FECHTER & COMPANY
Certified Public Accountants

AGAPE INTERNATIONAL MISSIONS

CONSOLIDATED FINANCIAL STATEMENTS

With
Independent Auditor's Report Thereon

DECEMBER 31, 2025 AND 2024

AGAPE INTERNATIONAL MISSIONS
FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

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FECHTER & COMPANY
Certified Public Accountants

Craig R. Fechter, CPA, MST
(1976 - 2022)

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Agape International Missions
Roseville, California

Opinion

We have audited the accompanying consolidated financial statements of Agape International Missions (a nonprofit organization), which comprise the consolidated statements of financial position as of December 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 above present fairly, in all material respects, the consolidated financial position of Agape International Missions and affiliates as of December 31, 2025 and 2024, and the results of its activities and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Agape International Missions Cambodian Operating Unit whose statements reflect total assets of $5,232,327 and $4,858,138 as of December 31, 2025 and 2024, respectively, and total revenues of $6,743,181 and $5,307,671, respectively, for the years then ended. Those statements were audited by Allnison Auditing and Consulting Co., Ltd., whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Agape International Missions Cambodian Operating Unit, is based solely on the report of Allnison Auditing and Consulting Co., Ltd.

We did not audit the financial statements of Agape International Missions Belize whose statements reflect total assets of $360,034 and $246,865 as of December 31, 2025 and 2024 respectively, and total revenues of $607,353 and $481,574, for the years then ended. Those statements were audited by Giacomo Sanchez, Chartered Accountant, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Agape International Missions Belize, is based solely on the report of Giacomo Sanchez, Chartered Accountant.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Agape International Missions 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.

3445 American River Drive, Suite A | Sacramento, California 95864
phone 916-333-5360 | fax 916-333-5370 | www.fechtercpa.com

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the 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 GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of the consolidated financial statements.

In performing an audit in accordance with GAAS, 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 Agape International Missions' 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 Agape International Missions' ability to continue as a going concern for a reasonable period of time.

Board of Directors
Agape International Missions
Roseville, California

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.

Fechter & Company
Certified Public Accountants



Sacramento, California
October 12, 2026

AGAPE INTERNATIONAL MISSIONS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
Assets		
Current:		
Cash and cash equivalents	$ 5,629,548	$ 5,668,296
Program cost advances	133,464	82,743
Accounts receivable	17,869	47,724
Inventory	358,363	301,316
Prepaid expenses	330,307	688,537
Total current assets	6,469,551	6,788,616
Cash restricted for endowment	640,209	500,000
Right-to-use assets - leased buildings, net	369,065	231,647
Property and equipment, net	5,210,092	5,266,704
Total Assets	$ 12,688,917	$ 12,786,967
Liabilities and Net Assets		
Current:		
Accounts payable	$ 54,611	$ 70,114
Accrued expenses	796,725	563,780
Deferred revenue	1,359	35,051
Lease liabilities - short term	163,495	241,697
Total current liabilities	1,016,190	910,642
Lease liabilities, net of short term	220,830	1,569
Total Liabilities	1,237,020	912,211
Net Assets:		
Net assets with donor restrictions	1,791,550	1,900,902
Net assets without donor restrictions	9,661,939	9,973,579
Accumulated translation adjustments	(1,592)	275
Total net assets without donor restrictions	9,660,347	9,973,854
Total Net Assets	11,451,897	11,874,756
Total Liabilities and Net Assets	$ 12,688,917	$ 12,786,967

The accompanying notes are an integral part of these financial statements.

AGAPE INTERNATIONAL MISSIONS
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED
DECEMBER 31, 2025

	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	Total
Revenues:			
Contributions	$ 9,061,428	$ 1,737,726	$ 10,799,154
Donated services and goods	12,540	-	12,540
Interest and other	188,666	23,311	211,977
Revenue subtotal	9,262,634	1,761,037	11,023,671
Product sales	588,733	-	588,733
Less cost of goods sold	(722,155)	-	(722,155)
Gross Profit	(133,422)	-	(133,422)
Total net assets released from restrictions	1,870,389	(1,870,389)	-
Total Revenues	10,999,601	(109,352)	10,890,249
Expenses:			
Program services	8,645,418	-	8,645,418
Supporting services:			
Management and general	750,267	-	750,267
Fund development	1,915,556	-	1,915,556
Total Supporting services	2,665,823	-	2,665,823
Total Expenses	11,311,241	-	11,311,241
Other comprehensive income:			
Gain on currency translation	(1,867)	-	(1,867)
Total other comprehensive income	(1,867)	-	(1,867)
Change in Net Assets	(313,507)	(109,352)	(422,859)
Net Assets - beginning of year	9,973,854	1,900,902	11,874,756
Net Assets - end of year	$ 9,660,347	$ 1,791,550	$ 11,451,897

The accompanying notes are an integral part of these financial statements.

AGAPE INTERNATIONAL MISSIONS
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED
DECEMBER 31, 2024

	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	Total
Revenues:			
Contributions	$ 9,806,915	$ 2,545,577	$ 12,352,492
Donated services and goods	12,540	-	12,540
Interest and other	253,278	-	253,278
Revenue subtotal	10,072,733	2,545,577	12,618,310
Product sales	478,350	-	478,350
Less cost of goods sold	(570,513)	-	(570,513)
Gross Profit	(92,163)	-	(92,163)
Total net assets released from restrictions	1,042,001	(1,042,001)	-
Total Revenues	11,022,571	1,503,576	12,526,147
Expenses:			
Program services	7,244,534	-	7,244,534
Supporting services:			
Management and general	759,998	-	759,998
Fund development	919,401	-	919,401
Total Supporting Services	1,679,399	-	1,679,399
Total Expenses	8,923,933	-	8,923,933
Other comprehensive income:			
Gain on currency translation	164	-	164
Total other comprehensive income	164	-	164
Change in Net Assets	2,098,802	1,503,576	3,602,378
Net Assets - beginning of year	7,875,052	397,326	8,272,378
Net Assets - end of year	$ 9,973,854	$ 1,900,902	$ 11,874,756

The accompanying notes are an integral part of these financial statements.

AGAPE INTERNATIONAL MISSIONS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED
DECEMBER 31, 2025

		Supporting Services		
	Program Services	Management and General	Fund Development	Total
Personnel	$ 5,592,463	$ 604,891	$ 813,966	$ 7,011,320
Advertising	4,615	1,137	1,529	7,281
Bank charges	78,203	21,409	28,843	128,455
Taxes and fees	43,111	3,810	5,127	52,048
Conference and meetings	27,541	5,217	6,391	39,149
Counseling	1,999	-	-	1,999
Depreciation	270,530	7,154	9,627	287,311
Donor and volunteer appreciation	17,583	5,936	7,988	31,507
Education supplies and tuition	147,556	-	-	147,556
Events and fundraising	60,958	20,577	925,496	1,007,031
Facility utilities	96,811	956	1,286	99,053
Food	396,643	-	-	396,643
Humanitarian aid and outreach	401,223	-	-	401,223
Information and technology	130,860	16,693	22,464	170,017
Insurance	55,013	6,567	8,837	70,417
Ministry supplies and books	167,004	3,583	4,822	175,409
Occupancy	184,945	8,315	11,189	204,449
Office expenses	86,760	2,454	3,304	92,518
Other program costs	106,045	-	-	106,045
Postage and shipping	16,924	2,684	3,612	23,220
Professional fees	265,307	11,818	24,654	301,779
Repairs and maintenance	53,063	776	1,044	54,883
Residence expenses	95,025	-	-	95,025
Telephone	3,374	996	1,340	5,710
Travel	173,760	25,294	34,037	233,091
Vehicle operations	107,215	-	-	107,215
Vocational training and reintegration	60,887	-	-	60,887
Total Expenses	$ 8,645,418	$ 750,267	$ 1,915,556	$ 11,311,241
Cost of goods sold	$ 722,155	$ -	$ -	$ 722,155

The accompanying notes are an integral part of these financial statements.

AGAPE INTERNATIONAL MISSIONS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED
DECEMBER 31, 2024

	Program Services	Supporting Services: Management and General	Supporting Services: Fund Development	Total
Personnel	$ 4,254,776	$ 609,475	$ 739,286	$ 5,603,537
Personnel - donated	140,625	-	-	140,625
Advertising	11,490	2,261	2,742	16,493
Bank charges	72,267	22,097	26,795	121,159
Taxes and fees	78,049	799	969	79,817
Conference and meetings	18,912	4,240	5,141	28,293
Counseling	5,384	-	-	5,384
Depreciation	260,995	9,514	11,537	282,046
Donor and volunteer appreciation	11,213	3,093	3,750	18,056
Education supplies and tuition	98,772	-	-	98,772
Events and fundraising	50,149	17,645	21,396	89,190
Facility utilities	88,106	1,900	2,304	92,310
Food	363,698	-	-	363,698
Humanitarian aid and outreach	342,000	740	897	343,637
Information and technology	116,209	19,754	23,954	159,917
Insurance	35,803	5,065	6,142	47,010
Ministry supplies and books	187,574	2,936	3,560	194,070
Occupancy	233,817	19,994	24,245	278,056
Office expenses	81,009	4,799	3,408	89,216
Other program costs	87,242	777	943	88,962
Postage and shipping	10,827	2,808	3,405	17,040
Professional fees	229,715	7,084	8,590	245,389
Repairs and maintenance	58,125	765	928	59,818
Residence expenses	82,077	-	-	82,077
Telephone	3,698	1,385	1,680	6,763
Travel	196,967	22,867	27,729	247,563
Vehicle operations	93,957	-	-	93,957
Vocational training and reintegration	31,078	-	-	31,078
Total Expenses	$ 7,244,534	$ 759,998	$ 919,401	$ 8,923,933
Cost of goods sold	$ 570,513	$ -	$ -	$ 570,513

The accompanying notes are an integral part of these financial statements.

AGAPE INTERNATIONAL MISSIONS
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows from Operating Activities:		
Change in net assets	$ (422,859)	$ 3,602,378
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	287,311	282,046
(Increase) Decrease in accounts receivable	29,855	(46,903)
(Increase) Decrease in program cost advances	(50,721)	(42,069)
(Increase) Decrease in inventory	(57,047)	(27,957)
(Increase) Decrease in prepaid expenses	357,901	(627,342)
Increase (Decrease) in accounts payable and accruals	(15,503)	33,230
Increase in accrued payroll	232,945	82,045
(Decrease) Increase in deferred revenue	(33,692)	(16,420)
Amortization of operating lease right-of-use assets	190,798	252,286
Principal payments on operating lease liabilities	(187,157)	(261,788)
Net Cash Provided by Operating Activities	331,831	3,229,506
Cash Flows from Investing Activities:		
Purchase of property and equipment	(230,699)	(411,488)
Net Cash Used in Investing Activities	(230,699)	(411,488)
Net Increase in Cash and Cash Equivalents	101,132	2,818,018
Cash and Cash Equivalents, Beginning of Year	6,168,296	3,350,278
Cash and Cash Equivalents, End of Year	$ 6,269,428	$ 6,168,296
Supplemental information:		
Unrestricted cash	$ 5,629,548	$ 5,668,296
Restricted cash	640,209	500,000
Total	$ 6,269,757	$ 6,168,296
Noncash items:		
Right-of-use-assets obtained in exchange for lease liabilities	$ 328,216	$ 197,186

The accompanying notes are an integral part of these financial statements.

NOTE 1. ORGANIZATION

Agape International Missions (AIM) is a non-profit organization founded in 1988 to provide humanitarian aid and assist churches in Cambodia. In 2005, AIM began to focus on fighting sex trafficking in Cambodia. AIM's programs prevent sex trafficking and work to rescue, restore, and equip survivors of this crime.

Prevention programs work to protect people who are vulnerable to sex trafficking and include an elementary and English school, a church, humanitarian aid, and education regarding the protection and value of children. Rescue is performed through a unique partnership agreement with the Cambodian National Police where AIM assists the police as they conduct investigations, perform raids, make arrests, and rescue victims of sex trafficking. AIM also provides legal representation for victims of sex trafficking. Through AIM's Restoration programs, victims of sex trafficking receive love, hope, healing, and tools for a brand-new life that will last a lifetime. Equipping programs provide survivors with marketable job skills and life skills to allow them to lead fulfilling lives and many survivors are employed in our training centers.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The accounting records are maintained, and the financial statements of AIM are prepared on the accrual basis of accounting (U.S. GAAP). Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, AIM classifies its net assets and changes in net assets as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions that may or will be met either by actions of AIM and/or the passage of time.

Principles of Consolidation – The accompanying consolidated financial statements include the accounts of Agape International Missions and its affiliated organizations, the Agape International Missions Belize, Agape International Missions (Hong Kong) Limited, as well as Agape International Missions Cambodia, operated by AIM US. All significant inter-organizational transactions and balances have been eliminated and consolidated. While Agape International Missions Cambodia is not a separate legal entity, it does maintain stand-alone financial statements that are audited independently in Cambodia.

In 2022, the Board of Directors of AIM formed the Agape International Missions Belize for the purpose of expanding program operations to Belize. AIM is allowed to appoint the majority of the Agape International Missions Belize's Board of Directors, and AIM provides substantially all of the funding for the program operations of Agape International Missions Belize. Accordingly, the accounts of the Agape International Missions Belize have been consolidated herein, as required by generally accepted accounting principles.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Principles of Consolidation (continued) – In 2022, the Board of Directors of AIM formed the Agape International Missions (Hong Kong) Limited for the purpose of expanding fundraising activities to Hong Kong. AIM holds the majority of Agape International Missions (Hong Kong) Limited's voting rights, and substantially all of the funds raised by Agape International Missions (Hong Kong) Limited are transferred to AIM. Accordingly, the accounts of the Agape International Missions (Hong Kong) Limited have been consolidated herein, as required by generally accepted accounting principles.

Functional Expenses – The costs of providing various programs and activities have been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Certain general costs have been allocated among programs and supporting services, based on personnel and usage.

Property and Equipment – Property and equipment are recorded at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from 2 to 39 years. AIM follows the policy of capitalizing, at cost, all expenditures for property and equipment greater than $1,000.

Foreign Currency Transactions – Assets and liabilities of AIM are translated at year-end exchange rates; support and revenue and expenses are translated at the average exchange rates during the year. All amounts are translated to US dollars for the financial statement presentation.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

Program Costs Advanced – Costs advanced are funds that have been transferred from the Foreign Trade Bank of Cambodia to the individual ministry programs involved. They represent budgeted amounts received by the programs designated for use in the near future.

Fair Value Measurements – AIM accounts for financial instruments in accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification 820, "Fair Value Measurements and Disclosures" ("ASC 820"). ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Financial instruments with carrying values that approximate fair values include cash, program cost advances, receivables, prepaids, accounts payables, and accrued liabilities. There are no financial instruments valued using Level 2 or Level 3 measurements in the financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Valuation of Long-Lived Assets – AIM reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by the comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Cash and Cash Equivalents – For the purpose of the Statements of Cash Flows, AIM considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of three months or less at the time of purchase.

Inventory – Inventory is stated at the lower of cost or market. Cost is determined using the first-in, first-out method.

Donated Services and Goods – AIM receives specialized services from volunteers who contribute time to the activities of AIM. Donated services are recorded for individuals that provide AIM with specialized skills that AIM would need to hire for these positions if not provided by donation. The salaries of these are estimated based on the current market rates of individuals with these specialized skills that would be available to fill the positions in Cambodia. Because many of these positions are not available in Cambodia's market, the estimate uses the current rate of expatriate missionaries as this would be the market where AIM would recruit to fill these positions.

Additionally, AIM receives some skilled, contributed time that does not meet the two recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

Certain operating facilities are provided in the United States and Cambodia by donors at no cost to AIM. Fair market value rent has been accounted for as contributions and occupancy expense. Noncash donations for supplies including household items, prizes, food, and beverages have been recorded as in-kind donations and are recorded at fair market value at the date of donation. During the year ended December 31, 2025, AIM received $12,540 of facility rent. During the year ended December 31, 2024, AIM received $140,625 of services and $12,540 of facility rent.

Contributions – AIM receives donations and grants from corporations, foundations, charitable organizations, and individuals. Due to the large amount of donations at year end, AIM records receipts as of December based on the December postmark on donors' envelopes since it represents an unconditional promise to give at year-end. Donor-restricted support is reported as an increase in net assets with donor restrictions if the restriction is not met by the end of the year. When the restriction expires (that is when the time restriction ends or the purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Product Sales – AIM offers consumer products through online and physical stores. Revenue is recognized when control of the goods is transferred to the customer, which generally occurs upon AIM's delivery to a third-party carrier or when the customer has taken physical control of the product when no shipment is required. All sales are final. Advance payments are periodically received in advance of the product shipment and are included in deferred revenue.

Allowance for Doubtful Accounts – AIM records accounts receivable net of an allowance for doubtful accounts which is estimated based on management's evaluation of the financial condition of their customers. There was no allowance for doubtful accounts as of December 31, 2025 and 2024.

Cost of Goods Sold – Cost of goods sold includes direct costs associated with producing the products as well as related shipping costs.

Fundraising Events – AIM complies with the Not-for-Profit Topic of the Codification, which requires that revenue and expenses from fundraising events be reported gross; therefore, fund development expenses are not offset directly against related revenues. There was no income for special event ticket sales in 2025 and 2024.

Advertising – The cost of advertising is charged to expense as incurred.

Leases – AIM leases space under non-cancellable operating leases with various expiration dates. Operating lease right-of-use assets and operating lease liabilities are recognized at the present value of the future lease payments, generally for the base noncancellable lease term, at the lease commencement date for each lease. The interest rate used to determine the present value of the future lease payments is a risk-free interest rate on the date of implementation obtained from U.S. Bond Treasury. Operating lease right-of-use assets also include any prepaid lease payments. AIM's lease agreements generally contain lease and non-lease components. AIM records the amortization of the right-of-use asset and the accretion of lease liability as a component of rent expense in the Statements of Functional Expenses.

NOTE 3. CONCENTRATION OF CREDIT RISK

AIM maintains cash balances with high credit quality financial institutions in the United States of America, Cambodia, Hong Kong, and Belize. Accounts in the United States are insured by the Federal Deposit Insurance Corporation for amounts up to $250,000.

The following cash balances were uninsured as of December 31, 2025:

	United States of America	Cambodia	Hong Kong	Belize	Total
Cash and cash equivalents	$ 5,432,373	$ 660,259	$ 82,215	$ 94,910	$ 6,269,757
Insured portion of cash balance	3,838,220	-	-	-	3,838,220
Uninsured cash balance	$ 1,594,153	$ 660,259	$ 82,215	$ 94,910	$ 2,431,537

NOTE 3. CONCENTRATION OF CREDIT RISK (continued)

The following cash balances were uninsured as of December 31, 2024:

	United States of America	Cambodia	Hong Kong	Belize	Total
Cash and cash equivalents	$ 5,586,940	$ 325,285	$ 208,267	$ 47,804	$ 6,168,296
Insured portion of cash balance	1,297,055	-	-	-	1,297,055
Uninsured cash balance	$ 4,289,885	$ 325,285	$ 208,267	$ 47,804	$ 4,871,241

NOTE 4. LIQUIDITY

AIM has a liquidity management goal to maintain financial assets on hand to meet 60 days of normal operating expenses. AIM has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, AIM has committed lines of credit of approximately $500,000 (Note 10).

AIM's financial assets available within one year from the Statement of Financial Position date for general expenditures are as follows:

	2025	2024
Total current assets	$ 6,469,551	$ 6,788,616
Less prepaid expenses	(330,307)	(688,537)
Less inventory	(358,363)	(301,316)
Less current donor restricted funds	(1,151,341)	(1,400,902)
Total financial assets available within one year	$ 4,629,540	$ 4,397,861

NOTE 5. ENDOWMENT

The Agape International Missions (AIM) Endowment was established in 2024. In November 2024, AIM received its first endowment gift, which was designated to establish the Restoration Endowment. The purpose of the Restoration Endowment Fund is to provide a stable and sustainable source of funding to support AIM's Restoration ministries.

In accordance with Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds are classified and reported based on the presence or absence of donor-imposed restrictions.

NOTE 5. ENDOWMENT (continued)

The AIM Board of Directors 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, AIM classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, AIM considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of AIM, and (7) AIM's investment policies.

Investment Return Objectives, Risk Parameters and Strategies – AIM has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4%, while growing the funds if possible. Therefore, AIM expects its endowment assets, over time, to produce an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy – AIM has a policy of appropriating for distribution each year 4% of its endowment fund's average fair value of the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. This three-year averaging method is intended to mitigate the impact of market volatility. The specific timing and amount of any distributions from the Endowment Fund shall be determined at the discretion of the Chief Financial Officer and the AIM Chief Executive Officer. In establishing this policy, AIM considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. AIM expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 3% annually, which is consistent with AIM's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of AIM has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

NOTE 5. ENDOWMENT (continued)

Donor Restrictions – AIM is committed to honoring the intent of all donors. All decisions regarding the investment and expenditure of donor-restricted endowment funds will respect the donor's stated wishes. If a donor specifies that appreciation on the fund should not be spent, AIM will comply with that directive and incorporate it into its fund management strategy. Any efforts to modify donor-imposed restrictions will be carried out in full compliance with applicable laws and regulations.

Endowment net asset composition by type of fund as of December 31, 2025 and 2024 is as follows:

	2025 With Donor Restrictions	2024 With Donor Restrictions
Donor-restricted endowment funds	$ 640,209	$ 500,000
Board-designated endowment funds	-	-
Total funds	$ 640,209	$ 500,000

Changes in endowment net assets as of December 31, 2025 and 2024 are as follows:

	2025 With Donor Restrictions	2024 With Donor Restrictions
Endowment net assets, beginning of year	$ 500,000	$ -
Contributions	116,898	500,000
Investment return, net	23,311	-
Amounts appropriated for expenditure	-	-
Endowment net assets, end of year	$ 640,209	$ 500,000

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment, net consist of the following at December 31, 2025:

	Cost	Accumulated Depreciation	Net
Land	$ 817,900	$ -	$ 817,900
Construction-in-progress	30,362	-	30,362
Buildings	4,607,091	(789,398)	3,817,693
Leasehold improvements	294,572	(90,400)	204,172
Equipment	338,709	(224,705)	114,004
Furniture	6,928	(1,402)	5,526
Vehicles	516,268	(295,833)	220,435
Total	$ 6,611,830	$ (1,401,738)	$ 5,210,092

Depreciation expense for the year ended December 31, 2025, was $287,311.

Property and equipment, net consist of the following at December 31, 2024:

	Cost	Accumulated Depreciation	Net
Land	$ 817,900	$ -	$ 817,900
Construction-in-progress	9,437	-	9,437
Buildings	4,589,336	(653,150)	3,936,186
Leasehold improvements	207,612	(71,842)	135,770
Equipment	406,187	(296,644)	109,543
Furniture	29,161	(23,895)	5,266
Vehicles	461,758	(209,156)	252,602
Total	$ 6,521,391	$ (1,254,687)	$ 5,266,704

Depreciation expense for the year ended December 31, 2024, was $282,046.

NOTE 7. INVENTORY

Inventory consists of raw materials in Cambodia to produce clothing and jewelry and the finished products ready for sale held in the U.S. Inventory balances include the following as of December 31, 2025 and 2024:

	2025	2024
Raw materials	$ 202,295	$ 164,639
Finished products	156,068	136,677
	$ 358,363	$ 301,316

NOTE 8. ACCRUED EXPENSES

Accrued expenses include the following as of December 31, 2025 and 2024:

	2025	2024
Accrued payroll and payroll taxes	$ 220,279	$ 188,399
Accrued parting gifts	211,637	188,405
Accrued vacation	222,663	186,976
Total accrued expenses	$ 654,579	$ 563,780

NOTE 9. OPERATING LEASES

To fulfill its purpose, AIM occupies various facilities through operating leases.

As of December 31, 2025, the weighted average remaining lease term for all operating leases was 2.53 years, and the weighted average discount rate was 4.27%.

The net right-of-use leased assets for facilities totaled $369,065 and $231,647 as of December 31, 2025 and 2024, respectively.

Lease expense, including amortization of right-of-use leased assets and interest, were included in occupancy expense for a total of $204,449 and $278,056 in the years ended December 31, 2025 and 2024, respectively.

NOTE 9. OPERATING LEASES (continued)

At December 31, 2025, future minimum lease payments under these arrangements were as follows:

Year Ending December 31,	Interest	Principal	Total
2026	$ 14,345	$ 163,495	$ 177,840
2027	8,443	85,597	94,040
2028	4,582	81,958	86,540
2029	1,450	43,990	45,440
2030	75	9,285	9,360
	$ 28,895	$ 384,325	$ 413,220

NOTE 10. AVAILABLE CREDIT

In December 2021, AIM received a line of credit for $500,000 with a term of one year. The line of credit was renewed in April 2025 for another one-year term. As of December 31, 2025 and 2024, there were no amounts outstanding under this line of credit.

AIM also has credit of approximately $100,000 available through credit cards.

NOTE 11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions, which are subject to the specific purpose, are as follows for 2025:

	12/31/2024	Donations	Release of Restrictions	12/31/2025
ARH program funds	$ 287,212	$ 649,634	$ (662,033)	$ 274,813
Belize	1,027,980	128,573	(535,975)	620,578
Child protection officer	6,000	-	(6,000)	-
New school operating funds	5,785	-	(5,785)	-
SWAT programs	-	402,481	(292,481)	110,000
Endowment fund	500,000	140,209	-	640,209
Various	73,925	440,140	(368,115)	145,950
	$ 1,900,902	$ 1,761,037	$ (1,870,389)	$ 1,791,550

NOTE 12. TAX-EXEMPT STATUS

AIM has been granted tax-exempt status from the Internal Revenue Service and the State of California under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. AIM would be subject to income taxes from activities unrelated to its tax-exempt purposes but has not engaged in any such activities.

NOTE 12. TAX-EXEMPT STATUS (continued)

Agape International Missions Belize is exempt from the payment of business taxes stipulated in the Business and Income Tax Act, Chapter 55 of the Laws of Belize (revised edition 2020). Agape International Missions Belize's services are general sales tax exempted as stipulated in the General Sales Tax Act, Chapter 49 of the Laws of Belize (Revised edition 2020).

Agape International Missions (Hong Kong) Limited has been granted tax-exempt status under Section 88 of the Inland Revenue Ordinance (Cap. 112) of Hong Kong. Agape International Missions (Hong Kong) Limited would be subject to income taxes from activities unrelated to its tax-exempt purposes but has not engaged in any such activities.

AIM complies with the accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Management has concluded that AIM has taken no uncertain tax positions that require adjustment to the financial statements.

NOTE 13. INTERNATIONAL TAX CONTINGENCY

The majority of AIM's program activities are conducted in Cambodia and are subject to various governmental filings and tax payments. All foreign taxes are estimated and accrued in the period in which they are incurred.

NOTE 14. COMMITMENTS

AIM has contract commitments for consulting and space for future conferences. These contractual commitments may have non-cancellable provisions that, in the event that AIM does not host the actual conferences, would be subject to penalty or forfeiture. The expenses paid are recorded as prepaid expenses for the event and the costs are recognized when the event takes place along with the revenue for such event. AIM has non-cancellable commitments for events in September 2026. There were $206,490 in deposits and fees paid for these events as of December 31, 2025. All deposits and fees were non-refundable.

NOTE 15. RELATED PARTY TRANSACTIONS

On October 9, 2024, AIM's founder and spiritual leader, Don Brewster, passed away suddenly and unexpectedly, leaving his wife and Co-Founder, who, along with Don have supported AIM's work since the organization's inception. In recognition of AIM's commitment to Don's legacy and his commitment to the "Yes to the One" initiative, under which AIM seeks to spiritually and financially respond to immediate needs of individuals related to the Organization, its mission, or its purpose who experience unexpected crisis, AIM paid a one-time payment of $140,000 to this Co-Founder in January 2026.

NOTE 16. FOREIGN CURRENCY TRANSLATION

Substantially all assets and liabilities of the Hong Kong operations are translated at year-end exchange rates; support and revenue and expenses are translated at the average exchange rates during the year. Changes in accumulated translation adjustments are reported in the Statements of Activities. The amount of accumulated translation adjustments are separately reported as a subcategory of net assets without donor restrictions at December 31, 2025 and 2024, in the Statements of Financial Position. The changes in accumulated translation adjustments for the years ended December 31, 2025 and 2024, are as follows:

	2025	2024
Balance at beginning of year	$ 275	$ 111
Foreign currency translation adjustments	(1,867)	164
Balance at end of year	$ (1,592)	$ 275

Substantially all assets, liabilities, support and revenue, and expenses of the Cambodia operations are recorded in U.S. dollars. Funds are converted to Cambodian Riel when required. The Cambodian Riel has a near-fixed exchange rate with the U.S. dollar and as a result there are no foreign currency translation adjustments for these operations.

Substantially all assets, liabilities, support and revenue, and expenses of the Belize operations are recorded in Belizean dollars. The Belizean dollar has a fixed exchange rate with the U.S. dollar and as a result there are no foreign currency translation adjustments for these operations.

NOTE 17. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 12, 2026, which is the date the financial statements were available to be issued.