



**WORLD LITERATURE CRUSADE
DBA EVERY HOME FOR CHRIST**

Financial Statements
With Independent Auditors' Report

December 31, 2024 and 2023

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

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INDEPENDENT AUDITORS' REPORT

Board of Directors
World Literature Crusade
dba Every Home for Christ
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of World Literature Crusade dba Every Home for Christ, which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of World Literature Crusade dba Every Home for Christ as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about World Literature Crusade dba Every Home for Christ's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
World Literature Crusade
dba Every Home for Christ
Colorado Springs, Colorado

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of World Literature Crusade dba Every Home for Christ'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 World Literature Crusade dba Every Home for Christ'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.

Capin Crouse LLC

Colorado Springs, Colorado
April 21, 2025

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Statements of Financial Position

	December 31,	
	2024	2023
ASSETS:		
Cash and cash equivalents	\$ 3,535,404	\$ 4,045,056
Inventory	17,113	20,414
Prepaid expenses and other assets	129,526	145,135
Loans receivable	1,146,000	-
Investments	12,181,069	10,201,604
Property and equipment–net	12,458,350	10,069,978
Assets under gift annuity and trust agreements	6,524,141	7,305,932
Total Assets	\$ 35,991,603	\$ 31,788,119
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,573,819	\$ 807,010
Liabilities under gift annuity and trust agreements	3,212,731	3,983,967
Total liabilities	4,786,550	4,790,977
Net assets:		
Net assets without donor restrictions:		
Gift annuity reserve	1,952,214	1,827,840
Board quasi-endowment	5,427,199	3,124,172
Operating	12,975,258	11,815,555
Total net assets without donor restrictions	20,354,671	16,767,567
Net assets with donor restrictions:		
Restricted in purpose and time:		
Evangelism outreach	8,027,266	7,271,530
Irrevocable and other trusts	777,176	887,207
	8,804,442	8,158,737
Restricted in perpetuity:		
Endowment fund–held in property and equipment	1,463,920	1,463,920
Irrevocable and other trusts	582,020	606,918
	2,045,940	2,070,838
Total net assets with donor restrictions	10,850,382	10,229,575
Total net assets	31,205,053	26,997,142
Total Liabilities and Net Assets	\$ 35,991,603	\$ 31,788,119

See notes to financial statements

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Statements of Activities

	Year Ended December 31,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 1,742,938	\$ 56,120,259	\$ 57,863,197	\$ 1,961,947	\$ 56,449,831	\$ 58,411,778
Gift-in-kind	2,313,182	-	2,313,182	1,604,904	-	1,604,904
Bequests and other agreements	760,541	-	760,541	1,044,066	-	1,044,066
Change in value of gift annuities and trusts	1,109,219	44,720	1,153,939	269,694	56,842	326,536
Investment income - net	596,366	-	596,366	503,053	-	503,053
Privately held shares investment income	150,318	-	150,318	127,888	-	127,888
Other income	748,522	-	748,522	324,330	-	324,330
Total Support and Revenue	7,421,086	56,164,979	63,586,065	5,835,882	56,506,673	62,342,555
NET ASSETS RELEASED:						
Purpose and time restrictions	47,438,188	(47,438,188)	-	50,234,219	(50,234,219)	-
Administrative assessments	8,105,984	(8,105,984)	-	8,510,740	(8,510,740)	-
	<u>55,544,172</u>	<u>(55,544,172)</u>	<u>-</u>	<u>58,744,959</u>	<u>(58,744,959)</u>	<u>-</u>
EXPENSES:						
Program services:						
Evangelism outreach	49,233,670	-	49,233,670	51,312,179	-	51,312,179
Prayer and vision	5,197,031	-	5,197,031	6,291,564	-	6,291,564
	<u>54,430,701</u>	<u>-</u>	<u>54,430,701</u>	<u>57,603,743</u>	<u>-</u>	<u>57,603,743</u>
Supporting activities:						
General and administrative	3,182,566	-	3,182,566	3,326,742	-	3,326,742
Fundraising	1,764,887	-	1,764,887	1,923,072	-	1,923,072
	<u>4,947,453</u>	<u>-</u>	<u>4,947,453</u>	<u>5,249,814</u>	<u>-</u>	<u>5,249,814</u>
Total Expenses	59,378,154	-	59,378,154	62,853,557	-	62,853,557

(continued)

See notes to financial statements

**WORLD LITERATURE CRUSADE
DBA EVERY HOME FOR CHRIST**

Statements of Activities
(continued)

	Year Ended December 31,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Change in Net Assets	3,587,104	620,807	4,207,911	1,727,284	(2,238,286)	(511,002)
Net Assets, Beginning of Year	16,767,567	10,229,575	26,997,142	15,040,283	12,467,861	27,508,144
Net Assets, End of Year	<u>\$ 20,354,671</u>	<u>\$ 10,850,382</u>	<u>\$ 31,205,053</u>	<u>\$ 16,767,567</u>	<u>\$ 10,229,575</u>	<u>\$ 26,997,142</u>

See notes to financial statements

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Statement of Functional Expenses

Year Ended December 31, 2024

	Program Services			Supporting Activities			2024 Total Expenses
	Evangelism Outreach	Prayer and Vision	Total	General and Administrative	Fundraising	Total	
Grants	\$ 45,918,962	\$ 2,565,974	\$ 48,484,936	\$ 43,587	\$ 26,335	\$ 69,922	\$ 48,554,858
Salaries and benefits	2,290,572	1,525,831	3,816,403	1,877,649	949,466	2,827,115	6,643,518
Travel and business	321,402	172,522	493,924	222,360	127,260	349,620	843,544
Professional fees	122,910	145,261	268,171	264,622	148,276	412,898	681,069
Technology	207,143	100,916	308,059	147,203	147,781	294,984	603,043
Marketing	43,817	91,267	135,084	119,596	126,384	245,980	381,064
Occupancy costs	70,113	180,330	250,443	81,224	39,144	120,368	370,811
Supplies and micellaneous	27,410	27,178	54,588	199,006	11,811	210,817	265,405
Staff development and care	72,344	69,481	141,825	79,335	42,551	121,886	263,711
Equipment	35,316	34,804	70,120	28,902	21,461	50,363	120,483
Meeting expense	15,349	14,956	30,305	13,821	9,216	23,037	53,342
Event hosting	14,007	7,735	21,742	6,490	5,236	11,726	33,468
Total Operating Expenses	49,139,345	4,936,255	54,075,600	3,083,795	1,654,921	4,738,716	58,814,316
Depreciation	91,275	251,626	342,901	49,971	109,966	159,937	502,838
Depletion	3,050	9,150	12,200	48,800	-	48,800	61,000
Total Expenses	\$ 49,233,670	\$ 5,197,031	\$ 54,430,701	\$ 3,182,566	\$ 1,764,887	\$ 4,947,453	\$ 59,378,154

See notes to financial statements

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services			Supporting Activities			2023 Total Expenses
	Evangelism Outreach	Prayer and Vision	Total	General and Administrative	Fundraising	Total	
Grants	\$ 48,666,286	\$ 2,744,867	\$ 51,411,153	\$ 70,048	\$ 69,292	\$ 139,340	\$ 51,550,493
Salaries and benefits	1,696,755	2,216,432	3,913,187	1,983,023	1,147,766	3,130,789	7,043,976
Travel and business	208,748	178,538	387,286	211,380	79,457	290,837	678,123
Professional fees	135,934	187,857	323,791	264,778	121,877	386,655	710,446
Technology	40,818	24,005	64,823	28,942	28,813	57,755	122,578
Marketing	34,057	159,253	193,310	164,069	174,517	338,586	531,896
Occupancy costs	24,697	80,289	104,986	32,404	8,957	41,361	146,347
Supplies and micellaneous	153,979	110,395	264,374	129,265	73,885	203,150	467,524
Staff development and care	60,402	61,872	122,274	78,854	49,211	128,065	250,339
Equipment	137,517	200,416	337,933	159,526	115,205	274,731	612,664
Meeting expense	7,503	8,985	16,488	12,323	5,986	18,309	34,797
Event hosting	86,018	46,664	132,682	19,938	7,674	27,612	160,294
Total Operating Expenses	51,252,714	6,019,573	57,272,287	3,154,550	1,882,640	5,037,190	62,309,477
Depreciation	76,024	262,838	338,862	103,783	40,435	144,218	483,080
Depletion of natural resources	3,050	9,150	12,200	48,800	-	48,800	61,000
Total Expenses	\$ 51,331,788	\$ 6,291,561	\$ 57,623,349	\$ 3,307,133	\$ 1,923,075	\$ 5,230,208	\$ 62,853,557

See notes to financial statements

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Statements of Cash Flows

	Year Ended December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 4,207,911	\$ (511,002)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net realized and unrealized gains on investments	(596,366)	(503,053)
Depreciation	502,838	483,080
Depletion of natural resources	61,000	61,000
Loss on disposal of property and equipment	25,012	-
Change in value of gift annuities and trusts	(1,153,939)	(326,536)
Change in operating assets and liabilities:		
Inventory	3,301	13,881
Prepaid expenses and other assets	15,609	163,414
Accounts payable and accrued expenses	766,809	502,695
Net Cash Provided (Used) by Operating Activities	<u>3,832,175</u>	<u>(116,521)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Issuance of loans receivable	(1,146,000)	-
Purchases of investments	(1,706,562)	(6,474,153)
Sale of investments	262,463	-
Proceeds from sale of assets under gift annuity and trust agreements	1,180,494	580,368
Purchases of assets under gift annuity and trust agreements	(64,950)	(62,000)
Sale of investments for distributions	364,985	409,025
Purchases of property and equipment	(2,916,222)	(1,419,568)
Net Cash Used by Investing Activities	<u>(4,025,792)</u>	<u>(6,966,328)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Non-gift portion of new annuities and trusts	48,950	40,581
Trustor and annuitant payments	(364,985)	(409,025)
Net Cash Used by Financing Activities	<u>(316,035)</u>	<u>(368,444)</u>
Net Change in Cash and Cash Equivalents	(509,652)	(7,451,293)
Cash and Cash Equivalents, Beginning of Year	<u>4,045,056</u>	<u>11,496,349</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 3,535,404</u></u>	<u><u>\$ 4,045,056</u></u>

See notes to financial statements

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Notes to Financial Statements

December 31, 2024 and 2023

1. NATURE OF ORGANIZATION:

Every Home for Christ (EHC) is the operating name of World Literature Crusade. EHC is a nonprofit religious organization that exists to serve, mobilize, and train the church to actively pray for and participate in the systematic personal presentation of a printed or repeatable message of the Gospel of Jesus Christ to every home throughout the world, adding new believers as functioning members of the Body of Christ. Most of its domestic programs are conducted under the name of Every Home for Christ. Since 1946, EHC has worked with Christian nationals, volunteers from local churches, and existing mission agencies to distribute Gospel literature and engage the lost through one-on-one evangelism. The evangelism outreaches of EHC (presently in 165 nations) have provided over 5.665 billion presentations worldwide, providing a strategy to disciple new believers known as Christ Groups. The funds to support these outreaches are provided through the faithful, sacrificial gifts of EHC partners. Through the use of direct mail fundraising, product sales, or EHC's estate planning efforts, partners are motivated to give directly to the EHC ministry. EHC's programs are described as follows:

Evangelism Outreach:

Evangelism Outreach is a systematic distribution of Gospel literature to every home in various countries in cooperation with local churches, Christians, and missionaries. This program offers encouragement to new believers through Bible correspondence courses, monthly news bulletins, and other means.

Prayer and Vision:

Prayer and Vision involves spreading the vision of world evangelism and the importance of systematically reaching every home in the world with the Gospel of Jesus Christ. This program also involves raising prayer support and challenging Christians to actively take part in God's command to evangelize the world.

EHC is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, EHC is subject to federal income tax on any unrelated business taxable income. In addition, EHC is not classified as a private foundation within the meaning of Section 509(a) of the IRC. As such, contributions to EHC are deductible for income tax purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

EHC maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. 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, disclosures of any 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 the estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Notes to Financial Statements

December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

OVERSEAS OPERATIONS

Most of the costs and expenses relating to overseas evangelism are incurred for the production and distribution of Gospel literature in foreign countries and follow-up of those who respond to the Gospel message. The evangelistic activities in foreign countries are controlled by local entities and are not included in these financial statements. Funds granted by EHC to these local entities are expensed on the date of transfer. EHC is affiliated with several EHC International organizations which are not included in these financial statements because they are not under common control. EHC and these organizations do, however, participate together in evangelistic outreaches in many foreign countries.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include checking, savings, and money market accounts. These accounts at times exceed federally insured limits. As of December 31, 2024 and 2023, amounts on deposit exceeding federally insured limits were approximately \$1,674,000 and \$2,050,000, respectively.

INVENTORY

Inventory consists of books, workbooks, CD's, and other materials. They are valued at the lower of cost or net realizable value using the weighted average method. There was no allowance for obsolescence as of December 31, 2024 and 2023.

LOANS RECEIVABLE

Loans receivable consist of three notes to an entity. The loans have an initial term of one year and are secured by deeds of trust and assignments of rents on the properties with maturity dates through December 2025. The loans require monthly interest payments at a rate of 10%. Principal and any remaining interest payments are due at the termination of the loans. EHC considers the collectability of the loans based on a review of outstanding amounts, historical collection information, existing economic conditions, and reasonable and supportable forecasts. There was no allowance for credit losses as of December 31, 2024, as outstanding balances were deemed fully collectible.

INVESTMENTS

EHC has invested in marketable securities with readily determinable fair values, which include equities, fixed income securities and mutual funds, which are all recorded at fair value. Also included within investments are certificates of deposit with original maturity dates of more than 90 days. Certificates of deposit are held at cost. Prior to 2021, privately held shares were donated to EHC in the amount of \$305,000. EHC accounts for the privately held shares under the cost method, which is then analyzed for impairment. Depletion is computed on the straight-line basis for 5 years. Depletion expense for both of the years ended December 31, 2024 and 2023 was \$61,000.

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Notes to Financial Statements

December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY AND EQUIPMENT—NET

Property and equipment are stated at cost or, if donated, at fair value as of the date of the gift. Property donated with restrictions regarding its use and contributions of cash to acquire property and equipment are reported as restricted support. Absent any donor stipulations, these restrictions expire when the asset is acquired or placed in service, and a reclassification is made from net assets with donor restrictions to net assets without donor restrictions at that time. EHC capitalizes purchases or donations greater than \$10,000. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets which are:

Building and improvements	10-60 years
Office and computer equipment	3-7 years
Furniture and fixtures	10-20 years
Vehicles	5-8 years

ASSETS UNDER GIFT ANNUITY AND TRUST AGREEMENTS

Investments

Marketable securities with readily determinable fair values, which include equities, fixed income securities and mutual funds, are recorded at fair value. Bond funds are recorded at fair value. Certificates of deposit are held at cost. Unrealized gains or losses in fair value are recognized in the year in which they occur.

Investment securities are exposed to various risks, such as changes in interest rates or credit ratings and market fluctuations. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is possible that the value of EHC's investments and total net assets balance could fluctuate materially.

EHC maintains a custody account with its primary custodian, City National (CN). Although EHC monitors CN and believes that it is an appropriate custodian, there is no guarantee that CN, or any other custodian that EHC may use, will not become insolvent. EHC believes that, in the event of the insolvency of CN, some of EHC's assets may be unavailable for a period of time, but that it would ultimately have full recovery of its assets.

Beneficial interest in trust agreements

Beneficial interest in trust agreements includes irrevocable perpetual trusts and charitable remainder trusts which are not trustee by EHC. EHC's interest is measured at the estimated present value of the future cash receipts. Adjustments to the amounts reported as assets are reported as change in value of gift annuities and trusts in the statements of activities.

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Notes to Financial Statements

December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

LIABILITIES UNDER GIFT ANNUITY AND TRUST AGREEMENTS

Gift annuity liability

EHC has established a gift annuity plan whereby donors may contribute assets to EHC in exchange for the right to receive a fixed dollar annual return during their lifetimes. The difference between the original annuity amount invested and the discounted liability for future payments, determined on an actuarial basis, is recognized as contribution income at the date of gift. The annuity liability is revalued annually based upon actuarially computed present values using a rate of 4.5% and the Annuity 2000 Gender-Based table using the age of the two youngest beneficiaries.

EHC is required to maintain legally-mandated reserves for certain states in which it issues gift annuities. EHC is in compliance with these reserve requirements, which in most cases is a calculation based off of the annuity liability. See Note 4 for the required reserve amounts.

Trust liabilities

As trustee, EHC administers irrevocable trusts. These trusts provide for the payment of lifetime distributions to the grantor or other designated beneficiaries. The trust liability is the actuarially determined present value of future payments to beneficiaries. At the death of the lifetime beneficiaries, certain trusts contain provisions to distribute assets to remaindermen in addition to EHC. The trust liability includes the remainder interest due other remaindermen (charitable organizations).

CLASSES OF NET ASSETS

The net assets of EHC are reported in the following categories:

Net assets without donor restrictions include resources that are used for current operations, including those resources invested in property and equipment, and gift annuity reserves. During the year ended December 31, 2020, EHC set up a board designated quasi-endowment, which is designated for general operations, and the assets are included within investments on the statements of financial position. Funds can only be used at the discretion of the board of directors.

Net assets with donor restrictions include certain net assets provided by irrevocable charitable trusts and donor restricted projects. These also include permanent endowments where donors stipulated that the principal remain in perpetuity. Certain net assets provided by irrevocable charitable trusts, EHC's interest in perpetual trusts held by third parties, and endowment funds are restricted in perpetuity.

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Notes to Financial Statements

December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS, continued

Management of EHC has interpreted the Colorado 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, EHC classifies as net assets with donor restrictions in perpetuity (a) the original value of the gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in perpetuity is classified by purpose and time until those amounts are appropriated for expenditure by EHC in a manner consistent with the standard of prudence prescribed by UPMIFA.

SUPPORT AND REVENUE

Contributions and bequests are recorded when made, which may be when cash is received, when unconditional promises are made, or when ownership of donated assets is transferred to EHC. Donated materials are reflected as gift-in-kind contributions in the accompanying statements of activities at their estimated fair market values on the date of receipt. EHC reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, 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.

Investment income is recorded when earned, which is when gains and losses are recognized and interest and dividends are received.

Other income includes rental income and royalty income. Other income is recorded when earned.

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Notes to Financial Statements

December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various program and supporting activities have been summarized on a functional basis in the statements of activities. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of EHC. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, travel and business, and technology, which are allocated on the basis of estimates of time and effort. Depreciation is allocated on a square footage basis.

ADMINISTRATIVE ASSESSMENTS

In an effort to cover overhead costs, EHC charges an administrative assessment on contributions with donor restrictions. For the year ended December 31, 2024 and 2023, the administrative assessment was primarily 15%. The administrative fee varies based upon the type of gift given.

DEFERRED COMPENSATION AGREEMENTS

During the year ended December 31, 2023, EHC entered into a deferred compensation agreement with former staff. During the year ended December 31, 2024, EHC entered into a second deferred compensation agreement with former staff. EHC has not and is not required to set aside specific assets related to this agreement. The liability created by these agreements totaled approximately \$1,111,000 and \$600,000 as of December 31, 2024 and 2023, respectively, and this liability is included in accounts payable and accrued expenses on the statements of financial position.

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Notes to Financial Statements

December 31, 2024 and 2023

3. FAIR VALUE MEASUREMENTS:

EHC uses appropriate valuation techniques to determine fair value based on inputs available. When available, EHC measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. Fair value of assets measured on a recurring basis at December 31, 2024 and 2023 are as follows:

		Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	December 31, 2024			
Investments and assets under gift annuity and trust agreements at fair value:				
Mutual funds	\$ 1,265,636	\$ 1,265,636	\$ -	\$ -
Bonds:				
Governmental	1,343,756	-	1,343,756	-
Corporate	1,517,868	-	1,517,868	-
Municipal	192,578	-	192,578	-
Equities	6,821,837	6,821,837	-	-
U.S. Treasury bills	2,992,469	-	2,992,469	-
Beneficial interest in trust agreements	435,057	-	-	435,057
	14,569,201	<u>\$ 8,087,473</u>	<u>\$ 6,046,671</u>	<u>\$ 435,057</u>

Investments and assets under gift annuity and
trust agreements held at cost:

Cash and cash equivalents	374,509
Certificates of deposit	3,731,000
Privately held shares	<u>30,500</u>

Total investments and assets under
gift annuity and trust agreements \$ 18,705,210

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3. FAIR VALUE MEASUREMENTS, continued:

		Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	December 31, 2023			
Investments and assets under gift annuity and trust agreements at fair value:				
Mutual funds	\$ 1,343,558	\$ 1,343,558	\$ -	\$ -
Bonds:				
Governmental	1,441,135	-	1,441,135	-
Corporate	1,066,917	-	1,066,917	-
Municipal	163,785	-	163,785	-
Equities	5,425,352	5,425,352	-	-
U.S. Treasury bills	2,005,932	-	2,005,932	-
Beneficial interest in trust agreements	527,510	-	-	527,510
	11,974,189	<u>\$ 6,768,910</u>	<u>\$ 4,677,769</u>	<u>\$ 527,510</u>

Investments and assets under gift annuity and trust agreements held at cost:

Cash and cash equivalents	461,847
Certificates of deposit	4,980,000
Privately held shares	<u>91,500</u>

Total investments and assets under
gift annuity and trust agreements \$ 17,507,536

Valuation techniques: Fair values for mutual funds and equities are determined by reference to quoted market prices and other relevant information generated by market transactions. The fair values of bonds are based on quoted prices in active markets for the underlying assets which are publicly traded. The fair value for the charitable remainder trusts is determined by calculating the present value of the future distributions expected to be received, using the published life expectancy tables and a 6% discount rate. The fair value for the irrevocable perpetual trusts is determined by calculating EHC's portion of the current investment's fair value.

Changes in valuation techniques: None

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3. FAIR VALUE MEASUREMENTS, continued:

The following table provides further details of Level 3 fair value measurements as of December 31, 2024 and 2023:

	December 31,	
	2024	2023
Beginning balance	\$ 527,510	\$ 527,510
Change in value of split-interest agreements	(92,453)	-
Ending balance	<u>\$ 435,057</u>	<u>\$ 527,510</u>

4. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects EHC's financial assets reduced by amounts not available for general use within one year, as of December 31, 2024 and 2023:

	December 31,	
	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 3,535,404	\$ 4,045,056
Accounts receivable	13,266	21,352
Loans receivable	1,146,000	-
Investments	12,181,069	10,201,604
Assets under gift annuity and trust agreements	6,524,141	7,305,932
Financial assets, at year-end	<u>23,399,880</u>	<u>21,573,944</u>
Less those unavailable for general expenditure within one year, due to:		
Privately held shares	(30,500)	(91,500)
Donor imposed restrictions:		
Irrevocable trusts, donor restricted as to purpose and use	(2,328,713)	(2,364,319)
Irrevocable trusts, donor restricted in perpetuity	(582,020)	(606,918)
Board designated quasi-endowment	(5,427,199)	(3,124,172)
State required annuity reserves	<u>(2,426,721)</u>	<u>(2,578,670)</u>
Financial assets available within one year to meet cash needs for general expenditures	<u>\$ 12,604,727</u>	<u>\$ 12,808,365</u>

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4. LIQUIDITY AND FUNDS AVAILABLE, continued:

EHC receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major, and central to EHC's annual operations to be available to meet cash needs for general and program expenditures. As of December 31, 2024 and 2023, net assets with donor restrictions of \$8,027,266 and \$7,271,530, respectively, were included in financial assets available to meet cash needs for general and program expenditures within one year, as these amounts are anticipated to be utilized for their intended purpose within the one year.

EHC manages its liquidity and reserves following three guiding principles: Operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. EHC has a liquidity target to maintain current financial assets less current liabilities at a minimum of 60 days operating expenses. EHC targets a year-end balance of reserves of undesignated net assets without donor restrictions at 45 to 60 days of expected expenditures. To achieve these targets, EHC forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually.

5. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consists of:

	December 31,	
	2024	2023
Land	\$ 813,149	\$ 813,149
Building and improvements	16,760,576	13,620,408
Office and computer equipment	1,610,989	1,493,092
Vehicles	157,701	209,900
Furniture and fixtures	963,892	963,892
	<u>20,306,307</u>	<u>17,100,441</u>
Accumulated depreciation	<u>(7,847,957)</u>	<u>(7,372,306)</u>
	12,458,350	9,728,135
Construction in process	<u>-</u>	<u>341,843</u>
	<u><u>\$ 12,458,350</u></u>	<u><u>\$ 10,069,978</u></u>

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December 31, 2024 and 2023

6. INVESTMENTS:

The investment assets consist of:

	December 31,	
	2024	2023
<u>Assets:</u>		
Cash and cash equivalents	\$ 60,317	\$ 26,759
Certificates of deposit	3,731,000	4,980,000
Mutual funds	527,247	567,470
Bonds—governmental	324,391	271,116
Bonds—corporate	1,247,176	530,794
Equities	3,267,969	1,728,033
U.S. Treasury bills	2,992,469	2,005,932
Privately held shares	30,500	91,500
	<u>\$ 12,181,069</u>	<u>\$ 10,201,604</u>

7. GIFT ANNUITY AND TRUST AGREEMENTS:

The assets and liabilities of gift annuities and trust agreements consist of:

	December 31,	
	2024	2023
<u>Assets:</u>		
Cash and cash equivalents	\$ 314,192	\$ 435,088
Mutual funds	738,389	776,088
Bonds—governmental	1,019,365	1,170,019
Bonds—corporate	270,692	536,123
Bonds—municipal	192,578	163,785
Equities	3,553,868	3,697,319
Beneficial interest in trust agreements	435,057	527,510
	<u>\$ 6,524,141</u>	<u>\$ 7,305,932</u>
<u>Liabilities:</u>		
Gift annuities	\$ 1,508,748	\$ 2,343,649
Irrevocable trusts	1,703,983	1,640,318
	<u>\$ 3,212,731</u>	<u>\$ 3,983,967</u>

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7. GIFT ANNUITY AND TRUST AGREEMENTS, continued:

The change in value of gift annuities and trust agreements for the years ended December 31, 2024 and 2023, consists of:

	December 31,	
	2024	2023
Interest and dividends	\$ 156,536	\$ 147,396
Net realized and unrealized gains	695,531	862,317
Actuarial change	696,262	(662,565)
Matured agreements	124,103	452,593
Trustor and annuitant payments	(364,985)	(409,025)
Investment administrative expenses	(61,055)	(64,180)
Loss on beneficial interest in trust agreements	(92,453)	-
	\$ 1,153,939	\$ 326,536

8. ENDOWMENT FUND:

The endowment fund consists of land and cash donor restricted in perpetuity for construction of the Jericho Center. Upon completion, the endowment fund transferred land and cash to the property fund in exchange for a note receivable. Management's intent is to continue to indefinitely postpone the maturity date of the note receivable as the assets of the endowment have effectively been invested in the Jericho Center. The intracompany receivable and payable have been eliminated for financial statement purposes. The policy governing this endowment requires that funds be invested in property and equipment. The required spending policy is that 100% of the earnings be spent on operations of EHC. There were no endowment earnings or spending of endowment earnings for the years ended December 31, 2024 and 2023.

9. DEFINED CONTRIBUTION PENSION PLAN:

EHC provides a 403(b) plan covering all employees that work at least 30 hours per week and who are over 21 years of age. If an employee makes an elective deferral to the plan, EHC will match any deferral up to 6%. Employees are immediately vested in the plan. Total contributions amounted to \$197,409 and \$222,145 for the years ended December 31, 2024 and 2023, respectively.

10. RELATED PARTIES:

During the year ended December 31, 2024 and 2023, EHC granted funds totaling approximately \$1,005,000 and \$1,822,000, respectively, to EHC Americas, an affiliated organization in which the brother of EHC's chief financial officer is the executive director.

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11. GIFT-IN-KIND SUPPORT:

Gift-in-kind support primarily consisted of contributed evangelism booklets totaling \$1,781,336 and \$1,460,867 for the years ended December 31, 2024 and 2023, respectively. These contributed nonfinancial assets were received without any donor-imposed restrictions and were distributed as part of EHC's Evangelism Outreach program. EHC values donated evangelism booklets at fair market value at the date of the donation by estimating the cost to produce a single booklet based on information obtained from producers and applying the standardized cost to other booklets based on differences in size and weight. Other contributed materials for years ended December 31, 2024, and 2023 totaled \$531,846 and \$144,037, respectively, and were utilized in the Evangelism Outreach program. Other contributed materials were received without donor-imposed restrictions and are valued based on what it would have cost EHC to purchase the materials in a comparable market.

12. SUPPORT AND REVENUE CONCENTRATION:

During the years ended December 31, 2024 and 2023, EHC received contributions from a foundation that totaled \$51,600,000 and \$54,000,000, respectively. These gifts accounted for approximately 84% and 87% of total support and revenue for the years ended December 31, 2024 and 2023, respectively.

13. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through April 21, 2025, which is the date the financial statements were available to be issued.

In February 2025, EHC purchased rights to an LLC for \$2,510,000.