

**CHILDREN OF PROMISE INTERNATIONAL**  
**(A NONPROFIT ORGANIZATION)**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

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# BRADY WARE & SCHOENFELD

## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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Board of Trustees  
**Children of Promise International**  
Dayton, Ohio

We have reviewed the accompanying financial statements of **Children of Promise International** (a nonprofit organization), 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility 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; this includes 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.

### Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of **Children of Promise International** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

### Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Brady, Ware & Schoenfeld, Inc.*

Dayton, Ohio  
September 24, 2025

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**CHILDREN OF PROMISE INTERNATIONAL**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 411,344	\$ 228,491
Certificates of deposit	380,536	312,872
Investments	<u>9,514</u>	<u>-</u>
Total current assets	801,394	541,363
OPERATING LEASE RIGHT-OF-USE ASSET	55,863	64,960
TRADEMARK, NET	2,450	2,730
DEPOSITS	<u>769</u>	<u>769</u>
	<u>\$ 860,476</u>	<u>\$ 609,822</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT OPERATING LEASE LIABILITY	\$ 9,038	\$ 8,714
LONG-TERM OPERATING LEASE LIABILITY	<u>48,537</u>	<u>57,575</u>
Total liabilities	<u>57,575</u>	<u>66,289</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Undesignated	550,641	525,914
Board-designated	<u>252,260</u>	<u>17,619</u>
	<u>802,901</u>	<u>543,533</u>
	<u>\$ 860,476</u>	<u>\$ 609,822</u>

**CHILDREN OF PROMISE INTERNATIONAL**

**STATEMENTS OF ACTIVITIES**

**YEARS ENDED DECEMBER 31, 2024 AND 2023**

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	<u>2024</u>	<u>2023</u>
<b>PUBLIC SUPPORT AND REVENUE</b>		
Contributions	\$ 1,153,054	\$ 781,189
Interest income	23,922	14,127
Unrealized loss on marketable securities	<u>(264)</u>	<u>-</u>
Total public support and revenue	<u>1,176,712</u>	<u>795,316</u>
<b>EXPENSES</b>		
Program services	881,474	799,392
Supporting services	<u>35,870</u>	<u>35,777</u>
Total expenses	<u>917,344</u>	<u>835,169</u>
<b>CHANGE IN NET ASSETS</b>	<b>259,368</b>	<b>(39,853)</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Beginning of year	<u>543,533</u>	<u>583,386</u>
End of year	<u>\$ 802,901</u>	<u>\$ 543,533</u>

**CHILDREN OF PROMISE INTERNATIONAL**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024			2023		
	Program Services	Supporting Services	Total	Program Services	Supporting Services	Total
Direct payments to the field	\$ 879,539	\$ -	\$ 879,539	\$ 797,667	\$ -	\$ 797,667
Bank charges	1,935	6,218	8,153	1,725	6,147	7,872
Supplies	-	683	683	-	946	946
Building and property lease	-	10,110	10,110	-	10,013	10,013
Postage and mailing services	-	2,440	2,440	-	1,616	1,616
Maintenance	-	1,089	1,089	-	1,374	1,374
Accounting and legal	-	14,500	14,500	-	14,000	14,000
Business registration and fees	-	200	200	-	1,211	1,211
Property insurance	-	350	350	-	400	400
Amortization	-	280	280	-	70	70
	<u>\$ 881,474</u>	<u>\$ 35,870</u>	<u>\$ 917,344</u>	<u>\$ 799,392</u>	<u>\$ 35,777</u>	<u>\$ 835,169</u>

See independent accountants' review report and notes to financial statements.

**CHILDREN OF PROMISE INTERNATIONAL**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets without donor restrictions	\$ 259,368	\$ (39,853)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided (used) by operating activities:		
Contribution of stock	(9,778)	-
Unrealized loss on investments	264	-
Amortization	280	70
Amortization of right-of-use asset	<u>9,097</u>	<u>8,969</u>
	<b>259,231</b>	<b>(30,814)</b>
Changes in operating assets and liabilities:		
Operating lease liability	<u>(8,714)</u>	<u>(8,398)</u>
Net Cash and Cash Equivalents Provided (Used) by Operating Activities	<b>250,517</b>	<b>(39,212)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of certificates of deposit	(50,000)	(50,000)
Reinvestment of interest from certificates of deposit	(17,664)	(9,022)
Purchase of trademark	<u>-</u>	<u>(2,800)</u>
Net Cash and Cash Equivalents Used by Investing Activities	<u>(67,664)</u>	<u>(61,822)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>182,853</b>	<b>(101,034)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>228,491</u>	<u>329,525</u>
End of year	<u>\$ 411,344</u>	<u>\$ 228,491</u>

See independent accountants' review report and notes to financial statements.

## CHILDREN OF PROMISE INTERNATIONAL

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Operations** - Children of Promise International (the "Organization"), is a non-denominational Christian 501(c)(3) non-profit organization dedicated to supporting Christ-centered individuals and organizations outside of the United States engaged in the spiritual care and nurturing of destitute children in established ministry centers as well as, assisting families develop spiritual maturity, acquiring life-skills, advancing education and improving overall health and nutrition. The Organization also engages in partnerships to support indigenous nationals as Christian workers who plant churches and care for the poor in many of the most impoverished nations. The Organization is primarily supported by contributions.

The following is a summary of significant accounting policies followed in the preparation of these financial statements.

**Basis of Presentation** - The Organization's financial statement presentation conforms to accounting principles generally accepted in the United States of America and practices within the industry. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated from net assets without donor restrictions, net assets for direct program support.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization does not have assets that are required to be maintained in perpetuity. The Organization had no assets with donor restrictions at December 31, 2024 and 2023.

**Use of Estimates** - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Investments** - Investments are reported at their fair values in the statements of financial position. Net unrealized gains and losses are included in the change in net assets on the statements of activities.

**Fair Value** - Accounting standards establish a single definition of fair value and a framework for measuring fair value in accordance with generally accepted accounting principles. Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principle or most advantageous market. This standard applies whenever other authoritative literature requires (or permits) certain assets and liabilities to be measured at fair value. Items carried at fair value on a recurring basis consist of investments. The Organization also uses fair value concepts to test various long-lived assets for impairment, in the event a triggering event has occurred.



## CHILDREN OF PROMISE INTERNATIONAL

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**Contributions** - In accordance with accounting standards, the Organization accounts for contributions received as support without donor restrictions or support with donor restrictions, depending on the existence or nature of any donor restrictions.

Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as contributions without donor restrictions.

**Cash and Cash Equivalents** - Cash and cash equivalents include all cash on hand or on deposit with maturities of less than 90 days and money market accounts active with financial institutions.

**Tax-Exempt Status** - The Organization is a charitable organization exempt from federal income tax pursuant to provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is presented in these financial statements.

**Accounting for Uncertainty in Income Taxes** - Accounting standards require the evaluation of tax positions taken, or expected to be taken, in the course of preparing the Organization's tax returns, to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. This statement provides that a tax benefit from an uncertain tax position may be recognized in the financial statements only when it is "more-likely-than-not" the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based upon the technical merits and consideration of all available information. Once the recognition threshold is met, the portion of the tax benefit that is recorded represents the largest amount of tax benefit that is greater than 50 percent likely to be realized upon settlement with a taxing authority. Based on its review, management does not believe the Organization has taken any material uncertain tax positions, including any position that would place the Organization's exempt status in jeopardy, as of December 31, 2024 and 2023.

**Leases** - The Organization leases office space. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease ROU assets, and current and long-term operating lease liabilities on the statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Organization's leases do not provide an implicit interest rate, the Organization uses a risk free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that it will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

# CHILDREN OF PROMISE INTERNATIONAL

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**Functional Allocation of Expenses** - Directly identifiable expenses are charged to programs and supporting services. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. Costs that can be identified to specific programs or supporting services are charged directly to those services.

**Concentrations** - Financial instruments that potentially subject the Organization to credit risks consist of cash and cash equivalents and certificates of deposit with financial institutions that periodically exceeded federally insured limits throughout the year.

The Organization received contributions from one donor accounting for 24% of the total public support and revenue for the year 2024. There were no amounts due from the donor at December 31, 2024. No concentrations of donors existed for the year 2023.

**Subsequent Events** - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 24, 2025, the date the financial statements were available to be issued.

### NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Cash	\$ 411,344	\$ 228,491
Certificates of deposit	380,536	\$ 312,872
Investments	<u>9,514</u>	<u>-</u>
	801,394	541,363
Less amounts not available to be used within one year due to:		
Board-designated net assets	<u>(252,260)</u>	<u>(17,619)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 549,134</u>	<u>\$ 523,744</u>

The Organization anticipates covering its general expenditures by collecting public support and revenue. Further, the amounts designated for program operations by the Board of Directors can be used to meet general expenditures upon approval by the board.

## CHILDREN OF PROMISE INTERNATIONAL

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 3 - FAIR VALUE

The Organization is required to use inputs for measuring fair value according to the three level hierarchy established in the accounting standards, using the highest level possible (e.g., Level 1) if such inputs are available, and if not, going to the next lower level.

The three levels for measuring fair value are:

**Level 1** - Fair values are determined by reference to quoted market prices in an active market and other relevant information generated by market transactions.

**Level 2** - Fair value is based on model inputs that are observable either directly or indirectly.

**Level 3** - Fair values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair measurement. These inputs reflect assumptions of management using valuation techniques consistent from year to year.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured on a recurring basis at fair value. There have been no changes in the methodologies used at December 31, 2024.

*Mutual funds:* The value of these investments at year-end is based on quoted market prices.

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 the Organization 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 a different fair value measurement at the reporting date. There were no transfers between classifications or changes in valuation methods for the year 2024. The Organization only had Level 1 financial instruments valued at \$9,514 as of December 31, 2024 and held no such investments at December 31, 2023.

#### NOTE 4 - LEASING ACTIVITIES

The Organization leases office space. The lease matures in October 2030, which includes two renewal options management has determined are highly likely to be exercised.

The maturities of operating lease liabilities as of December 31, 2024 are as follows:

2025	\$	9,822
2026		10,019
2027		10,219
2028		10,423
2029		10,632
Thereafter		<u>9,007</u>
Total lease payments		60,122
Less interest		<u>2,547</u>
Present value of lease liabilities	\$	<u>57,575</u>

## CHILDREN OF PROMISE INTERNATIONAL

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 4 - LEASING ACTIVITIES - CONTINUED

The following summarizes the line items in the statements of functional expenses which include the components of lease expense for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Operating lease expense allocated to functional expenses	\$ 10,110	\$ 10,013

The following summarizes cash flow information related to the lease for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating lease	\$ 9,630	\$ 9,441

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
<b>Weighted Average Remaining Lease Term</b>		
Operating lease	<b>5.83 years</b>	6.83 years
<b>Weighted Average Discount Rate</b>		
Operating lease	<b>1.49%</b>	1.49%