



WORLD LITERATURE CRUSADE
DBA EVERY HOME FOR CHRIST

Financial Statements
With Independent Auditor's Report

December 31, 2025 and 2024

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

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INDEPENDENT AUDITOR'S 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, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of World Literature Crusade dba Every Home for Christ as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 2, 2026

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

Statements of Financial Position

	December 31,	
	2025	2024
ASSETS:		
Cash and cash equivalents	\$ 5,990,063	\$ 3,535,404
Prepaid expenses and other assets	262,920	146,639
Loans receivable	2,309,000	1,146,000
Investments	13,819,712	12,181,069
Property held for investment purposes	7,757,643	-
Property and equipment—net	12,639,311	12,458,350
Assets under gift annuity and trust agreements	5,227,036	6,524,141
Total Assets	\$ 48,005,685	\$ 35,991,603
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,144,255	\$ 1,573,819
Liabilities under gift annuity and trust agreements	3,029,507	3,212,731
Total liabilities	4,173,762	4,786,550
Net assets:		
Net assets without donor restrictions:		
Gift annuity reserve	1,116,396	1,952,214
Board quasi-endowment	8,097,038	5,427,199
Operating	20,813,611	12,975,258
Total net assets without donor restrictions	30,027,045	20,354,671
Net assets with donor restrictions:		
Restricted in purpose and time:		
Evangelism outreach	11,259,825	8,027,266
Irrevocable and other trusts	449,365	777,176
	11,709,190	8,804,442
Restricted in perpetuity:		
Endowment fund—held in property and equipment	1,463,920	1,463,920
Irrevocable and other trusts	631,768	582,020
	2,095,688	2,045,940
Total net assets with donor restrictions	13,804,878	10,850,382
Total net assets	43,831,923	31,205,053
Total Liabilities and Net Assets	\$ 48,005,685	\$ 35,991,603

See notes to financial statements

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

Statements of Activities

	Year Ended December 31,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 2,198,783	\$ 57,560,724	\$ 59,759,507	\$ 1,742,938	\$ 56,120,259	\$ 57,863,197
Contribution of nonfinancial assets	6,518,825	-	6,518,825	2,313,182	-	2,313,182
Bequests and other agreements	2,041,823	-	2,041,823	760,541	-	760,541
Change in value of gift annuities and trusts	572,514	(278,063)	294,451	1,109,219	44,720	1,153,939
Investment income - net	623,938	-	623,938	596,366	-	596,366
Gain on property held for investment purposes	1,000,317	-	1,000,317	-	-	-
Other income	1,545,427	-	1,545,427	898,840	-	898,840
Total Support and Revenue	14,501,627	57,282,661	71,784,288	7,421,086	56,164,979	63,586,065
NET ASSETS RELEASED:						
Purpose and time restrictions	46,321,787	(46,321,787)	-	47,438,188	(47,438,188)	-
Administrative assessments	8,006,378	(8,006,378)	-	8,105,984	(8,105,984)	-
	54,328,165	(54,328,165)	-	55,544,172	(55,544,172)	-
EXPENSES:						
Program services:						
Evangelism outreach	48,520,377	-	48,520,377	49,233,670	-	49,233,670
Prayer and vision	5,243,905	-	5,243,905	5,197,031	-	5,197,031
	53,764,282	-	53,764,282	54,430,701	-	54,430,701
Supporting activities:						
General and administrative	3,374,401	-	3,374,401	3,182,566	-	3,182,566
Fundraising	2,018,735	-	2,018,735	1,764,887	-	1,764,887
	5,393,136	-	5,393,136	4,947,453	-	4,947,453

(continued)

See notes to financial statements

**WORLD LITERATURE CRUSADE
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Statements of Activities
(continued)

	Year Ended December 31,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Total Expenses	59,157,418	-	59,157,418	59,378,154	-	59,378,154
Change in Net Assets	9,672,374	2,954,496	12,626,870	3,587,104	620,807	4,207,911
Net Assets, Beginning of Year	20,354,671	10,850,382	31,205,053	16,767,567	10,229,575	26,997,142
Net Assets, End of Year	\$ 30,027,045	\$ 13,804,878	\$ 43,831,923	\$ 20,354,671	\$ 10,850,382	\$ 31,205,053

See notes to financial statements

**WORLD LITERATURE CRUSADE
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Statement of Functional Expenses

Year Ended December 31, 2025

	Program Services			Supporting Activities			2025 Total Expenses
	Evangelism Outreach	Prayer and Vision	Total	General and Administrative	Fundraising	Total	
Grants	\$ 45,766,933	\$ 2,571,480	\$ 48,338,413	\$ 49,706	\$ 30,175	\$ 79,881	\$ 48,418,294
Salaries and benefits	1,636,079	1,434,116	3,070,195	2,000,911	1,118,094	3,119,005	6,189,200
Travel and business	347,866	191,677	539,543	237,508	145,370	382,878	922,421
Technology	260,373	120,892	381,265	194,401	192,172	386,573	767,838
Professional fees	119,158	113,188	232,346	273,202	170,851	444,053	676,399
Occupancy costs	90,070	243,223	333,293	116,406	57,301	173,707	507,000
Marketing	12,286	79,618	91,904	116,619	123,201	239,820	331,724
Staff development and care	57,439	67,578	125,017	74,190	36,452	110,642	235,659
Equipment	46,535	47,679	94,214	41,774	28,990	70,764	164,978
Supplies and micellaneous	25,966	25,802	51,768	86,732	15,349	102,081	153,849
Meeting expense	8,772	12,062	20,834	10,970	8,644	19,614	40,448
Event hosting	23,780	8,104	31,884	4,950	1,785	6,735	38,619
Total Operating Expenses	48,395,257	4,915,419	53,310,676	3,207,369	1,928,384	5,135,753	58,446,429
Depreciation	119,752	314,395	434,147	159,867	86,475	246,342	680,489
Depletion	5,368	14,091	19,459	7,165	3,876	11,041	30,500
Total Expenses	\$ 48,520,377	\$ 5,243,905	\$ 53,764,282	\$ 3,374,401	\$ 2,018,735	\$ 5,393,136	\$ 59,157,418

See notes to financial statements

**WORLD LITERATURE CRUSADE
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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
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Statements of Cash Flows

	Year Ended December 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 12,626,870	\$ 4,207,911
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net realized and unrealized gains on investments	(623,938)	(596,366)
Depreciation	680,489	502,838
Depletion of natural resources	30,500	61,000
Loss on disposal of property and equipment	-	25,012
Change in value of gift annuities and trusts	(294,451)	(1,153,939)
Contribution of property held for investment purposes	(4,043,000)	-
Gain on property held for investment purposes	(1,000,317)	-
Change in operating assets and liabilities:		
Prepaid expenses and other assets	(116,281)	18,910
Accounts payable and accrued expenses	(429,564)	766,809
Net Cash Provided by Operating Activities	6,830,308	3,832,175
CASH FLOWS FROM INVESTING ACTIVITIES:		
Issuance of loans receivable	(1,163,000)	(1,146,000)
Purchases of investments	(2,045,901)	(1,706,562)
Sale of investments	1,000,696	262,463
Purchases of property held for investment purposes	(2,714,326)	-
Proceeds from sale of assets under gift annuity and trust agreements	1,411,442	1,180,494
Purchases of assets under gift annuity and trust agreements	(11,000)	(64,950)
Sale of investments for distributions	311,334	364,985
Purchases of property and equipment	(861,450)	(2,916,222)
Net Cash Used by Investing Activities	(4,072,205)	(4,025,792)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Non-gift portion of new annuities and trusts	7,890	48,950
Trustor and annuitant payments	(311,334)	(364,985)
Net Cash Used by Financing Activities	(303,444)	(316,035)
Net Change in Cash and Cash Equivalents	2,454,659	(509,652)
Cash and Cash Equivalents, Beginning of Year	3,535,404	4,045,056
Cash and Cash Equivalents, End of Year	\$ 5,990,063	\$ 3,535,404

See notes to financial statements

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Notes to Financial Statements

December 31, 2025 and 2024

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 179 countries/territories) have provided over 6.25 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.

During the year ended December 31, 2025, EHC became the sole member of two LLCs (the LLCs), which are disregarded entities. The LLCs own real assets that are reported as property held for investment purposes in the statements of financial position. All inter-organization transactions between EHC and the LLCs (collectively referred to as EHC) have been eliminated within the financial statements.

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.

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Notes to Financial Statements

December 31, 2025 and 2024

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. Significant estimates include depreciation of property and equipment, allocation of expenses on a functional basis, actuarial present value calculations for annuities and trusts based on actuarial tables, valuation of contributions of nonfinancial assets, valuation of property held for investment, and fair value estimates in equity securities. 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.

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, 2025 and 2024, amounts on deposit exceeding federally insured limits were approximately \$4,982,000 and \$1,674,000, respectively. Certain cash and cash equivalents are held in investments for reinvestment purposes per EHC's investment policy.

LOANS RECEIVABLE

Loans receivable consist of multiple 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 November 2026. 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, 2025 and 2024, as outstanding balances were deemed fully collectible.

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Notes to Financial Statements

December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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 the years ended December 31, 2025 and 2024 was \$30,500 and \$61,000, respectively.

PROPERTY HELD FOR INVESTMENTS PURPOSES

Property held for investment purposes consists of three parcels of land in California and one property in Colorado. Property held for investment purposes are recorded at the fair market value based on valuation appraisals obtained periodically for each property. Property not being used for operating purposes or property without an active contract is classified as property held for investment purposes on the statements of financial position.

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. Land and construction in process is not depreciated. Repair and maintenance costs are expensed when incurred. 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

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Notes to Financial Statements

December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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.

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.

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Notes to Financial Statements

December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

LIABILITIES UNDER GIFT ANNUITY AND TRUST AGREEMENTS, continued

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. EHC has 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.

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.

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Notes to Financial Statements

December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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 contributions of nonfinancial assets 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.

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, 2025 and 2024, 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, 2024, EHC entered into a 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 \$943,000 and \$1,111,000 as of December 31, 2025 and 2024, respectively, and this liability is included in accounts payable and accrued expenses on the statements of financial position.

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Notes to Financial Statements

December 31, 2025 and 2024

3. FAIR VALUE MEASUREMENTS:

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values.

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that EHC has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
 - observable; or
 - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds and exchange traded funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Bonds and U.S. Treasury bills: Values are based on quoted prices in active markets for the underlying assets which are publicly traded.

Property held for investment purposes: Values based on valuation appraisals obtained periodically for each property.

Beneficial interest in trust agreements: Value is determined by calculating EHC's portion of the current investment's fair value.

Changes in valuation techniques: None

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although EHC believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

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3. FAIR VALUE MEASUREMENTS, continued:

Assets measured at fair value on a recurring basis as of December 31, 2025 and 2024, consist of the following:

	December 31, 2025	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)
Assets held at fair value:				
Mutual funds	\$ 1,612,958	\$ 1,612,958	\$ -	\$ -
Bonds	3,120,683	-	3,120,683	-
Equities	7,730,466	7,730,466	-	-
U.S. Treasury bills	1,991,674	-	1,991,674	-
Property held for investment purposes	7,757,643	-	7,757,643	-
Beneficial interest in trust agreements	441,405	-	-	441,405
	22,654,829	\$ 9,343,424	\$ 12,870,000	\$ 441,405
Assets held at cost:				
Cash and cash equivalents	418,562			
Certificates of deposit	3,731,000			
	\$ 26,804,391			
Total investments, property held for investment purposes, and assets under gift annuity and trust agreements	\$ 26,804,391			

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3. FAIR VALUE MEASUREMENTS, continued:

Assets measured at fair value on a recurring basis as of December 31, 2025 and 2024, consist of the following, continued:

	December 31, 2024	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)
Assets held at fair value:				
Mutual funds	\$ 1,265,636	\$ 1,265,636	\$ -	\$ -
Bonds	3,054,202	-	3,054,202	-
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	\$ 8,087,473	\$ 6,046,671	\$ 435,057
Assets held at cost:				
Cash and cash equivalents	374,509			
Certificates of deposit	3,731,000			
Privately held shares	30,500			
	Total investments and assets under gift annuity and trust agreements	\$ 18,705,210		

The following table provides further details of Level 3 fair value measurements as of December 31, 2025 and 2024:

	December 31,	
	2025	2024
Beginning balance	\$ 435,057	\$ 527,510
Change in value of split-interest agreements	6,348	(92,453)
Ending balance	\$ 441,405	\$ 435,057

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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, 2025 and 2024:

	December 31,	
	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 5,990,063	\$ 3,535,404
Accounts receivable	14,253	13,266
Loans receivable	2,309,000	1,146,000
Investments	13,819,712	12,181,069
Assets under gift annuity and trust agreements	5,227,036	6,524,141
Financial assets, at year-end	27,360,064	23,399,880
Less those unavailable for general expenditure within one year, due to:		
Privately held shares	-	(30,500)
Donor imposed restrictions:		
Irrevocable trusts, donor restricted as to purpose and use	(1,968,667)	(2,328,713)
Irrevocable trusts, donor restricted in perpetuity	(631,768)	(582,020)
Board designated quasi-endowment	(8,097,038)	(5,427,199)
State required annuity reserves	(2,309,985)	(2,426,721)
Financial assets available within one year to meet cash needs for general expenditures	\$ 14,352,606	\$ 12,604,727

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, 2025 and 2024, net assets with donor restrictions of \$11,259,825 and \$8,027,266, 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.

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5. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consists of:

	December 31,	
	2025	2024
Land	\$ 813,149	\$ 813,149
Building and improvements	16,929,806	16,760,576
Office and computer equipment	1,595,270	1,610,989
Vehicles	157,701	157,701
Furniture and fixtures	963,892	963,892
	20,459,818	20,306,307
Accumulated depreciation	(8,512,726)	(7,847,957)
	11,947,092	12,458,350
Construction in process	692,219	-
	\$ 12,639,311	\$ 12,458,350

6. INVESTMENTS:

The investment assets consist of:

	December 31,	
	2025	2024
<u>Assets:</u>		
Cash and cash equivalents	\$ 143,029	\$ 60,317
Certificates of deposit	3,731,000	3,731,000
Mutual funds	854,660	527,247
Bonds	1,701,461	1,571,567
Equities	5,397,888	3,267,969
U.S. Treasury bills	1,991,674	2,992,469
Privately held shares	-	30,500
	\$ 13,819,712	\$ 12,181,069

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7. GIFT ANNUITY AND TRUST AGREEMENTS:

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

	December 31,	
	2025	2024
<u>Assets:</u>		
Cash and cash equivalents	\$ 275,533	\$ 314,192
Mutual funds	758,298	738,389
Bonds—governmental	1,419,222	1,482,635
Equities	2,332,578	3,553,868
Beneficial interest in trust agreements	441,405	435,057
	\$ 5,227,036	\$ 6,524,141
<u>Liabilities:</u>		
Gift annuities	\$ 1,357,759	\$ 1,508,748
Irrevocable trusts	1,671,748	1,703,983
	\$ 3,029,507	\$ 3,212,731

The change in value of gift annuities and trust agreements for the years ended December 31, 2025 and 2024, consists of:

	December 31,	
	2025	2024
Interest and dividends	\$ 171,364	\$ 156,536
Net realized and unrealized gains	291,346	695,531
Actuarial change	176,955	696,262
Matured agreements	14,158	124,103
Trustor and annuitant payments	(311,334)	(364,985)
Investment administrative expenses	(54,386)	(61,055)
Gain (loss) on beneficial interest in trust agreements	6,348	(92,453)
	\$ 294,451	\$ 1,153,939

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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, 2025 and 2024.

9. DEFINED CONTRIBUTION PENSION PLAN:

EHC provides a 403(b) plan covering all employees who 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 \$211,541 and \$197,409 for the years ended December 31, 2025 and 2024, respectively.

10. RELATED PARTIES:

During the year ended December 31, 2025 and 2024, EHC granted funds totaling approximately \$857,500 and \$1,005,000, respectively, to EHC Americas, a related organization in which the brother of EHC's chief financial officer is the executive director.

11. CONTRIBUTIONS OF NONFINANCIAL ASSETS SUPPORT:

Contributions of nonfinancial assets support primarily consisted of contributed evangelism booklets totaling \$1,980,817 and \$1,781,336 for the years ended December 31, 2025 and 2024, 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 the years ended December 31, 2025 and 2024 totaled \$495,008 and \$531,846, 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.

Additionally, during the year ended December 31, 2025, EHC was donated two properties in California totaling \$4,043,000, which represents the fair market value of the properties based on valuation appraisals obtained by EHC. There were no donor-imposed restrictions on these assets, and EHC is holding the properties for investment purposes.

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12. SUPPORT AND REVENUE CONCENTRATION:

During the years ended December 31, 2025 and 2024, EHC received contributions from a foundation that totaled \$51,000,000 and \$51,600,000, respectively. These gifts accounted for approximately 72% and 84% of total support and revenue for the years ended December 31, 2025 and 2024, respectively.

13. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through April 2, 2026, which represents the date the financial statements were available to be issued, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.