

MULTIPLICATION NETWORK MINISTRIES

Financial Statements
With Independent Auditor's Report

December 31, 2025 and 2024



MULTIPLICATION NETWORK MINISTRIES

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	7
Notes to Financial Statements	8

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Multiplication Network Ministries
Sauk Village, Illinois

Opinion

We have audited the accompanying financial statements of Multiplication Network Ministries (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, 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 Multiplication Network Ministries as of December 31, 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 Multiplication Network 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 these 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 Multiplication Network Ministries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Multiplication Network Ministries
Sauk Village, Illinois

Auditor's 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 Multiplication Network 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 Multiplication Network 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.

Capin Crouse LLC

Naperville, Illinois
April 15, 2026

MULTIPLICATION NETWORK MINISTRIES

Statements of Financial Position

	December 31,	
	2025	2024
ASSETS:		
Cash and cash equivalents	\$ 1,680,710	\$ 2,222,271
Investments	849,119	1,093,676
Leasehold improvements, net	110,414	-
Operating lease right-of-use assets	46,494	73,678
	<u>2,686,737</u>	<u>3,389,625</u>
Total Assets	<u>\$ 2,686,737</u>	<u>\$ 3,389,625</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 162,190	\$ 42,818
Accrued expenses	94,334	98,057
Operating lease liabilities	46,510	73,700
Total liabilities	<u>303,034</u>	<u>214,575</u>
Net assets:		
Without donor restrictions	2,383,703	3,132,651
With donor restrictions	-	42,399
Total net assets	<u>2,383,703</u>	<u>3,175,050</u>
Total Liabilities and Net Assets	<u>\$ 2,686,737</u>	<u>\$ 3,389,625</u>

See notes to financial statements

MULTIPLICATION NETWORK MINISTRIES

Statements of Activities

	Years Ended December 31,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 2,770,219	\$ 2,213,447	\$ 4,983,666	\$ 3,353,875	\$ 1,978,393	\$ 5,332,268
Grant income	691,779	458,224	1,150,003	404,622	512,154	916,776
Investment income	79,255	-	79,255	126,952	-	126,952
Total Support and Revenue	3,541,253	2,671,671	6,212,924	3,885,449	2,490,547	6,375,996
RECLASSIFICATIONS:						
Net assets released:						
Satisfaction of purpose restrictions	2,714,070	(2,714,070)	-	2,865,519	(2,865,519)	-
EXPENSES:						
Program Services:						
Asia	1,124,118	-	1,124,118	1,008,123	-	1,008,123
Latin America	1,490,419	-	1,490,419	1,447,879	-	1,447,879
Africa	890,438	-	890,438	997,304	-	997,304
Spain/Europe	324,131	-	324,131	298,424	-	298,424
Eurasia	394,270	-	394,270	376,110	-	376,110
Caribbean & US Hispanics	749,287	-	749,287	590,090	-	590,090
Center for Innovation and Technology	313,029	-	313,029	292,602	-	292,602
Total program services	5,285,691	-	5,285,691	5,010,532	-	5,010,532
General and administration	335,784	-	335,784	389,399	-	389,399
Fundraising	1,382,796	-	1,382,796	1,399,261	-	1,399,261
Total Expenses	7,004,271	-	7,004,271	6,799,192	-	6,799,192
Change in Net Assets	(748,948)	(42,399)	(791,347)	(48,224)	(374,972)	(423,196)
Net Assets, Beginning of Year	3,132,651	42,399	3,175,050	3,180,875	417,371	3,598,246
Net Assets, End of Year	\$ 2,383,703	\$ -	\$ 2,383,703	\$ 3,132,651	\$ 42,399	\$ 3,175,050

See notes to financial statements

MULTIPLICATION NETWORK MINISTRIES

Statement of Functional Expenses

Year Ended December 31, 2025

	Program Services							Supporting Activities					
	Asia	Latin America	Africa	Spain / Europe	Eurasia	Caribbean & US Hispanics	Center for Innovation and Technology	Ministry Support	Total Ministry	General and Administration	Fundraising	Total Supporting	Total
Grants	\$ 777,916	\$ 955,921	\$ 697,470	\$ 119,430	\$ 178,821	\$ 387,655	\$ -	\$ -	\$ 3,117,213	\$ -	\$ -	\$ -	\$3,117,213
Salaries	-	98,636	-	-	-	-	88,997	845,481	1,033,114	169,210	890,298	1,059,508	2,092,622
Employee benefits	-	29,558	-	-	-	-	7,317	237,370	274,245	63,395	242,300	305,695	579,940
Travel, meals & lodging	7,702	69,439	22	399	11,126	204	17,141	230,682	336,715	8,016	156,951	164,967	501,682
Contracted service	7,680	17,250	4,375	-	-	-	125,452	29,146	183,903	2,651	52,325	54,976	238,879
Conferences	-	-	-	16	-	-	58	146,330	146,404	1,479	1,377	2,856	149,260
Banking fees	-	-	-	-	-	-	-	-	-	20,057	-	20,057	20,057
Printing & training material	-	66,931	-	-	-	-	-	10,835	77,766	-	-	-	77,766
Technology	689	1,136	-	-	-	-	1,718	25,837	29,380	4,141	2,045	6,186	35,566
Legal & professional	-	-	-	-	-	-	-	-	-	26,645	-	26,645	26,645
Office/rent expenses	-	-	-	-	-	-	-	24,456	24,456	-	-	-	24,456
Software licenses & fees	120	120	-	-	-	-	40,843	8,908	49,991	6,016	12,496	18,512	68,503
Office supplies	11	-	-	-	37	-	74	10,974	11,096	3,636	16,836	20,472	31,568
Insurance	-	-	-	-	-	-	-	-	-	5,065	-	5,065	5,065
Subscriptions & dues	-	-	-	-	-	-	-	1,408	1,408	4,442	8,168	12,610	14,018
Amortization	-	-	-	-	-	-	-	-	-	21,031	-	21,031	21,031
Allocated costs	330,000	251,428	188,571	204,286	204,286	361,428	31,429	(1,571,427)	-	-	-	-	-
Total	\$ 1,124,118	\$ 1,490,419	\$ 890,438	\$ 324,131	\$ 394,270	\$ 749,287	\$ 313,029	\$ -	\$ 5,285,691	\$ 335,784	\$ 1,382,796	\$ 1,718,580	\$7,004,271

See notes to financial statements

MULTIPLICATION NETWORK MINISTRIES

Statement of Functional Expenses

Year Ended December 31, 2024

	Program Services							Supporting Activities					
	Asia	Latin America	Africa	Spain / Europe	Eurasia	Caribbean & US Hispanics	Center for Innovation and Technology	Ministry Support	Total Ministry	General and Administration	Fundraising	Total Supporting	Total
Grants	\$ 946,107	\$ 882,327	\$ 639,962	\$ 102,904	\$ 176,809	\$ 259,210	\$ 30,068	\$ -	\$ 3,037,387	\$ -	\$ -	\$ -	\$ 3,037,387
Salaries	-	82,282	-	-	-	-	87,929	738,694	908,905	221,480	816,163	1,037,643	1,946,548
Employee benefits	-	32,504	-	-	-	-	7,372	223,785	263,661	78,443	221,554	299,997	563,658
Travel, meals & lodging	230	4,171	3,950	-	3,781	-	25,470	346,261	383,863	26,468	234,932	261,400	645,263
Contracted service	8,306	-	15,846	-	-	-	74,772	35,223	134,147	2,496	77,478	79,974	214,121
Promotional	-	-	-	-	-	-	-	-	-	-	186	186	186
Conferences	8,072	-	-	-	-	-	2,180	100,002	110,254	718	2,083	2,801	113,055
Banking fees	-	-	-	-	-	-	-	-	-	19,878	-	19,878	19,878
Printing & training material	-	55,556	-	-	-	-	-	11,487	67,043	-	-	-	67,043
Technology	-	-	21,586	-	-	-	5,924	1,633	29,143	2,615	2,898	5,513	34,656
Legal & professional	-	-	-	-	-	-	-	-	-	17,150	-	17,150	17,150
Office/rent expenses	-	-	-	-	-	-	3,784	7,936	11,720	-	-	-	11,720
Software licenses & fees	-	-	120	-	-	-	24,972	14,880	39,972	8,501	9,655	18,156	58,128
Office supplies	288	-	-	-	-	-	51	21,441	21,780	3,609	22,702	26,311	48,091
Insurance	-	-	-	-	-	-	-	-	-	4,693	-	4,693	4,693
Subscriptions & dues	-	-	-	-	-	-	-	2,657	2,657	3,348	11,610	14,958	17,615
Allocated costs	45,120	391,039	315,840	195,520	195,520	330,880	30,080	(1,503,999)	-	-	-	-	-
Total	\$ 1,008,123	\$ 1,447,879	\$ 997,304	\$ 298,424	\$ 376,110	\$ 590,090	\$ 292,602	\$ -	\$ 5,010,532	\$ 389,399	\$ 1,399,261	\$ 1,788,660	\$ 6,799,192

See notes to financial statements

MULTIPLICATION NETWORK MINISTRIES

Statements of Cash Flows

	Year Ended December 31,	
	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (791,347)	\$ (423,196)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Amortization	21,031	-
Net realized/unrealized gain on investments	(49,306)	(2,312)
Cash in excess of lease expense	(6)	22
Changes in:		
Accounts payable	119,372	(167,270)
Accrued expenses	(3,723)	898
Net Cash Used in Operating Activities	<u>(703,979)</u>	<u>(591,858)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	-	(1,142,571)
Sale of investments	293,863	1,095,985
Purchase of leasehold improvements	(131,445)	-
Net Cash Provided by (Used in) Investing Activities	<u>162,418</u>	<u>(46,586)</u>
Net Change in Cash and Cash Equivalents	(541,561)	(638,444)
Cash and Cash Equivalents, Beginning of Year	<u>2,222,271</u>	<u>2,860,715</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,680,710</u>	<u>\$ 2,222,271</u>
SUPPLEMENTAL DISCLOSURE:		
Right-of-use assets obtained in exchange for operating lease obligations	<u>\$ -</u>	<u>\$ 83,748</u>

See notes to financial statements

MULTIPLICATION NETWORK MINISTRIES

Notes to Financial Statements

December 31, 2025 and 2024

1. NATURE OF ORGANIZATION:

Multiplication Network Ministries (MNM) is a religious organization incorporated in the State of Illinois within the meaning of Section 501(c)(3) of the Internal Revenue Code (the Code). It is exempt from federal and state income taxes and contributions by the public are deductible for income tax purposes. MNM is not a private foundation under section 509(a)(1) of the Code.

MNM seeks to equip indigenous church leaders with the tools and resources to strengthen and multiply healthy churches. The efforts set out to accomplish this mission are by training leaders through developing a network of national mentors who will be able to train church planters and provide reproducible materials that can be downloaded and used freely across the world. MNM is supported primarily through donor contributions and grants.

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared using 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 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 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 amortization of leasehold improvements, fair value of investments and allocation of expenses on a functional basis.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, checking, money market accounts, and certificates of deposit with original maturities of less than three months. At December 31, 2025 and 2024, MNM's cash balances exceeded federally insured limits by \$1,030,772, and \$1,005,116, respectively. There was no restricted cash held for long-term purposes as of December 31, 2025 or 2024.

INVESTMENTS

Investments in corporate bonds with readily determinable fair values are recorded at fair value with gains and losses, interest and dividends, net of investment fees reported in the statements of activities as investment return. Investment return is recorded without donor restrictions unless a donor or law restricts their use. For the years ended December 31, 2025 and 2024, investment return totaled \$79,255 and \$126,952, respectively.

MULTIPLICATION NETWORK MINISTRIES

Notes to Financial Statements

December 31, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

LEASEHOLD IMPROVEMENTS AND AMORTIZATION

Items capitalized as leasehold improvements are recorded at cost or, if donated, at fair market value on the date of the gift. Purchases and donations of assets in excess of \$5,000 are capitalized if the expected useful life exceeds one year. Repairs and maintenance are expensed as incurred. Amortization of leasehold improvements is computed on the straight-line method over the remaining lease term of the office space.

The carrying values of leasehold improvements 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 December 31, 2025 or 2024.

RIGHT OF USE ASSETS AND LEASE LIABILITIES

MNM leases office and storage space through operating lease arrangements as further described in Note 7. Right to use leased assets and the related liabilities are recognized at the lease commencement date and represent MNM's right to use an underlying asset and lease obligations for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. MNM includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The weighted-average discount rate is based on the discount rate implicit in the lease. MNM has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. MNM has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis. MNM elected the practical expedient to not separate lease and non-lease components.

CLASSES OF NET ASSETS

Net assets are classified in the financial statements as follows:

Net assets without donor restriction are those currently available for use in MNM's operations.

Net assets with donor restriction are those stipulated by donors for specific ministry purposes or for time restrictions.

MULTIPLICATION NETWORK MINISTRIES

Notes to Financial Statements

December 31, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE

Contributions and grants are reported as income when made, which may be when cash is received, unconditional promises are made, notification of a beneficial interest is received or when ownership of donated assets is transferred. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions. All contributions and grants are considered available for use without donor restrictions, unless specifically restricted by the donor or subject to legal restrictions. Amounts recorded that are restricted for future periods or restricted by the donor for specific purposes are reported as with donor restriction support that increases that net asset class. When a donor-imposed restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and change in net assets as net assets released from restrictions. Investment income is recognized in the period earned.

FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are recorded when incurred. The 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 salaries and benefits, which are allocated on estimates of time and effort, and rent expense, which is allocated on a square footage basis. MNM incurred no advertising or joint costs for the years ended December 31, 2025 and 2024.

3. LEASEHOLD IMPROVEMENTS, NET:

Leasehold improvements, net consists of:

	December 31,	
	2025	2024
Leasehold improvements	\$ 131,445	\$ -
Less accumulated amortization	(21,031)	-
	<u>\$ 110,414</u>	<u>\$ -</u>

4. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are available for the following ministry purposes:

	December 31,	
	2025	2024
China–church planters	\$ -	\$ 30,310
Pastor missions trips	-	12,089
	<u>\$ -</u>	<u>\$ 42,399</u>

MULTIPLICATION NETWORK MINISTRIES

Notes to Financial Statements

December 31, 2025 and 2024

5. FAIR VALUE MEASUREMENTS:

MNM has adopted the provisions of the *Fair Value Measurements and Disclosure* topic of the FASB Accounting Standards Codification. These standards define fair value, establish a framework for measuring fair value and enhance disclosures about fair value measurements. Fair value is defined under the standards as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market between market participants on the measurement date. The fair values of investments are based on the framework established in the standards which establishes a three-level hierarchy for determining fair value. The valuations for each of these levels are determined as follows:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The table below presents the level within the fair value hierarchy at which investments were measured as of December 31, 2025 and 2024, respectively:

	Total	December 31, 2025		
		Level 1	Level 2	Level 3
Corporate bonds	\$ 849,119	\$ -	\$ 849,119	\$ -
	<u>\$ 849,119</u>	<u>\$ -</u>	<u>\$ 849,119</u>	<u>\$ -</u>
		December 31, 2024		
	Total	Level 1	Level 2	Level 3
Corporate bonds	\$ 1,093,676	\$ -	\$ 1,093,676	\$ -
	<u>\$ 1,093,676</u>	<u>\$ -</u>	<u>\$ 1,093,676</u>	<u>\$ -</u>

The following methods and assumptions were used by MNM to estimate the fair value of each class of financial instruments as of December 31, 2025 and 2024:

Investments - The fair value for corporate bonds are determined using Level 2 inputs based upon yields using credit ratings, risk premiums, coupon rates, or other various inputs.

MULTIPLICATION NETWORK MINISTRIES

Notes to Financial Statements

December 31, 2025 and 2024

6. JOINT MINISTRY AGREEMENT:

Beginning in September 2019, MNM's operations in Latin America are conducted in part under the terms of a joint ministry agreement between MNM and The Bible League Canada (BLC). The agreement was for a period of one year, but can be renewed annually. The agreement was renewed for an additional year upon expiration. While there is representation on each board, MNM and BLC have independent boards and are primarily affiliated through the joint ministry agreement. Accordingly, only the financial position and activity of MNM has been included in these financial statements. As part of the joint ministry agreement, BLC provided contributions totaling \$458,224 and \$512,154 (in U.S. dollars) to MNM during the years ended December 31, 2025 and 2024, respectively. MNM's expenses related to this joint ministry agreement totaled \$1,442,984 and \$1,292,483 during the years ended December 31, 2025 and 2024, respectively. The following table reports the financial activity related to this joint ministry agreement:

	Years Ended December 31,	
	2025	2024
Support and revenue:		
MNM support	\$ 984,760	\$ 780,329
BLC support	458,224	512,154
	<u>\$ 1,442,984</u>	<u>\$ 1,292,483</u>
Expenses:		
Compensation and benefits	\$ 128,194	\$ 170,370
Grants	1,287,286	1,117,943
Travel	27,504	4,170
	<u>\$ 1,442,984</u>	<u>\$ 1,292,483</u>

MULTIPLICATION NETWORK MINISTRIES

Notes to Financial Statements

December 31, 2025 and 2024

7. OPERATING LEASE - RIGHT OF USE ASSETS AND OBLIGATIONS:

MNM leases office and storage space under two noncancelable operating leases expiring at various points in 2027. The leases require monthly payments of \$419 and \$2,019.

	Years Ended December 31,	
	2025	2024
Operating lease right-of-use-assets	\$ 46,494	\$ 73,678
Operating lease liabilities	\$ 46,510	\$ 73,700
Operating lease costs	\$ 29,349	\$ 13,197
Weighted-average discount rate	3.53%	3.53%
Weighted-average remaining lease term	1.66 years	2.66 years

Future minimum lease payments required under operating leases that have an initial or remaining non-cancellable lease term in excess of one year are as follows:

<u>Year Ending December 31,</u>	<u>Operating leases</u>
2026	\$ 29,364
2027	18,599
	<u>47,963</u>
Less imputed interest	<u>(1,453)</u>
	<u><u>\$ 46,510</u></u>

8. RETIREMENT BENEFITS PLAN:

MNM participates in a SIMPLE IRA plan offered to all regular, full-time employees working 40 or more hours a week. Employees make voluntary contributions, and MNM contributes a percentage of annual compensation for each participating employee. MNM contributed \$82,263 and \$41,742 in 2025 and 2024, respectively.

9. CONCENTRATIONS:

During the years ended December 31, 2025 and 2024, all grant income was provided from BLC and made up approximately 19% and 14%, respectively, of all revenue.

MULTIPLICATION NETWORK MINISTRIES

Notes to Financial Statements

December 31, 2025 and 2024

10. RELATED PARTY TRANSACTIONS:

A board member of MNM is also a board member of BLC. BLC provided grants to MNM totaling \$1,150,003 and \$916,776 during the years ended December 31, 2025 and 2024, respectively, of which \$458,224, and \$512,154, respectively, were related to the joint ministry agreement disclosed in Note 6. MNM also provided contributions to BLC restricted toward China ministry totaling \$400,015 and \$760,060 during the years ended December 31, 2025 and 2024, respectively.

11. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following table reflects MNM's financial assets as of the statements of financial position date, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or because of contractual or donor-imposed restrictions.

	December 31,	
	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 1,680,710	\$ 2,222,271
Investments	849,119	1,093,676
Financial assets, at year-end	<u>2,529,829</u>	<u>3,315,947</u>
Less those unavailable for general expenditures within one year, due to:		
Donor restricted funds (see Note 3)	<u>-</u>	<u>(42,399)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,529,829</u>	<u>\$ 3,273,548</u>

MNM structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of MNM's liquidity management, it has established guidelines for making decisions related to managing short term cash reserves in a prudent manner. Management has internally set 3-6 months of operating expenses as a reasonable cash reserve on an ongoing basis.

12. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through April 15, 2026, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.