

# **The Friends of Israel Gospel Ministry, Inc.**

**Financial Statements with Supplementary Information  
December 31, 2025  
With Independent Auditors' Report**

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**  
**December 31, 2025**

**Contents**

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	<b><u>Page(s)</u></b>
Independent Auditors' Report	1 - 3
Financial Statements:	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7 - 8
Notes to the Financial Statements	9 – 23
Supplementary Information:	
Comparative Statements of Financial Position – U.S. Operations	24
Comparative Statements of Activities – U.S. Operations	25
Comparative Statements of Functional Expense – U.S. Operations	26 - 27
Comparative Statements of Cash Flows – U.S. Operations	28
Schedule of Revenues and Expenses – Matching Basis (Unaudited)	29

## Independent Auditors' Report

To the Board of Directors  
The Friends of Israel Gospel Ministry, Inc. and Affiliates  
Westville, New Jersey

### Opinion

We have audited the accompanying financial statements of The Friends of Israel Gospel Ministry, Inc. (a nonprofit organization) (the Organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 the Organization as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's 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 auditors' 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, including omissions, 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.

**Independent Auditors' Report  
(Continued)**

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 the Organization's 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 the Organization's ability to continue as a going concern for a reasonable period of time.

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

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, as listed in the table of contents, which is the responsibility of management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information, except for the portion marked "unaudited", was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Independent Auditors' Report  
(Continued)**

**Report on Supplementary Information (Continued)**

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the statement of position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended (none of which is presented herein), and we expressed an unmodified opinion on those financial statements. That audit was conducted for purposes of forming an opinion on the financial statements as a whole. The 2024 information in the supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for the portion marked "unaudited", was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2024 information in the supplementary information, as listed in the table of contents, is fairly stated in all material respects in relation to the financial statements from which it has been derived.

*Barnes, Dennig & Co., Ltd.*

April 16, 2026  
Indianapolis, Indiana

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Statement of Financial Position  
December 31, 2025**

**Assets**

Cash	\$ 1,282,816
Contributions receivable	95,256
Inventory	345,469
Prepaid expenses	323,849
Investments	1,269,826
Assets held under split-interest agreements	6,477,238
Right-of-use assets - operating leases	24,790
Property and equipment, net	<u>10,570,350</u>
 Total assets	 <u><u>\$ 20,389,594</u></u>

**Liabilities and Net Assets**

**Liabilities**

Accounts payable and accrued expenses	\$ 943,167
Deferred revenue	367,678
Lease liabilities - operating leases	24,790
Notes payable	3,816,602
Liabilities under charitable gift annuities	2,758,518
Liabilities under charitable remainder trusts	<u>157,948</u>
 Total liabilities	 <u><u>8,068,703</u></u>

**Net assets**

Net assets without donor restrictions	
Undesignated	3,987,775
Board designated for debt retirement	<u>219,100</u>
	4,206,875
 Net assets with donor restrictions	 <u>8,114,016</u>
 Total net assets	 <u><u>12,320,891</u></u>
 Total liabilities and net assets	 <u><u>\$ 20,389,594</u></u>

See accompanying notes to financial statements

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Statement of Activities  
Year Ended December 31, 2025**

	Without Donor Restrictions	With Donor Restrictions			Total
		Restrictions	Designations	Total	
<b>Revenues</b>					
Ministry contributions	\$ 4,782,939	\$ -	\$ 4,402,297	\$ 4,402,297	\$ 9,185,236
Field ministry contributions	4,662,500	-	-	-	4,662,500
Legacies	1,068,610	-	-	-	1,068,610
Ministry, publications, audio, and video	660,881	-	-	-	660,881
Change of value of split-interest agreements	618,140	49,655	-	49,655	667,795
Investment return, net	107,999	-	-	-	107,999
Other items	55,509	-	-	-	55,509
Net assets released from restrictions	3,907,120	(327,858)	(3,579,262)	(3,907,120)	-
<b>Total revenues</b>	<b>15,863,698</b>	<b>(278,203)</b>	<b>823,035</b>	<b>544,832</b>	<b>16,408,530</b>
<b>Expenses</b>					
Program	12,485,396	-	-	-	12,485,396
Management and general	2,813,215	-	-	-	2,813,215
Fundraising	1,254,130	-	-	-	1,254,130
<b>Total expenses</b>	<b>16,552,741</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,552,741</b>
<b>Change in net assets</b>	<b>(689,043)</b>	<b>(278,203)</b>	<b>823,035</b>	<b>544,832</b>	<b>(144,211)</b>
<b>Net assets, beginning of year</b>	<b>6,259,946</b>	<b>1,778,977</b>	<b>6,018,944</b>	<b>7,797,921</b>	<b>14,057,867</b>
<b>Deconsolidation of affiliate (Note 14)</b>	<b>(1,364,028)</b>	<b>(228,737)</b>	<b>-</b>	<b>(228,737)</b>	<b>(1,592,765)</b>
<b>Net assets, end of year</b>	<b>\$ 4,206,875</b>	<b>\$ 1,272,037</b>	<b>\$ 6,841,979</b>	<b>\$ 8,114,016</b>	<b>\$ 12,320,891</b>

See accompanying notes to financial statements

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Statement of Functional Expense  
Year Ended December 31, 2025**

	Media Ministries	North American Ministries	International Ministries	Relief Ministries Ministries	Total Program	Management and General	Fundraising	Total
Salaries	\$ 1,477,038	\$ 1,599,328	\$ 1,858,772	\$ -	\$ 4,935,138	\$ 902,914	\$ 451,950	\$ 6,290,002
Ministry expenditures	276,578	214,401	645,036	1,325,899	2,461,914	2,582	516	2,465,012
Cost of goods sold	1,394,129	1,200	106,088	-	1,501,417	-	-	1,501,417
Other staff benefits	384,553	306,025	101,762	-	792,340	267,815	104,281	1,164,436
Travel	6,670	559,764	76,105	2,779	645,318	67,031	183,434	895,783
Pension	147,503	147,428	185,944	-	480,875	75,475	42,589	598,939
Information technology	31,367	43,388	14,436	-	89,191	338,551	15,363	443,105
Professional fees	73,329	25,516	51,251	-	150,096	150,233	115,978	416,307
Postage and mailings	252,935	50,276	12,416	34	315,661	47,419	8,239	371,319
Payroll taxes	102,529	67,301	86,635	-	256,465	59,054	30,408	345,927
Advertising	24,294	69,334	1,543	-	95,171	6,764	193,009	294,944
Occupancy	89,791	22,248	35,299	-	147,338	112,634	15,718	275,690
Office supplies and services	31,150	73,481	4,493	-	109,124	74,126	13,199	196,449
Interest	-	-	-	-	-	177,343	-	177,343
Insurance	72,831	10,349	14,849	-	98,029	39,296	13,361	150,686
Bank fees	-	-	-	-	-	139,227	-	139,227
Conference, conventions, meetings	942	52,926	790	-	54,658	10,206	-	64,864
Current exchange rate adjustments	-	-	53,467	-	53,467	-	-	53,467
Training	1,206	2,957	-	-	4,163	9,379	2,800	16,342
Miscellaneous	-	-	-	-	-	-	2,164	2,164
	<u>4,366,845</u>	<u>3,245,922</u>	<u>3,248,886</u>	<u>1,328,712</u>	<u>12,190,365</u>	<u>2,480,049</u>	<u>1,193,009</u>	<u>15,863,423</u>
Depreciation	<u>47,342</u>	<u>179,763</u>	<u>67,926</u>	<u>-</u>	<u>295,031</u>	<u>333,166</u>	<u>61,121</u>	<u>689,318</u>
Total expenses	<u>\$ 4,414,187</u>	<u>\$ 3,425,685</u>	<u>\$ 3,316,812</u>	<u>\$ 1,328,712</u>	<u>\$ 12,485,396</u>	<u>\$ 2,813,215</u>	<u>\$ 1,254,130</u>	<u>\$ 16,552,741</u>

See accompanying notes to financial statements

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Statement of Cash Flows  
Year Ended December 31, 2025**

<b>Cash flows from operating activities</b>	
Change in net assets	\$ (144,211)
Adjustments to reconcile changes in net assets to net cash provided by operating activities	
Depreciation	689,318
Net realized and unrealized gains on investments	(107,999)
Change in value of split-interest agreements	(667,795)
Loss on disposal of fixed asset	25,786
Changes in:	
Contributions receivable	252,191
Inventory	(4,693)
Prepaid expenses	185,165
Accounts payable and accrued expenses	(216,299)
Deferred revenue	62,394
Deferred compensation	-
Other liabilities	9,263
	<u>83,120</u>
Net cash provided by operating activities	<u>83,120</u>
<b>Cash flows from investing activities</b>	
Purchase of property and equipment	(64,970)
Proceeds from sales of investments	2,579,028
Purchase of investments	<u>(2,234,655)</u>
	<u>279,403</u>
Net cash provided by investing activities	<u>279,403</u>
<b>Cash flows from financing activities</b>	
Payment of notes payable	(345,282)
Payment on annuities payable	(438,562)
Face value of new annuities	162,284
New annuities, contribution value to donor	(72,378)
Cash transferred out at deconsolidation	<u>(97,518)</u>
	<u>(791,456)</u>
Net cash used in financing activities	<u>(791,456)</u>
<b>Net change in cash and cash equivalents</b>	(428,933)
<b>Cash, beginning of year</b>	<u>1,711,749</u>
<b>Cash, end of year</b>	<u>\$ 1,282,816</u>
<b>Supplemental disclosure of cash flow information</b>	
Cash paid for interest	<u>\$ 177,343</u>

(Continued)

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Statement of Cash Flows (Continued)**  
**Year Ended December 31, 2025**

**Supplemental disclosure of noncash transactions**

Transfer out of affiliate	
Investments	\$ 1,450,668
Other non cash assets	382,149
Liabilities	(337,570)
Net assets	(1,592,765)

See accompanying notes to financial statements

# THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.

## Notes to Financial Statements

### NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Activities*

The Friends of Israel Gospel Ministry, Inc. (the Organization) is a faith ministry founded in 1938 and organized as a not-for-profit religious corporation. It is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The mission at The Friends of Israel Gospel Ministry, Inc. is focused – we are a worldwide evangelical ministry proclaiming biblical truth about Israel and the Messiah, while bringing physical and spiritual comfort to the Jewish people. Support and revenues are derived primarily from contributions from the general public and sales of ministry publications.

The Friends of Israel Gospel Ministry, Inc. has a commitment to its ministries around the world. Affiliate entities are as follows: FOI – Canada, Christian Foundation of FOI Argentina, FOIGM Ltd. By Guarantee (Australia), TFOIGM New Zealand Trust, FOIGM UK Ltd. By Guarantee (United Kingdom), FOIGM Germany, and FOIGM France. As affiliates, certain board members and employees of The Friends of Israel Gospel Ministry, Inc. sit on affiliates' boards. Per the joint ministries agreements between The Friends of Israel Gospel Ministry, Inc. and the affiliates, support may be collected on behalf of the other entity and exchanged on a monthly basis throughout the year.

FOI – Canada previously met the requirements under U.S. GAAP to be consolidated in these financial statements. Effective January 1, 2025, due to changes in the joint ministries agreement, there is no longer economic interest between the two entities, and as such, the net assets of FOI – Canada were derecognized on these financial statements. All other affiliates mentioned above do not meet the consolidation requirements under U.S. GAAP.

#### *Financial Statement Presentation*

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

#### *Fair Value Measurements*

GAAP has a three-level hierarchy for fair value measurements based on transparency of valuation inputs as of the measurement date. The hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows: Level 1 inputs are unadjusted quoted prices for identical assets in active markets; Level 2 inputs are observable quoted prices for similar assets in active markets; Level 3 inputs are unobservable and reflect management's best estimate of what market participants would use as fair value.

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Cash***

The Organization maintains its cash in bank deposit accounts, which, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk.

***Contribution Receivables***

Contribution receivables are stated at the amount management expects to collect from outstanding balances. Management believes all receivable balances are collectible; therefore, no provision for uncollectible accounts has been made. All receivables are expected to be collected within one year.

***Inventory***

Inventory is stated at the lower of cost or net realizable value and consists of various literature, media, and other items held for sale and distribution. Cost is determined using the average cost basis.

***Investments and Investment Return***

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Certificates of deposit are recorded at original investment plus accrued interest. Investment return includes dividends, interest and realized and unrealized gains and losses on investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets with donor restrictions and then released from restrictions. Other investment return is reflected in the statements of activities as net assets with donor restriction or net assets without donor restriction based upon the existence and nature of any donor or legally imposed restrictions.

***Property and Equipment***

Property and equipment are recorded at cost or, if donated or impaired, at fair value at the time of the gift or determination. The Organization capitalizes assets with a cost basis or fair value for donated assets of \$5,000 or greater, and expenditures for repairs and maintenance are expensed as incurred. Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Buildings	40 years
Building and land improvements	20 years
Furniture, fixtures, equipment, and vehicles	5 to 10 years

In accordance with GAAP, the Organization assesses the recoverability of the carrying amount of property and equipment if certain events or changes occur, such as a significant decrease in market value of the assets or a significant change in operating conditions. Based on its most recent analysis, the Organization believes no impairments existed at December 31, 2025.

# THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.

## Notes to Financial Statements (Continued)

### NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Leases*

The Organization leases office equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and lease liabilities on the statements of financial position.

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. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Operating lease ROU assets also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization accounts for lease and non-lease components as a single lease component. There may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. These variable lease payments, which are primarily comprised of fees for amount of usage of the assets, are recognized in operating expenses in the period in which the obligation for those payments was incurred.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if they have obtained substantially all of the rights to the underlying asset through exclusivity, if they can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment. The Organization has elected to apply the short-term lease exemption to any lease agreements lasting less than 12 months.

#### *Annuities Payable*

The Organization has established a gift annuity plan whereby donors may contribute assets in exchange for the right to receive a fixed dollar annual return during their lifetimes. A portion of the gift annuity is considered to be a charitable contribution at the date of the gift. The difference between the amount provided for the gift annuity and the liability for future payments, determined on an actuarial basis, is recognized as a contribution at the date of the gift. The annuity liability is revalued annually using a discount rate established at the inception of the agreement and appropriate actuarial assumptions. Actuarial assumptions used in calculating the annuity obligation are those provided from Internal Revenue Service guidelines. The resulting actuarial gain or loss is recorded as change in change of value of split-interest agreements in the statement of activities.

The Organization is required to maintain legally-mandated reserves and follow investment guidelines for the State of New Jersey. At December 31, 2025, management believes the Organization was in compliance with each of these requirements.

# THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.

## Notes to Financial Statements (Continued)

### NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***Charitable Remainder Trusts***

The Organization is named as beneficiary of various charitable remainder unitrusts and acts as the trustee. The agreements provide for the payment of lifetime distributions to the grantor or other designated beneficiaries. Upon receipt of these agreements, the actuarially determined present value of future payments is recorded as a liability. The remaining portion of the trust attributable to the Organization's future interest is recorded in the statement of activities as contributions with donor restriction in the period received. On an annual basis, the present value of the remaining future liability is revalued based upon actuarial assumptions. Assets held in the charitable remainder trusts are recorded at fair value in the Organization's financial statements.

#### ***Contributions***

The Organization records gifts of cash and other assets at their fair value as of the date of contribution. Such donations are recorded as support without restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as with donor restriction and then released from restriction.

Unconditional promises to give expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized and reported as contribution revenue.

Legacies are recorded as income and receivable at the time the Organization has an established right to the legacy and the proceeds are measurable.

The Organization recognizes gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization recognizes expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

#### ***Contract Liabilities***

Contract liabilities consist of payments received in advance for subscriptions to Israel My Glory and are recognized as deferred revenue in the financial statements.

#### ***Revenue Recognition***

The Organization identifies a contract with a customer for revenue recognition when there is approval and commitment from both parties, the rights of the parties and payment terms are identified, the contract has commercial substance, and the collectability of consideration is probable. The Organization evaluates each contract to determine the number of distinct performance obligations in the contract, which requires the use of judgment. To determine proper revenue recognition method, the Organization evaluates whether two or more contracts should be combined and accounted for as a single or more than one performance obligation.

# THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.

## Notes to Financial Statements (Continued)

### NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Revenue Recognition (Continued)*

Revenue from customers is primarily recognized from the sale of products and subscriptions to Israel My Glory publication. These revenues typically have contract terms equal to one year or less, except for Israel My Glory subscriptions which can be purchased for longer terms. The Organization recognizes revenue from these contracts both at a point in time and over time.

#### Product Sales

Contracts for the sale of products consist of a distinct performance obligation for each item ordered by the customer. The nature of the Organization's business gives rise to variable consideration, including discounts and product returns. Any discounts within the contract are allocated to all performance obligations unless there is evidence that the discount relates to a specific performance obligation in the contract. For product sales with a right of return, amounts are estimated based upon prior experience and assessment to ensure that it is probable that a significant reversal of cumulative revenue recognized will not occur.

Revenue is recognized when control of the product is transferred to the customer, which is primarily the point in time the customer physically receives the product. The payment terms and conditions in customer contracts is at point of purchase.

The Organization charges shipping costs for online purchases of products. Shipping contracts consist of a distinct performance obligation for each shipment. Revenue is recognized at the point in time when the shipment is made.

#### Publication Revenue

Contracts for subscriptions consist of a single performance obligation comprised of a series of distinct services transferring to the customer in the same pattern. The nature of the Organization's business gives rise to variable consideration in the form of discounts that are applied to its performance obligation at contract inception. The Organization recognizes revenue from subscriptions during the year in which the respective issue of the Israel My Glory is delivered to the customer. The performance obligation is met over time as each publication is made available to the customer during the year, consequently the Organization recognizes revenue ratably over the course year as each issue is published. The sale of books, literature, and other items are recognized at a point in time when the ordered product is shipped to the customer.

#### *Income Taxes*

The Organization is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of New Jersey law. However, the organization is subject to federal income tax on any unrelated business taxable income.

As a religious organization, the Organization is not required to file annual federal or state information returns. The Organization believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the financial statements.

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Functional Allocation of Expenses***

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses have been classified based upon the actual direct expenditures and cost allocations. Expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries, payroll taxes, pension, other staff benefits, and insurance, which are allocated on the basis of estimates of time and effort.

***Shipping and Handling Costs***

Shipping and handling costs of \$430,197 for the year ended December 31, 2025 are included in cost of goods sold in the statements of functional expense.

***Advertising Expense***

The Organization uses advertising to promote its programs among the audience it serves. The costs of advertising are expensed as incurred. Advertising expense was \$294,944 for the year ended December 31, 2025.

***Debt issuance costs***

Debt issuance costs are amortized over the term of the loan using the straight-line method. GAAP requires that the effective yield method be used to amortize financing costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective yield method.

***Use of Estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the financial statements and accompanying notes. Actual results could differ from those estimates.

***Subsequent Event Evaluation***

In preparing its financial statements, the Organization has evaluated events subsequent to the statement of financial position date through April 16, 2026, which is the date the financial statements were available to be issued.

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 2 LIQUIDITY AND AVAILABILITY**

The Organization's total financial assets available within one year of the statement of financial position date for general expenditures are as follows as of December 31, 2025.

Cash	\$ 1,282,816
Investments	1,269,826
Contributions receivable	95,256
Assets held under split-interest agreements	<u>6,477,238</u>
 Total financial assets	 9,125,136
 Less amounts not available to be used within one year for general expenditures:	
Net assets - designated by board	
Debt retirement	(219,100)
Net assets with donor restrictions purpose restrictions	<u>(8,114,016)</u>
 Net financial assets available	 <u><u>\$ 792,020</u></u>

The Organization receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. In addition, the Organization receives support without donor restrictions; such support has historically represented approximately 60% of annual funding needs, with the remainder funded by product sales, investment income without donor restrictions, appropriated interest earnings from gifts with donor restrictions, and legacy gifts.

The Organization considers income from product sales, investment income without donor restrictions, appropriated earnings from donor-restricted gifts, legacy gifts, and board-designated funds, contributions with or without donor restrictions for use in current and integral programs to be available to meet cash needs for general expenditures. General expenditures refer to management, general, and fundraising expenses.

The Organization manages its available cash to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term gift annuity commitments and obligations under support received with donor restrictions and board designated funds that support mission fulfillment will continue to be met, ensuring the sustainability of the Organization.

The Board reviews and approves the operating budget for the succeeding year every fall. Due to this timing, the Organization strives to maintain financial assets available, governed by the Organization's financial and investment policies, to meet general expenditures at a level that represents 100% of program, administrative, general, and fundraising annual expenses.

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 3 INVESTMENTS**

Investments at fair value at December 31, 2025 consisted of the following:

Fixed income	\$ 279,080
Common stock	165,317
Equity US mutual funds	84,832
International funds	148,916
Certificates of deposit - long term	108,440
Money market funds	<u>483,241</u>
	<u><u>\$ 1,269,826</u></u>

Management of the Organization believes that the Organization is in full compliance with the New Jersey Uniform Prudent Management of Institutional Funds Act and the three areas of fiduciary responsibility attributed to the Organization and its Board in the handling of invested funds. The Organization has acted in a deliberate and prudent manner in the selection of its investment advisor and avoids conflicts of interest between the Organization, Board, and investment advisor. The Organization maintains written policies and procedures setting forth appropriate investment policy. Finally, there are regular reviews and reporting of the performance of the invested funds reflecting comparison to accepted performance standards.

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 4 FAIR VALUE MEASUREMENTS**

The following table summarizes assets measured at fair value on a recurring basis at December 31, 2025:

	Total	Level 1	Level 2	Not subject to fair value measurements
<b>Investments</b>				
Fixed income	\$ 279,080	\$ 279,080	\$ -	\$ -
Common stock	165,317	165,317	-	-
Equity US mutual funds	84,832	84,832	-	-
International funds	148,916	73,338	75,578	-
Certificates of deposit - long term	108,440	108,440	-	-
Money market funds	483,241	483,241	-	-
	<u>1,269,826</u>	<u>1,194,248</u>	<u>75,578</u>	<u>-</u>
Total investments	<u>\$ 1,269,826</u>	<u>\$ 1,194,248</u>	<u>\$ 75,578</u>	<u>\$ -</u>
<b>Assets held under split interest agreements</b>				
<b>Revocable</b>				
Equity US mutual funds	\$ 26,603	\$ 26,603	\$ -	\$ -
<b>Irrevocable</b>				
Fixed income	74,449	74,449	-	-
Equity US mutual funds	353,097	353,097	-	-
International mutual funds	113,845	113,845	-	-
Money market funds	8,539	8,539	-	-
	<u>549,930</u>	<u>549,930</u>	<u>-</u>	<u>-</u>
<b>Annuities</b>				
Fixed income	1,302,654	1,302,654	-	-
Long-term bonds	131,089	-	131,089	-
Short-term bonds	-	-	-	-
Common stock	1,675,497	1,675,497	-	-
Equity US mutual funds	653,282	653,282	-	-
International funds	960,386	960,386	-	-
State of Israel bonds	257,089	-	257,089	-
Money market funds	86,206	86,206	-	-
Hedge funds	834,502	-	-	834,502
	<u>5,900,705</u>	<u>4,678,025</u>	<u>388,178</u>	<u>834,502</u>
Total assets under split interest agreements	<u>\$ 6,477,238</u>	<u>\$ 5,254,558</u>	<u>\$ 388,178</u>	<u>\$ 834,502</u>

There were no valuations using level 3 inputs.

***Investments in Certain Entities that Calculate Net Asset Value per Share***

Alternative investments are investments in investment funds and other pooled investment vehicles. The investment pools in turn invest in various equity and debt securities and other vehicles to generate an investment return. The value of these investment pools is reported by the Organization based on information provided by the investment management.

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

***Investments in Certain Entities that Calculate Net Asset Value per Share (Continued)***

Values may be based on readily available public market data as well as estimates that require varying degrees of judgment. Generally, the value reflects net contributions to the investee and an ownership share of realized and unrealized investment income and expenses. The financial statements of the investees are audited annually by independent auditors as of December 31 with the most recent being as of December 31, 2025. Valuations for these investment pools provided by the investment managers are evaluated by the Organization, and management believes such values are reasonable for years ended December 31, 2025.

In accordance with ASU 2015-07, Fair Value Measurement: Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share, these investments are not required to be categorized using the fair value hierarchy. The following table lists alternative investments by major category:

	Fair Total	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private/non-traded real estate	\$ 224,965	None	Quarterly to Monthly	0-90 days
Private equity	233,669	None	Quarterly	60-95 days
Private credit	257,810	None	Quarterly	60-95 days
Diversified private markets	118,058	None	Quarterly	30-90 days

**NOTE 5 INVENTORY**

Inventory as of December 31, 2025 consisted of the following:

Books and publications	\$ 232,158
Media	51,932
Other items	<u>61,379</u>
	<u>\$ 345,469</u>

**NOTE 6 PROPERTY AND EQUIPMENT**

Property and equipment as of December 31, 2025 consisted of the following:

Land	\$ 629,330
Land improvements	3,377,748
Buildings	11,191,027
Furniture and fixtures	1,062,345
Equipment and vehicles	2,009,799
Construction in progress	<u>84,301</u>
	18,354,550
Accumulated depreciation	<u>(7,784,200)</u>
	<u>\$ 10,570,350</u>

## THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.

### Notes to Financial Statements (Continued)

#### NOTE 6 PROPERTY AND EQUIPMENT (CONTINUED)

Management has reviewed the assets held in other countries and, in its opinion, has determined that they are under the control and ownership of The Friends of Israel. While for this reason such items are recognized as assets of the Organization, it should be noted that the political situation in many countries is subject to rapid change. Therefore, the reader should be aware that while the Organization believes the assets are properly stated at the date of this report, subsequent changes could occur that would adversely affect the value of the assets in other countries. In addition, the carrying value of the assets in other countries may not be representative of the amount that would be realized should the assets be sold.

The following is a summary of foreign properties, included in the table below, and their carrying values as of December 31, 2025:

<u>Property Location</u>	<u>Type</u>	<u>Original cost</u>	<u>Accumulated Depreciation</u>	<u>Carrying value</u>
Argentina	Building	\$ 567,158	\$ (347,384)	\$ 219,774

#### NOTE 7 LEASES

The Organization leases office equipment from various vendors under non-cancelable lease agreements.

The components of lease expense during the year ended December 31, 2025 were as follows:

Operating lease expense	\$ 7,268
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Other information related to the leases was as follows:

Operating cash flows:

Operating leases	\$ 7,281
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Right-of-use assets obtained in exchange for lease liabilities:

Operating leases	\$ 19,669
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Weighted average remaining lease term:

Operating leases	4.58 years
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Weighted average discount rate:

Operating leases	1.73%
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**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 7 LEASES (CONTINUED)**

Future minimum payments under non-cancellable leases as of December 31, 2025 were as follows:

	2026	\$	6,276
	2027		6,276
	2028		5,136
	2029		3,996
	2030		3,730
	Thereafter		146
			25,560
			(770)
			24,790

**NOTE 8 NOTES PAYABLE**

Notes payable as of December 31, 2025 consisted of the following:

Promissory notes ranging from \$2,000 to \$100,000 with interest at 4.00% are secured by the net assets of the Organization. A board-designated debt retirement fund has been established toward the payment of the notes as they come due. The maximum authorized promissory note indebtedness is \$2,500,000. Interest is payable semiannually, quarterly, and monthly depending on the specific terms of each outstanding note. The notes are due according to the schedule below, but are payable on demand, in part, or in whole, upon 30 days' notice.

\$ 1,095,500

On May 25, 2022, the Organization entered into a construction loan in the amount of \$2,500,000. The loan bears interest at 3.25% on the outstanding balance. Monthly payments are required to be made until the May 25, 2033 maturity date.

1,931,284

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 8 NOTES PAYABLE (CONTINUED)**

On April 4, 2023, the Organization entered into a construction loan with Century Savings Bank. The Organization began making interest payments on May 4, 2023, and each month thereafter. On October 4, 2023 (conversion date from construction loan to permanent mortgage loan), the Organization converted to an amortizing loan with monthly payments due beginning November 4, 2023, and each month thereafter. The loan bears interest at 6.76% per annum with the total balance due in full on October 4, 2033.

	<u>814,258</u>
	3,841,042
Less unamortized debt issuance costs	<u>(24,440)</u>
	<u><u>\$ 3,816,602</u></u>

Scheduled maturities of principal on the notes payable are as follows:

Year ending December 31,	
2026	\$ 561,155
2027	604,084
2028	563,301
2029	626,099
2030	479,848
Thereafter	<u>1,006,555</u>
	<u><u>\$ 3,841,042</u></u>

Total interest expense for the year ended December 31, 2025 was \$177,343.

**NOTE 9 BOARD DESIGNATED NET ASSETS**

The governing board of the Organization has designated 20% of the proceeds from the issuance of promissory notes to be kept in escrow to be used for interest and debt repayment. The balance of the reserve is not to go below one year's interest obligation. The balance of the board-designated reserve for debt repayment was \$219,100 at December 31, 2025.

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were restricted for the following reasons as of December 31, 2025:

Designated for a specified purpose	
Relief fund	\$ 451,659
International ministry projects	5,373,235
Missionary support	511,293
Ministries for specific individuals	298,385
Israel awareness initiative	35,110
Jerusalem building project	59,805
Other	<u>112,492</u>
Subtotal designated	<u>6,841,979</u>
Restricted for a specified purpose	
Annuity reserves required by state law (10%)	275,852
Remainder trusts	418,585
International ministry projects	412,978
Argentina clinic	81,775
Missionary support	55,861
Jerusalem building project	<u>26,986</u>
Subtotal restricted	<u>1,272,037</u>
	<u><u>\$ 8,114,016</u></u>

The Organization reports net assets with donor restrictions as either designated or restricted for internal tracking purposes. All contributions with donor restrictions are treated as restricted under US GAAP.

**NOTE 11 REVENUE FROM CONTRACTS WITH CUSTOMERS**

Revenue from contracts with customers consists of the following for the year ended December 31, 2025:

Recognized over time	
Subscription revenue - Israel My Glory	<u>\$ 244,606</u>
Recognized at a point in time	
Books	\$ 257,431
Audio CDs and DVDs	34,293
Shipping	53,525
Other products	<u>71,026</u>
Subtotal	<u>416,275</u>
Total	<u><u>\$ 660,881</u></u>

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 11 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)**

The following table provides information about significant changes in deferred revenue for the year ended December 31, 2025.

Deferred revenue, beginning of year	\$ 305,284
Revenue recognized that was included in deferred revenue at the beginning of the year	(305,284)
Increase in deferred revenue due to cash received during the year	<u>367,678</u>
Deferred revenue, end of year	<u>\$ 367,678</u>

Deferred revenue at December 31, 2025 consisted of payments received in advance for subscriptions for Israel My Glory. There are no accounts receivable for contracts with customers at the beginning or end of the year.

**NOTE 12 RETIREMENT PLAN**

The Organization maintains a 401(k) retirement plan for eligible employees who work 1,000 hours or more during the year and have been with the Organization for more than one year. Participants in the plan vest over a six-year period. Each year, the Organization makes a discretionary contribution to the plan for each eligible employee, which is an amount equal to 10% of an employee's gross earnings for the years ending December 31, 2025. The employer contribution for the plan was \$481,436 during the year ended December 31, 2025. The amount of accrued retirement expense for the year is funded in annual contributions to the plan.

The Organization also funds individual retirement accounts for qualified foreign national workers who are not eligible to participate in the 401(k) plan. The employer contribution to the plan for the years ending December 31, 2025 was \$134,743. The amount of accrued retirement expense for the year is funded by the Organization in annual contributions to the accounts.

**NOTE 13 DECONSOLIDATION OF AFFILIATE**

Effective January 1, 2025, the Organization's relationship with FOI – Canada was restructured. As a result of the restructure, consolidation of FOI – Canada is no longer required to be consolidated under U.S. GAAP. No assets were exchanged as a result of the deconsolidation, and no gain or loss was recognized. No activity of FOI – Canada is recorded on the statement of activities, functional expense, or cash flows of the Organization for the year ended December 31, 2025.

**SUPPLEMENTARY INFORMATION**

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Comparative Statements of Financial Position – U.S. Operations  
Years Ended December 31, 2025 and 2024**

	2025	2024
<b>Assets</b>		
Cash	\$ 1,282,816	\$ 1,614,231
Contributions receivable	95,256	347,448
Inventory	345,469	340,776
Prepaid expenses	323,849	509,014
Investments	1,269,826	1,506,200
Assets held under split-interest agreements	6,477,238	5,769,798
Right-of-use assets - operating leases	24,790	12,095
Property and equipment, net	10,570,350	11,220,484
Total assets	\$ 20,389,594	\$ 21,320,046
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 943,167	\$ 1,159,466
Deferred revenue	367,678	305,284
Deferred compensation	-	-
Notes payable	3,816,602	4,161,884
Liabilities under charitable gift annuity	2,758,518	3,067,529
Lease liabilities - operating leases	24,790	12,096
Liabilities under charitable remainder trusts	157,948	148,685
Total liabilities	8,068,703	8,854,944
<b>Net assets</b>		
Net assets without donor restrictions		
Undesignated	3,987,775	4,672,618
Board designated for:		
Debt retirement	219,100	223,300
	4,206,875	4,895,918
Net assets with donor restrictions	8,114,016	7,569,184
Total net assets	12,320,891	12,465,102
Total liabilities and net assets	\$ 20,389,594	\$ 21,320,046

See Independent Auditors' Report

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Comparative Statements of Activity – U.S. Operations  
Year Ended December 31, 2025**

**With Summarized Financial Information for the Year Ended December 31, 2024**

	2025				2024	
	Without Donor Restrictions	With Donor Restrictions			Total	Summary Total
		Restrictions	Designations	Total		
<b>Revenues</b>						
Ministry contributions	\$ 4,782,939	\$ -	\$ 4,402,297	\$ 4,402,297	\$ 9,185,236	\$ 9,720,713
Field ministry contributions	4,662,500	-	-	-	4,662,500	5,514,815
Legacies	1,068,610	-	-	-	1,068,610	978,742
Ministry, publications, audio, and video	660,881	-	-	-	660,881	819,449
Change of value of split-interest agreements	618,140	49,655	-	49,655	667,795	257,173
Investment return, net	107,999	-	-	-	107,999	141,967
Other items	55,509	-	-	-	55,509	91,109
Net assets released from restrictions	3,907,120	(327,858)	(3,579,262)	(3,907,120)	-	-
<b>Total revenues</b>	<b>15,863,698</b>	<b>(278,203)</b>	<b>823,035</b>	<b>544,832</b>	<b>16,408,530</b>	<b>17,523,968</b>
<b>Expenses</b>						
Program	12,485,396	-	-	-	12,485,396	14,567,471
Management and general	2,813,215	-	-	-	2,813,215	2,881,728
Fundraising	1,254,130	-	-	-	1,254,130	1,296,024
<b>Total expenses</b>	<b>16,552,741</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,552,741</b>	<b>18,745,223</b>
<b>Change in net assets</b>	<b>(689,043)</b>	<b>(278,203)</b>	<b>823,035</b>	<b>544,832</b>	<b>(144,211)</b>	<b>(1,221,255)</b>
<b>Net assets, beginning of year</b>	<b>4,895,918</b>	<b>1,550,240</b>	<b>6,018,944</b>	<b>7,569,184</b>	<b>12,465,102</b>	<b>13,686,357</b>
<b>Net assets, end of year</b>	<b>\$ 4,206,875</b>	<b>\$ 1,272,037</b>	<b>\$ 6,841,979</b>	<b>\$ 8,114,016</b>	<b>\$ 12,320,891</b>	<b>\$ 12,465,102</b>

See Independent Auditors' Report

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Comparative Statements of Functional Expense – U.S. Operations  
Year Ended December 31, 2025**

	Media Ministries	North American Ministries	International Ministries	Relief Ministries Ministries	Total Program	Management and General	Fundraising	Total
Salaries	\$ 1,477,038	\$ 1,599,328	\$ 1,858,772	\$ -	\$ 4,935,138	\$ 902,914	\$ 451,950	\$ 6,290,002
Ministry expenditures	276,578	214,401	645,036	1,325,899	2,461,914	2,582	516	2,465,012
Cost of goods sold	1,394,129	1,200	106,088	-	1,501,417	-	-	1,501,417
Other staff benefits	384,553	306,025	101,762	-	792,340	267,815	104,281	1,164,436
Travel	6,670	559,764	76,105	2,779	645,318	67,031	183,434	895,783
Pension	147,503	147,428	185,944	-	480,875	75,475	42,589	598,939
Information technology	31,367	43,388	14,436	-	89,191	338,551	15,363	443,105
Professional fees	73,329	25,516	51,251	-	150,096	150,233	115,978	416,307
Postage and mailings	252,935	50,276	12,416	34	315,661	47,419	8,239	371,319
Payroll taxes	102,529	67,301	86,635	-	256,465	59,054	30,408	345,927
Advertising	24,294	69,334	1,543	-	95,171	6,764	193,009	294,944
Occupancy	89,791	22,248	35,299	-	147,338	112,634	15,718	275,690
Office supplies and services	31,150	73,481	4,493	-	109,124	74,126	13,199	196,449
Interest	-	-	-	-	-	177,343	-	177,343
Insurance	72,831	10,349	14,849	-	98,029	39,296	13,361	150,686
Bank fees	-	-	-	-	-	139,227	-	139,227
Conference, conventions, meetings	942	52,926	790	-	54,658	10,206	-	64,864
Current exchange rate adjustments	-	-	53,467	-	53,467	-	-	53,467
Training	1,206	2,957	-	-	4,163	9,379	2,800	16,342
Miscellaneous	-	-	-	-	-	-	2,164	2,164
	<u>4,366,845</u>	<u>3,245,922</u>	<u>3,248,886</u>	<u>1,328,712</u>	<u>12,190,365</u>	<u>2,480,049</u>	<u>1,193,009</u>	<u>15,863,423</u>
Depreciation	<u>47,342</u>	<u>179,763</u>	<u>67,926</u>	<u>-</u>	<u>295,031</u>	<u>333,166</u>	<u>61,121</u>	<u>689,318</u>
Total expenses	<u>\$ 4,414,187</u>	<u>\$ 3,425,685</u>	<u>\$ 3,316,812</u>	<u>\$ 1,328,712</u>	<u>\$ 12,485,396</u>	<u>\$ 2,813,215</u>	<u>\$ 1,254,130</u>	<u>\$ 16,552,741</u>

See Independent Auditors' Report

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Comparative Statements of Functional Expense – U.S. Operations  
Year Ended December 31, 2024**

	Media Ministries	North American Ministries	International Ministries	Relief Ministries Ministries	Total Program	Management and General	Fundraising	Total
Salaries	\$ 1,411,231	\$ 1,760,024	\$ 1,919,866	\$ -	\$ 5,091,121	\$ 801,887	\$ 445,026	\$ 6,338,034
Ministry expenditures	260,708	165,265	1,081,618	3,020,848	4,528,439	11,250	5,049	4,544,738
Cost of goods sold	1,375,729	-	64,731	-	1,440,460	-	-	1,440,460
Other staff benefits	331,846	305,044	91,466	-	728,356	233,857	99,719	1,061,932
Travel	30,151	420,236	109,774	22,059	582,220	195,015	171,824	949,059
Pension	136,983	165,361	188,026	-	490,370	90,083	43,758	624,211
Information technology	20,134	38,928	13,326	-	72,388	316,268	14,574	403,230
Professional fees	105,251	16,773	46,937	-	168,961	156,503	107,657	433,121
Postage and mailings	260,545	48,219	12,984	-	321,748	51,691	16,088	389,527
Payroll taxes	99,340	68,478	80,781	-	248,599	51,847	31,330	331,776
Advertising	36,696	70,600	3,000	146	110,442	6,800	239,742	356,984
Occupancy	99,323	24,765	28,301	-	152,389	121,920	20,377	294,686
Office supplies and services	39,034	86,470	10,943	116	136,563	95,731	14,746	247,040
Bank fees	-	-	-	-	-	139,574	-	139,574
Interest	-	-	-	-	-	196,481	-	196,481
Insurance	79,767	14,489	15,905	-	110,161	40,013	14,441	164,615
Conference, conventions, meetings	415	52,507	6,840	-	59,762	18,899	2,408	81,069
Current exchange rate adjustments	-	-	16,617	-	16,617	-	-	16,617
Training	664	3,638	1,559	-	5,861	9,628	5,230	20,719
Miscellaneous	250	-	-	-	250	-	2,175	2,425
	<u>4,288,067</u>	<u>3,240,797</u>	<u>3,692,674</u>	<u>3,043,169</u>	<u>14,264,707</u>	<u>2,537,447</u>	<u>1,234,144</u>	<u>18,036,298</u>
Depreciation	<u>61,420</u>	<u>172,698</u>	<u>68,646</u>	<u>-</u>	<u>302,764</u>	<u>344,281</u>	<u>61,880</u>	<u>708,925</u>
Total expenses	<u>\$ 4,349,487</u>	<u>\$ 3,413,495</u>	<u>\$ 3,761,320</u>	<u>\$ 3,043,169</u>	<u>\$ 14,567,471</u>	<u>\$ 2,881,728</u>	<u>\$ 1,296,024</u>	<u>\$ 18,745,223</u>

See Independent Auditors' Report

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Comparative Statements of Cash Flows – U.S. Operations  
Years Ended December 31, 2025 and 2024**

	2025	2024
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (144,211)	\$ (1,221,255)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	689,318	708,925
Net realized and unrealized gains on investments	(107,999)	(141,967)
Change in value of split-interest agreements	(667,795)	(321,767)
Loss on disposal of fixed asset	25,786	-
Changes in:		
Contributions receivable	252,191	(29,519)
Inventory	(4,693)	3,107
Prepaid expenses	185,165	(136,427)
Accounts payable and accrued expenses	(216,299)	87,997
Deferred revenue	62,394	(22,818)
Deferred compensation	-	(122,743)
Other liabilities	9,263	(2,411)
	<u>83,120</u>	<u>(1,198,878)</u>
<b>Net cash provided by (used in) operating activities</b>		
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(64,970)	(393,808)
Proceeds from sales of investments	2,579,028	6,158,757
Purchase of investments	(2,234,655)	(4,308,500)
	<u>279,403</u>	<u>1,456,449</u>
<b>Net cash provided by investing activities</b>		
<b>Cash flows from financing activities</b>		
Payment of notes payable	(345,282)	(404,248)
Payment on annuities payable	(438,562)	(485,119)
Face value of new annuities	162,284	167,099
New annuities, contribution value to donor	(72,378)	(68,920)
Cash transferred out at deconsolidation	(97,518)	-
	<u>(791,456)</u>	<u>(791,188)</u>
<b>Net cash used in financing activities</b>		
<b>Net change in cash and cash equivalents</b>	(428,933)	(533,617)
<b>Cash, beginning of year</b>	<u>1,711,749</u>	<u>2,147,848</u>
<b>Cash, end of year</b>	<u>\$ 1,282,816</u>	<u>\$ 1,614,231</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid for interest	<u>\$ 177,343</u>	<u>\$ 196,481</u>

See Independent Auditors' Report

**THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.**

**Schedule of Revenues and Expenses for US Operations – Matching Basis  
Year Ended December 31, 2025  
With Summarized Financial Information for the Year Ended December 31, 2024  
(Unaudited)**

	2025			2024	
	Program	Management and General	Fundraising	Total	Total
<b>Revenues</b>					
Ministry contributions	\$ 1,302,660	\$ -	\$ 7,882,576	\$ 9,185,236	\$ 9,345,412
Field ministry contributions	4,662,500	-	-	4,662,500	5,514,815
Legacies	-	-	1,068,610	1,068,610	978,742
Ministry, publications, audio, and video	660,881	-	-	660,881	1,194,750
Change of value of split-interest agreements	-	-	667,795	667,795	257,173
Investment return	-	107,999	-	107,999	141,967
Other items	65,051	-	-	55,509	91,109
Contributions designated for future years expenditures	(4,451,951)	-	-	(4,451,951)	(6,249,889)
Current year contributions designated for current year	3,925,535	-	-	3,925,535	6,145,346
	<u>6,164,676</u>	<u>107,999</u>	<u>9,618,981</u>	<u>15,882,114</u>	<u>17,419,425</u>
<b>Expenses</b>	<u>12,485,396</u>	<u>2,813,215</u>	<u>1,254,130</u>	<u>16,552,741</u>	<u>18,745,223</u>
<b>Change in net assets - matching</b>	(6,320,720)	(2,705,216)	8,364,851	(670,627)	(1,325,798)
Contributions designated for future years expenditures	4,451,951	-	-	4,451,951	6,249,889
Current year contributions designated for current year	(3,925,535)	-	-	(3,925,535)	(6,145,346)
<b>Change in net assets</b>				(144,211)	(1,221,255)
<b>Net assets, beginning of year</b>				<u>12,465,102</u>	<u>13,686,357</u>
<b>Net assets, end of year</b>				<u>\$ 12,320,891</u>	<u>\$ 12,465,102</u>

**NOTE 1 BASIS OF ACCOUNTING**

The Schedule of Revenues and Expenses for US Operations – Matching Basis is prepared on an accounting basis other than GAAP. Under this basis, revenues are recognized when the corresponding costs are incurred.

See Independent Auditors' Report