Colorado under the legal name Crossworld.

Crossworld is organized as a religious order and recognized by the Internal Revenue Service both as a church and as associated with churches of the Protestant faith. As such, it is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and comparable state law, and is classified as a publicly supported organization which is not a foundation under Section 509(a)(1). Contributions from the public are deductible for income tax purposes.

Crossworld Canada is incorporated under the laws of Canada as a nonprofit organization. It qualifies as a registered charity under the provisions of the Income Tax Act. Crossworld and Crossworld Canada conduct their overseas ministry activities under a joint ministries agreement, executed on May 30, 2002.

Crossworld has set up an affiliated corporation to foster economic development and job creation in ministry locations around the world. The activities of this corporation have been consolidated in these financial statements.

The ministry is a faith mission, dependent upon God as He moves the hearts of interested individuals, local churches, and other organizations to meet financial needs. Strict fiscal integrity is maintained. The ministry is a member of the Evangelical Council for Financial Accountability (ECFA). Missionaries raise support for their related ministries from interested churches and individuals. Support figures are established according to cost-of-living factors and include an amount for mission administration, medical and life insurance, retirement, and ministry expense. Funds provided for the support of missionaries are under the complete control of Crossworld and are set apart for that purpose and disbursed in compliance with the support schedule and policies of Crossworld.

Crossworld and Avant Ministries (Avant) have entered into a shared services alliance that allows both organizations to maintain their separate identities and structures, but also share office space and back office administrative functions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of Crossworld include the transactions and balances of The Crossworld Endowment Trust, which is a controlled affiliated organization of Crossworld. The Crossworld Endowment Trust is a Pennsylvania nonprofit organization which exists to further the purposes of Crossworld. It is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. All significant inter-organization transactions and balances have been eliminated for consolidated financial statement purposes.

REPORTING ENTITY

These consolidated financial statements include the international and U.S. operations which are conducted under the joint ministries agreement and all remitted contributions to or from Crossworld Canada for specific projects and missionary support accounts. These consolidated financial statements do not include the assets, liabilities, net assets, revenue, and expenses of Crossworld Canada not held by or remitted to Crossworld under the joint ministries agreement as Crossworld Canada is not controlled by Crossworld. Crossworld is affiliated with national ministries in Belem, Brazil, and the Democratic Republic of Congo. Although missionaries in those areas work with the affiliates, the national entities are not under Crossworld's control. Accordingly, assets and expenditures are treated as grants and are not included in these consolidated financial statements.

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).

USE OF ESTIMATES

The preparation of U.S. GAAP consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue 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 fair value of investments and allocation of functional expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less. At August 31, 2025 and 2024, Crossworld's cash balances did not exceed federally insured limits. Cash, cash equivalents, and restricted cash consists of the following:

	August 31, 2025	August 31, 2024
Cash and cash equivalents	$ 893,522	$ 895,887
Cash held for others	100,287	65,767
	$ 993,809	$ 961,654

INVESTMENTS AND ENDOWMENT ASSETS

Investments and endowment assets consist of investments in common stock, governmental securities, and mutual funds with readily determinable fair values and all debt securities are carried at fair value, with realized and unrealized gains and losses included as revenue in the consolidated statements of activities. Donated investments are recorded at the fair value on the date of donation. Other investments are reported at historical cost plus accrued interest, which is lower than fair value as of August 31, 2025 and 2024. Cash held as part of the investment pool is included in investments and endowment assets.

ADVANCES AND OTHER ACCOUNTS RECEIVABLE

Advances and other accounts receivable are composed of deposits receivable and amounts due from missionaries. Management has not established an allowance for credit losses as it believes all amounts are fully collectible.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY AND EQUIPMENT

Expenditures for property and equipment are capitalized at cost. Repairs and maintenance costs are expensed as incurred. Donated assets to be used by Crossworld are capitalized at their fair value on the date of the gift. Depreciation of property and equipment is computed on the straight-line method over the estimated useful lives of the assets. Crossworld capitalizes purchases of property and equipment exceeding $3,500, with lesser amounts expensed in the year purchased. The carrying values of land, buildings 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 August 31, 2025 or 2024.

The estimated useful lives for each major depreciable class of property and equipment are as follows:

Land	Not depreciated
Buildings	40 years
Finance lease right-of-use asset	40 years
Furniture and equipment	5-10 years
Vehicles	5 years

LEASES

Crossworld leases office space. Crossworld determines if an arrangement is a lease at inception. Finance leases are included in property and equipment on the consolidated statements of financial position. There is no remaining lease liability as of August 31, 2025 and 2024, as the lease has been prepaid.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Finance lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, Crossworld uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The finance lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Crossworld will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Crossworld has elected the practical expedient not to disclose non-lease component payments under related lease agreements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ANNUITIES PAYABLE

Upon receipt of gift annuities, the actuarially computed value of future payments, using federal mortality tables and a 6.0% discount rate, is recognized as a liability, and the difference between the liability and the face value of the annuity is recognized as contribution income. Assets funding gift annuities are included with investments on the consolidated statements of financial position.

The annuity liability is revalued annually based upon actuarially computed present values, and the resulting actuarial gain or loss ($2,760 in 2025 and $1,968 in 2024) is recorded as unrestricted other income. Income earned on annuity investments and distributions paid are credited and charged against unrestricted income unless the annuity agreement stipulates to the disposition of any remaining actuarial value. Components of change in value of annuities has not been disclosed due to immateriality.

CLASSES OF NET ASSETS

The consolidated financial statements report amounts by class of net assets:

Net assets without donor restrictions are resources currently available for ministry purposes under the direction of the board.

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. These also include donor restrictions requiring the net assets be held in perpetuity as endowments. Income received on endowment funds may be designated by the agreement for specific ministry purposes or may be available for unrestricted use by Crossworld.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE AND EXPENSES

Contributions are recognized when made which may be when an unconditional promise to give is made or when cash is received. All contributions are considered available for unrestricted use, unless stipulations are made by the donor for a specified time or purpose. Donor restricted contributions for missionary support and projects are reported as net assets with donor restrictions and are reclassified as net assets without donor restrictions when the funds have been expended for the purposes specified.

In certain cases, contributions are solicited for support and project accounts that have been previously funded by unrestricted resources in anticipation of receiving donor restricted contributions. Such contributions received are recognized as reclassifications to net assets without donor restrictions in the period received because expenses have previously been incurred.

Donor restricted contribution income for missionary accounts is subject to a twelve and a half percent (12.5%) assessment on donations received up to $80,000 annually. Any amounts received over $80,000 annually are subject to a nine percent (9%) assessment. These assessments are used for general and administrative and fund-raising expenses. These assessments are reclassified from net assets with donor restrictions to net assets without donor restrictions at the time the contribution is received.

Contributions of non-financial assets (including securities and property) are recorded at fair value at the date of the gift. Crossworld 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 long those long-lived assets must be maintained, Crossworld reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Other revenue and investment income is recognized when earned. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ALLOCATION OF EXPENSES

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and repairs and maintenance, which are allocated on a square footage basis, as well as salaries and benefits, travel, and certain office expenses, which are allocated on the basis of estimates of time and effort. There were no advertising expenses incurred during the years ended August 31, 2025 and 2024. Expenses include costs of joint activities such as payroll, housing and benefits, and ministry expenses of furloughing missionaries. Joint costs have been allocated as follows:

	Year Ended August 31, 2025	2024
Program services	$ 13,283,058	$ 13,879,778
Supporting activities:		
General and administrative	572,306	511,714
Fund-raising	963,124	832,769
	$ 14,818,488	$ 15,224,261

Joint costs allocated to fundraising are as follows:

	Year Ended August 31, 2025	2024
Salary, housing, and expenses of furloughing missionaries	$ 722,093	$ 632,766
Salary and housing of U.S. directors	241,031	200,003
	$ 963,124	$ 832,769

RECLASSIFICATION

Certain amounts have been reclassified from the prior year to conform to the current year presentation. There was no impact on total net assets nor the change in net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

FOREIGN OPERATIONS

In connection with its worldwide ministry, Crossworld maintains locations in approximately 30 countries outside the United States. Ministries in these countries include literature production and distribution, linguistics and translation, medicine, community development, radio, youth camp programs, education, Christian films, and home Bible studies. As of August 31, 2025 and 2024, current assets in other countries, including cash and cash equivalents, total $52,661 and $84,839, respectively. There was no overseas support or revenue received from foreign sources for the years ended August 31, 2025 and 2024. Due to immateriality, any resulting exchange gains (losses) resulting from conversion to U.S. dollar are included in other income on the consolidated statements of activities.

The following amounts represent checking accounts held by Crossworld, under its tax identification number, on behalf of affiliated, but unconsolidated, international ministries:

	August 31, 2025	August 31, 2024
Democratic Republic of the Congo	$ 100,287	$ 65,767

3. INVESTMENTS:

Investments consist of:

	August 31, 2025	August 31, 2024
Investments at:		
Fair Value:		
Bonds, including accrued interest	$ 9,210,136	$ 9,215,460
Common stock	2,525,465	2,643,754
U.S. government securities	50,256	60,016
Mutual funds	305,583	395,212
	12,091,440	12,314,442
Other than Fair Value:		
Mineral rights	8,794	131,150
	$ 12,100,234	$ 12,445,592

3. INVESTMENTS, continued:

Investment income, excluding endowment assets, consists of:

	Year Ended August 31, 2025	Year Ended August 31, 2024
Interest and dividends	$ 240,452	$ 339,852
Net realized and unrealized gains (losses)	455,765	881,988
Management fees	(99,045)	(89,315)
	$ 597,172	$ 1,132,525

4. PROPERTY AND EQUIPMENT–NET:

Property and equipment-net consist of:

	August 31, 2025 U.S. Headquarters	Other Countries	Total
Land	$ -	$ 4,000	$ 4,000
Buildings	-	162,400	162,400
Finance lease right-of-use asset	2,021,313	-	2,021,313
Furniture and equipment	294,812	-	294,812
Vehicles	51,567	1,123,929	1,175,496
	2,367,692	1,290,329	3,658,021
Less accumulated depreciation	(1,078,706)	(802,927)	(1,881,633)
	$ 1,288,986	$ 487,402	$ 1,776,388

4. PROPERTY AND EQUIPMENT–NET, continued:

	August 31, 2024		
	U.S. Headquarters	Other Countries	Total
Land	$ -	$ 4,000	$ 4,000
Buildings	-	162,400	162,400
Finance lease right-of-use asset	2,021,313	-	2,021,313
Furniture and equipment	294,812	-	294,812
Vehicles	44,066	1,023,315	1,067,381
	2,360,191	1,189,715	3,549,906
Less accumulated depreciation	(1,020,960)	(830,980)	(1,851,940)
	$ 1,339,231	$ 358,735	$ 1,697,966

Management has reviewed the assets in other countries and, in its opinion, determined they are under the control and ownership of Crossworld. While such items are recognized as assets of Crossworld, it should be noted that the political situation in many other countries is subject to rapid change. Therefore, the reader should be aware that while Crossworld 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. In addition, it should be understood the carrying value of the assets in other countries may not be representative of the amount that could be realized should the assets be sold.

When Crossworld relocated to Kansas City in 2009 and entered into its shared services arrangement with Avant, the move was accomplished by contributing to the construction costs of a headquarters office building on the Avant campus and entering into a 40 year prepaid lease from Avant. This strategy allowed Crossworld to move to a more appropriate facility without spending significant donor funds. Crossworld’s share of the construction costs are reflected as finance lease right-of-use asset included in property and equipment in the consolidated statements of financial position and are being amortized over the life of the lease. The lease agreement also requires the payment of Crossworld's share of the facility operating costs. The lease agreement is cancellable at any time by either party with a two year written notice.

5. ENDOWMENT ASSETS:

Many ministry organizations own the land and buildings where they are headquartered and these facilities are carried at their historical, depreciated cost which is often significantly less than current market value. Because Crossworld's headquarters are leased, it does not own land which can appreciate in value over time. Accordingly, Crossworld's Board of Directors has established the Crossworld Endowment Trust which holds long term funds contributed by several major donors and a portion of the proceeds generated by the sale of its former headquarters in Bala Cynwyd, Pennsylvania. The Endowment Trust has invested these funds in marketable securities and they will be used for major strategic purposes in the future.

Endowment assets consist of:

	August 31,	
	2025	2024
Endowment assets at:		
Fair value:		
Common stock	$ 2,654,671	$ 2,479,025
Bonds including accrued interest	1,462,461	1,392,014
Mutual funds	169,618	-
U.S. government securities	1,768	2,006
	4,288,518	3,873,045
Cost:		
Cash and cash equivalents	102,818	102,121
	$ 4,391,336	$ 3,975,166

Investment income on endowment assets consists of:

	Year Ended August 31,	
	2025	2024
Interest and dividends	$ 71,521	$ 66,297
Net realized and unrealized gains	524,661	607,302
Management fees	(43,850)	(38,056)
	$ 552,332	$ 635,543

6. RETIREMENT PLANS:

Crossworld sponsors a 403(b) retirement plan and contributes to the plan on behalf of all full-time employees beginning the month in which they leave for the field or are hired in a staff position. Crossworld contributes $200 per month for each full-time employee. Contributions to the 403(b) plan for the years ended August 31, 2025 and 2024, were $367,000 and $375,700, respectively.

7. SELF-FUNDED MEDICAL PLAN:

Crossworld provides a medical assistance program to its employees covering medical, hospital, dental, and optical costs, with certain limits. Crossworld management has established a reserve to fund these expenses. Although not legally obligated, Crossworld desires to continue providing this benefit; however, it retains the right to modify or cancel this program at any time. For both the years ended August 31, 2025 and 2024, approximately 115 employees were covered under the program, respectively. Included in accounts payable is $10,801 and $8,136 as of August 31, 2025 and 2024, respectively, for claims incurred prior to year end but not yet paid.

8. RELATED PARTY TRANSACTIONS:

Crossworld makes grants to certain unconsolidated, affiliated organizations (Note 2). These amounts are reported as program expense in the consolidated statements of activities. Grants totaling $173,315 and $553,634, respectively, were made to such organizations during the years ended August 31, 2025 and 2024. Additionally, payables to affiliated organizations included in accounts payable were $127,908 and $88,949 as of August 31, 2025 and 2024, respectively. Disbursements to affiliated organizations were $350,669 and $221,599 as of August 31, 2025 and 2024, respectively.

9. NET ASSETS:

Net assets consist of:

	August 31,	
	2025	2024
Net assets without donor restrictions:		
Undesignated	$ 2,330,979	$ 2,321,061
Board designated quasi-endowment funds	2,587,515	2,260,447
	4,918,494	4,581,508
Net assets with donor restriction:		
Missionary support and various projects	11,887,522	11,944,000
Term endowments	557,325	534,471
Accumulated endowment earnings, subject to appropriation	653,111	586,863
Endowment funds held in perpetuity	593,385	593,385
	13,691,343	13,658,719
	$ 18,609,837	$ 18,240,227

10. DISCLOSURE OF FAIR VALUE AND FAIR VALUE MEASUREMENTS:

The *Fair Value Measurements and Disclosure* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification 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. Crossworld uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, Crossworld 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.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at August 31, 2025 and 2024:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
August 31, 2025:				
Investments:				
Common stock	$ 2,525,465	$ 2,525,465	$ -	$ -
Growth mutual funds	305,583	305,583	-	-
Corporate bonds	4,304,123	-	4,304,123	-
Government bonds	4,906,013	-	4,906,013	-
U.S. government securities	50,256	-	50,256	-
	$ 12,091,440	$ 2,831,048	$ 9,260,392	$ -
Endowments Funds:				
Common stock	$ 2,654,671	$ 2,654,671	$ -	$ -
Growth mutual funds	169,618	169,618	-	-
Corporate bonds	488,527	-	488,527	-
Government bonds	973,934	-	973,934	-
U.S. government securities	1,768	-	1,768	-
	$ 4,288,518	$ 2,824,289	$ 1,464,229	$ -

10. DISCLOSURE OF FAIR VALUE AND FAIR VALUE MEASUREMENTS, continued:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
August 31, 2024:				
Investments:				
Common stock	$ 2,643,754	$ 2,643,754	$ -	$ -
Growth mutual funds	395,212	395,212	-	-
Corporate bonds	4,096,687	-	4,096,687	-
Government bonds	5,118,773	-	5,118,773	-
U.S. government securities	60,016	-	60,016	-
	$ 12,314,442	$ 3,038,966	$ 9,275,476	$ -
Endowments Funds:				
Common stock	$ 2,479,025	$ 2,479,025	$ -	$ -
Corporate bonds	427,554	-	427,554	-
Government bonds	964,460	-	964,460	-
U.S. government securities	2,006	-	2,006	-
	$ 3,873,045	$ 2,479,025	$ 1,394,020	$ -

Valuation techniques: Fair values for common stocks and mutual funds are based on quoted market prices in an active market. Fair values for corporate bonds, government bonds and U.S. government securities are based on yields currently available on comparable securities of issuers with similar credit ratings.

Changes in valuation techniques: None.

11. ENDOWMENT FUNDS:

Crossworld's endowments consist of funds in which the corpus is restricted by the donors in perpetuity and funds designated by the Board to function as endowments. As required by accounting standards generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including funds designated by the board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Crossworld's management has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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, Crossworld classifies as net assets with donor restrictions (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 of the donor-restricted endowment fund that is not classified in net assets restricted in perpetuity is classified as net assets restricted by purpose or time until those amounts are appropriated for expenditure by Crossworld in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, Crossworld 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 Crossworld 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 Crossworld
7. The investment policies of Crossworld

11. ENDOWMENT FUNDS, continued:

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

	Without Donor Restrictions	Accumulated Gains (Losses) and Other	Original Gift Amount	Total Funds
Donor-restricted endowment funds	$ -	$ 1,210,436	$ 593,385	$ 1,803,821
Board designated quasi-endowment funds	2,587,515	-	-	2,587,515
	$ 2,587,515	$ 1,210,436	$ 593,385	$ 4,391,336

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

	Without Donor Restrictions	Accumulated Gains (Losses) and Other	Original Gift Amount	Total Funds
Endowment net assets beginning of year	$ 2,260,447	$ 1,121,334	$ 593,385	$ 3,975,166
Investment return, net	324,020	228,312	-	552,332
Amounts designated by board	3,048	-	-	3,048
Amounts appropriated for expenditure	-	(139,210)	-	(139,210)
	327,068	89,102	-	416,170
Endowment net assets end of year	$ 2,587,515	$ 1,210,436	$ 593,385	$ 4,391,336

CROSSWORLD AND AFFILIATES

Notes to Consolidated Financial Statements

August 31, 2025 and 2024

11. ENDOWMENT FUNDS, continued:

Endowment net asset composition by type of fund as of August 31, 2024:

	Without Donor Restrictions	Accumulated Gains (Losses) and Other	Original Gift Amount	Total Funds
Donor-restricted endowment funds	$ -	$ 1,121,334	$ 593,385	$ 1,714,719
Board designated quasi-endowment funds	2,260,447	-	-	2,260,447
	$ 2,260,447	$ 1,121,334	$ 593,385	$ 3,975,166

Changes in endowment net assets for the year ended August 31, 2024:

	Without Donor Restrictions	Accumulated Gains (Losses) and Other	Original Gift Amount	Total Funds
Endowment net assets beginning of year	$ 1,893,501	$ 883,470	$ 593,385	$ 3,370,356
Investment return, net	366,946	268,597	-	635,543
Amounts designated by board	-	-	-	-
Amounts appropriated for expenditure	-	(30,733)	-	(30,733)
	366,946	237,864	-	604,810
Endowment net assets end of year	$ 2,260,447	$ 1,121,334	$ 593,385	$ 3,975,166

11. ENDOWMENT FUNDS, 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 UPMIFA requires Crossworld to retain as a fund of perpetual duration. In accordance with GAAP, there were no funds with deficiencies as of August 31, 2025 and 2024.

Return Objectives and Risk Parameters:
Crossworld 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 Crossworld must hold in perpetuity or for a donor-specified period(s).

Strategies Employed for Achieving Objectives:
To satisfy its long-term rate-of-return objectives, Crossworld 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).

Spending Policy and How the Investment Objectives Relate to Spending Policy:
The sole purpose of Crossworld's endowments are to help support various missionaries at Crossworld. Any investment income earned on the endowments will be used for the intended purposes by the donor to fund missionary support accounts.

12. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects Crossworld's financial assets as of August 31, 2025 and 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions or because the governing board has set aside the funds for specific contingency reserves and projects within one year of the consolidated statements of financial position date. These board designations could be drawn upon if the board approves that action.

	August 31, 2025	August 31, 2024
Total assets at year end	$ 19,382,882	$ 19,183,270
Less non-financial assets:		
Prepaid expense	(8,693)	(28,162)
Property and equipment–net	(1,776,388)	(1,697,966)
	17,597,801	17,457,142
Less those unavailable for general expenditure within one year, due to:		
Term and perpetual endowments and accumulated earnings subject to appropriation beyond one year	(1,664,611)	(1,683,986)
Investments in board designated endowments	(2,587,515)	(2,260,447)
Financial assets available to meet cash needs for general expenditures within one year	$ 13,345,675	$ 13,512,709

As part of Crossworld's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Crossworld has $13,691,000 in net assets with donor restrictions for missionary and project support which is considered available to meet needs for general expenditures within one year.

13. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through January 30, 2026, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.