

**LAUNCH GLOBAL**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**LAUNCH GLOBAL  
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DECEMBER 31, 2025 AND 2024**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Launch Global

### **Opinion**

We have audited the accompanying financial statements of Launch Global (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, 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 Launch Global 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Launch Global 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements 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 Launch Global'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 Launch Global'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 audits, significant audit findings and certain internal control related matters that we identified during the audits.

*Warren Averett, LLC*

Birmingham, Alabama  
June 5, 2026

**LAUNCH GLOBAL**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash	\$ 4,257,079	\$ 4,549,419
Prepaid expenses	62,284	157,698
Pledges receivable	40,000	-
Other current assets	18,507	10,258
Operating lease right-of-use asset, net	9,710	47,419
Property and equipment, net	5,417	16,250
<b>TOTAL ASSETS</b>	<u>\$ 4,392,997</u>	<u>\$ 4,781,044</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 112,422	\$ 70,410
Accrued payroll expenses and other current liabilities	254,983	236,723
Operating lease liability	9,710	47,419
Total liabilities	377,115	354,552
<b>NET ASSETS</b>		
Net assets without donor restrictions	3,916,866	4,359,268
Net assets with donor restrictions	99,016	67,224
Total net assets	4,015,882	4,426,492
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 4,392,997</u>	<u>\$ 4,781,044</u>

See notes to the financial statements.

**LAUNCH GLOBAL**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**  
*(with comparative totals for 2024)*

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2024</u>
<b>REVENUE AND SUPPORT</b>				
Contributions	\$ 10,312,285	\$ 40,000	\$ 10,352,285	\$ 9,329,987
Event registration	59,497	-	59,497	36,340
Donated stock	227,275	-	227,275	307,394
Donated services	40,000	-	40,000	54,800
Other revenue	82,079	-	82,079	111,390
Net assets released from restrictions	8,208	(8,208)	-	-
Total revenue and support	10,729,344	31,792	10,761,136	9,839,911
<b>EXPENSES</b>				
Program services	9,553,094	-	9,553,094	8,316,662
Management and general	875,304	-	875,304	827,129
Fundraising	743,348	-	743,348	716,615
Total expenses	11,171,746	-	11,171,746	9,860,406
<b>CHANGE IN NET ASSETS</b>	(442,402)	31,792	(410,610)	(20,495)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	4,359,268	67,224	4,426,492	4,446,987
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 3,916,866</u>	<u>\$ 99,016</u>	<u>\$ 4,015,882</u>	<u>\$ 4,426,492</u>

See notes to the financial statements.

**LAUNCH GLOBAL**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Contributions	\$ 9,329,987	\$ -	\$ 9,329,987
Event registration	36,340	-	36,340
Donated stock	307,394	-	307,394
Donated services	54,800	-	54,800
Other revenue	111,390	-	111,390
Net assets released from restrictions	<u>67,087</u>	<u>(67,087)</u>	<u>-</u>
Total revenue and support	9,906,998	(67,087)	9,839,911
<b>EXPENSES</b>			
Program services	8,316,662	-	8,316,662
Management and general	827,129	-	827,129
Fundraising	<u>716,615</u>	<u>-</u>	<u>716,615</u>
Total expenses	<u>9,860,406</u>	<u>-</u>	<u>9,860,406</u>
<b>CHANGE IN NET ASSETS</b>	46,592	(67,087)	(20,495)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>4,312,676</u>	<u>134,311</u>	<u>4,446,987</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 4,359,268</u>	<u>\$ 67,224</u>	<u>\$ 4,426,492</u>

See notes to the financial statements.

**LAUNCH GLOBAL**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

<b>December 31, 2025</b>	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Payroll and benefits	\$ 7,961,443	\$ 639,190	\$ 450,906	\$ 9,051,539
Other program services	279,016	-	48,733	327,749
Conferences and retreats	414,468	-	-	414,468
Travel and meals	756,072	31,842	38,716	826,630
Bank and credit card fees	142,095	3,727	1,004	146,826
Professional fees	-	92,877	88,513	181,390
Other general and administrative expenses	-	56,009	-	56,009
Office expenditures	-	40,826	-	40,826
Depreciation and amortization	-	10,833	-	10,833
Fundraising	-	-	115,476	115,476
	<u>\$ 9,553,094</u>	<u>\$ 875,304</u>	<u>\$ 743,348</u>	<u>\$ 11,171,746</u>

<b>December 31, 2024</b>	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Payroll and benefits	\$ 6,814,322	\$ 584,347	\$ 465,018	\$ 7,863,687
Other program services	450,830	-	71,480	522,310
Conferences and retreats	333,605	-	-	333,605
Travel and meals	587,199	37,413	14,265	638,877
Bank and credit card fees	130,706	4,543	1,264	136,513
Professional fees	-	97,879	38,666	136,545
Other general and administrative expenses	-	42,786	-	42,786
Office expenditures	-	49,328	-	49,328
Depreciation and amortization	-	10,833	-	10,833
Fundraising	-	-	125,922	125,922
	<u>\$ 8,316,662</u>	<u>\$ 827,129</u>	<u>\$ 716,615</u>	<u>\$ 9,860,406</u>

See notes to the financial statements.

**LAUNCH GLOBAL  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (410,610)	\$ (20,495)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization of property and equipment	10,833	10,833
Amortization of operating lease right-of-use asset	37,709	35,962
Change in prepaid expenses	95,414	(108,641)
Change in pledges receivable	(40,000)	-
Change in other current assets	(8,249)	(2,738)
Change in accounts payable	42,012	27,784
Change in accrued expenses	18,260	24,567
Change in operating lease liability	<u>(37,709)</u>	<u>(35,962)</u>
Net cash used in operating activities	<u>(292,340)</u>	<u>(68,690)</u>
<b>CHANGE IN CASH</b>	(292,340)	(68,690)
<b>CASH AT BEGINNING OF YEAR</b>	<u>4,549,419</u>	<u>4,618,109</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 4,257,079</u>	<u>\$ 4,549,419</u>

See notes to the financial statements.

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## **1. NATURE OF ORGANIZATION**

Launch Global (LG) was formed in 2005, as a nonprofit corporation, incorporated in the state of Alabama, exclusively for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). During 2019, LG's home office was relocated to Dallas, Texas, and in 2021, LG was converted to a Texas nonprofit corporation. In December 2023, LG was reclassified as an Association of Churches per the Internal Revenue Service (IRS).

LG's mission is to mobilize churches to develop laborers and leaders who multiply healthy churches among unreached people groups.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Accounting**

The financial statements of LG are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets of LG are recorded based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of LG and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* – Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.
- *Net Assets With Donor Restrictions* – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

LG reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, a stipulated time restriction ends or a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

### **Revenue and Support**

Contributions are recognized in the period granted. Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

### **Pledges Receivable**

Pledges receivable represent unconditional promises to give and are recognized as contribution revenue in the period the promise is received, in accordance with Accounting Standards Codification (ASC) 958.

All pledges receivable are expected to be collected within one year and are therefore recorded at net realizable value. Because the collection period is less than one year, the Organization has not discounted pledges to present value. Management evaluates pledges receivable for collectability and records an allowance for uncollectible pledges based on historical experience, donor-specific information, and current economic conditions. The Organization believes all pledges receivable are

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fully collectible at year-end, unless otherwise disclosed.

**Donated Stock and Services**

LG accepts donated shares of publicly traded stock. Absent specific donor instructions concerning disposition of such assets, LG's policy is to sell all stock donations as soon as practical after receipt. The value of the donor's gift is determined by the average of the published high and low selling prices of stock for the day it was received. The Organization received \$227,275 and \$307,394 of donated stock in the years ended December 31, 2025 and 2024, respectively.

Contributions of services are recognized at fair value if the services received create or enhance nonfinancial assets, or if the services require specialized skills that are provided by individuals processing such skills that would typically need to be purchased if not provided by donation. Donated services are reflected as contributions at their estimated fair values on the date of receipt. The Organization recorded \$40,000 and \$54,800 of donated services in the years ended December 31, 2025 and 2024, respectively.

**Use of Management Estimates**

Management uses estimates and assumptions in preparing these financial statements in accordance with GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could vary from the estimates that were used.

**Concentration of Credit Risk**

LG maintains cash accounts at a financial institution. The amount of cash held at December 31, 2025 and 2024, was \$3,836,056 and \$4,260,165, respectively. Such amounts exceed the Federal Deposit Insurance Corporation insured limit of \$250,000. LG believes that no significant concentration of credit risk exists with respect to its cash accounts. During 2020, LG began using an insured deposit sweep account to help mitigate exposure. LG has not experienced any losses with respect to its cash accounts. The reported cash balance on the statement of financial position includes outstanding deposits and disbursements. These timing differences result in a variance between the general ledger balance and the funds currently cleared and held by the financial institution.

**Property and Equipment**

Property and equipment is stated at cost, including expenditures that substantially increase the useful lives of existing property and equipment. Expenditures for property and equipment with an expected useful life in excess of one year are capitalized if the value is greater than \$2,500. Maintenance, repairs, minor renovations and expenditures for property and equipment with a value less than \$2,500 are expensed when incurred. When property and equipment are retired or otherwise disposed, the related costs and accumulated depreciation are removed from the respective accounts, and any gain or loss on the disposition is recognized.

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LG provides for depreciation of property and equipment using the straight-line method designed to amortize costs over estimated useful lives as shown below:

<u>Item</u>	<u>Estimated Useful Lives</u>
Leasehold improvements	3.5 years
Website development	3 years

**Leases**

LG leases office space. Management determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities within the statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, LG uses its 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 lease terms may include options to extend or terminate the lease when it is reasonably certain that LG will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

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

**Income Taxes**

LG is exempt from federal income taxes under Section 501(c)(3) of the IRC. Management believes that all revenue-producing activities of LG comply with Section 501(c)(3) of the IRC; accordingly, no accrual for income taxes has been made in the accompanying financial statements.

LG adheres to the provisions of GAAP relating to uncertainty in income taxes. Such provisions require entities to assess their uncertain tax positions for the likelihood that they would be overturned upon IRS examination or upon examination by state taxing authorities. In accordance with these provisions, LG has determined that it does not have any positions at December 31, 2025, that it would be unable to substantiate. The tax returns for years ended December 31, 2022, and thereafter are subject to audit by the taxing authorities.

In December 2023, LG was reclassified as an Association of Churches per the IRS. For years ended December 31, 2023, and forward, there is no longer a tax return filing requirement with the IRS.

**Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets and functional expenses.

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Accordingly, personnel and other costs have been allocated among program services, management and general, and fundraising based on estimates of time, effort or direct allocation. Occupancy costs have been allocated on the basis of the function of the personnel using the space involved.

**Subsequent Events**

Management has evaluated subsequent events and their potential effects on these financial statements through June 5, 2026, the date the financial statements were available to be issued. The Organization's lease for its office space which was in effect as of December 31, 2025, expired in March 2026. In April 2026, the Organization entered into a new lease agreement for this space, which was not an extension of the prior lease. The new lease represents a nonrecognized subsequent event, as it did not exist at December 31, 2025. Accordingly, no amounts have been recorded in the accompanying financial statements related to this agreement; however, management determined that disclosure of this matter is necessary to keep the financial statements from being misleading.

**3. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

	<b>2025</b>	<b>2024</b>
Leasehold improvements	\$ 103,026	\$ 103,026
Website development	32,500	32,500
Less accumulated depreciation and amortization	(130,109)	(119,276)
	\$ 5,417	\$ 16,250

**4. NET ASSETS WITH DONOR RESTRICTIONS**

The various purposes of the below donor-restricted amounts are as follows:

*Donor development* – Funds donated from one donor for donor development purposes.

*Professional development* – Funds donated from one organization that are designated for the purpose of professional development.

*International office and crisis relief* – Funds donated from various donors for the purpose of establishing an international office and local area crisis relief overseas.

*Multicultural diversity initiative* – Funds donated for the purpose of establishing a more culturally diverse staff.

*Time restricted* – Funds pledged by two donors that consist of unconditional promises to give that are expected to be collected in future periods and for use in subsequent fiscal years.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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Net assets with donor restrictions were available for the following purposes at December 31:

	<u>2025</u>	<u>2024</u>
International office and crisis relief	\$ 59,016	\$ 67,224
Time restricted	40,000	-
	<u>\$ 99,016</u>	<u>\$ 67,224</u>

Net assets with donor restrictions released from restrictions during the years ended December 31, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Donor development	\$ -	\$ 16,996
Professional development	-	20,797
International office and crisis relief	8,208	11,048
Multicultural diversity initiative	-	18,246
	<u>\$ 8,208</u>	<u>\$ 67,087</u>

## 5. LIQUIDITY AND FUNDS AVAILABLE

The following table reflects LG's financial assets as of December 31, 2025 and 2024, reduced by amounts not available for general expenditure. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	<u>2025</u>	<u>2024</u>
Cash	\$ 4,257,079	\$ 4,549,419
Pledges receivable	40,000	-
Less: assets unavailable for general expenditures due to donor-imposed purpose restrictions	<u>(99,016)</u>	<u>(67,224)</u>
Total financial assets available to management for general expenditure	<u>\$ 4,198,063</u>	<u>\$ 4,482,195</u>

LG obtains certain support from donor-restricted contributions. Because a donor's restriction requires resources to be used for a particular purpose, LG must maintain sufficient resources to meet those responsibilities of its donors.

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**6. LEASES**

LG leases office space in Dallas, Texas. During 2023, LG renewed the lease for an additional three years, with the lease expiring in March 2026. Rental expense totaled \$39,149 and \$39,753 for the years ended December 31, 2025 and 2024, respectively.

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2025:

**Weighted Average Remaining Lease Term**

Operating lease	0.25 years
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**Weighted Average Discount Rate**

Operating lease	4.76%
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Future maturities of operating lease liability as of December 31, 2025, were as follows:

**December 31,**

2026	<u>\$ 9,787</u>
	9,787
Less present value discount	<u>(77)</u>
Total lease liability	<u><u>\$ 9,710</u></u>