

NEW GENERATIONS
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2025 AND 2024
TOGETHER WITH AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
New Generations:

Opinion

We have audited the accompanying financial statements of New Generations (the Organization) (a non-profit organization), which comprise the statement of financial position as of December 31, 2025 and 2024, and the related statements of activities, cash flows and functional expenses 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 New Generations 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 the Organization, 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.

Management's Responsibility 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, which raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditor's Report
To the Board of Directors of
New Generations

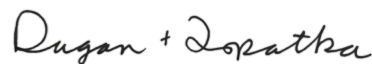
Auditor's Responsibilities for the Audit of the Financial Statements

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 risk 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 the Organization'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, which raise substantial doubt about the Organization'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.



DUGAN & LOPATKA

Warrenville, Illinois
August 10, 2026

NEW GENERATIONS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>A S S E T S</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,122,269	\$ 3,739,500
Investments	3,132,475	1,153,299
Prepays and other assets	<u>175,708</u>	<u>340,840</u>
Total current assets	<u>5,430,452</u>	<u>5,233,639</u>
OTHER ASSETS		
Intangible assets in development	<u>60,814</u>	<u>-</u>
Total other assets	<u>60,814</u>	<u>-</u>
Total assets	<u><u>\$ 5,491,266</u></u>	<u><u>\$ 5,233,639</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Accounts payable	\$ 201,128	\$ 61,896
Accrued expenses	<u>43,412</u>	<u>56,172</u>
Total liabilities	<u>244,540</u>	<u>118,068</u>
COMMITMENTS		
NET ASSETS:		
Without donor restrictions	3,768,502	3,904,843
With donor restrictions	<u>1,478,224</u>	<u>1,210,728</u>
Total net assets	<u>5,246,726</u>	<u>5,115,571</u>
Total liabilities and net assets	<u><u>\$ 5,491,266</u></u>	<u><u>\$ 5,233,639</u></u>

NEW GENERATIONS
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE:						
Contributions	\$ 6,272,911	\$ 2,890,024	\$ 9,162,935	\$ 6,218,579	\$ 1,727,049	\$ 7,945,628
Interest and dividend income	85,081	-	85,081	55,854	-	55,854
Unrealized and realized gain (loss) on investments	67,187	-	67,187	(23,097)	-	(23,097)
Other income	70,174	-	70,174	72,066	-	72,066
Net assets released from restrictions	2,622,528	(2,622,528)	-	2,115,671	(2,115,671)	-
Total operating revenue	9,117,881	267,496	9,385,377	8,439,073	(388,622)	8,050,451
EXPENSES:						
Program	7,894,805	-	7,894,805	6,968,346	-	6,968,346
Management and general	649,060	-	649,060	525,570	-	525,570
Fundraising	710,357	-	710,357	788,178	-	788,178
Total expenses	9,254,222	-	9,254,222	8,282,094	-	8,282,094
Change in net assets	(136,341)	267,496	131,155	156,979	(388,622)	(231,643)
NET ASSETS, beginning of year	3,904,843	1,210,728	5,115,571	3,747,864	1,599,350	5,347,214
NET ASSETS, end of year	\$ 3,768,502	\$ 1,478,224	\$ 5,246,726	\$ 3,904,843	\$ 1,210,728	\$ 5,115,571

The accompanying notes are an integral part of this statement.

NEW GENERATIONS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 131,155	\$ (231,643)
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Unrealized and realized (gain) loss on investments	(67,187)	23,097
Decrease in prepaid expenses	165,132	332,679
Increase (decrease) in accounts payable	139,232	(77,696)
(Decrease) increase in accrued expenses	<u>(12,760)</u>	<u>7,163</u>
Net cash provided by operating activities	<u>355,572</u>	<u>53,600</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of intangible assets	(60,814)	-
Purchases of investments	(4,750,391)	(787,463)
Proceeds from sales of investment	<u>2,838,402</u>	<u>522,116</u>
Net cash (used in) investing activities	<u>(1,972,803)</u>	<u>(265,347)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,617,231)	(211,747)
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,739,500</u>	<u>3,951,247</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 2,122,269</u></u>	<u><u>\$ 3,739,500</u></u>

NEW GENERATIONS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries & related expenses	\$ 1,046,199	\$ 233,927	\$ 356,133	\$ 1,636,259
Contractor support expenses	716,212	-	24,567	740,779
Professional fees	33,570	189,064	149,377	372,011
Telephone/internet expense	85,049	7,202	-	92,251
Bank charges and fees	11,509	36,187	32,812	80,508
Supplies	210,989	5,047	7,607	223,643
Licensing and subscriptions	9,295	3,713	-	13,008
Insurance	-	20,171	-	20,171
Conferences/meetings	60,336	1,532	2,302	64,170
Travel	889,660	74,950	18,190	982,800
Facilities	56,450	11	-	56,461
Recruiting	-	-	-	-
Staff training	5,825	5,864	-	11,689
Miscellaneous	14,998	14,998	-	29,996
Web/software/hardware	76,289	56,394	9,469	142,152
Disciple Making Movements contributions/expenses	4,567,080	-	-	4,567,080
Transportation	32,437	-	-	32,437
Emergency and persecution needs	78,907	-	-	78,907
Promotional	-	-	109,900	109,900
Total functional expenses	<u>\$ 7,894,805</u>	<u>\$ 649,060</u>	<u>\$ 710,357</u>	<u>\$ 9,254,222</u>

NEW GENERATIONS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries & related expenses	\$ 838,157	\$ 249,083	\$ 388,589	\$ 1,475,829
Contractor support expenses	677,671	-	21,847	699,518
Professional fees	36,933	118,290	175,652	330,875
Telephone/internet expense	47,661	7,131	-	54,792
Bank charges and fees	9,670	40,265	28,117	78,052
Supplies	140,085	4,630	3,761	148,476
Licensing and subscriptions	12,806	5,294	-	18,100
Insurance	-	21,792	-	21,792
Conferences/meetings	77,173	39	1,689	78,901
Travel	713,099	25,813	64,212	803,124
Facilities	63,926	46	-	63,972
Recruiting	-	-	-	-
Staff training	3,693	19,693	-	23,386
Miscellaneous	8,196	8,196	-	16,392
Web/software/hardware	47,322	25,298	4,042	76,662
Disciple Making Movements contributions/expenses	4,101,928	-	-	4,101,928
Transportation	33,686	-	-	33,686
Emergency and persecution needs	156,340	-	-	156,340
Promotional	-	-	100,269	100,269
	<u>-</u>	<u>-</u>	<u>100,269</u>	<u>100,269</u>
Total functional expenses	<u>\$ 6,968,346</u>	<u>\$ 525,570</u>	<u>\$ 788,178</u>	<u>\$ 8,282,094</u>

NEW GENERATIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

New Generations (the Organization) is a non-profit organization that is an international Christian ministry that partners with God and national leaders to launch Disciple Making Movements among the world's spiritually resistant people. The Organization hopes to increase the movements of obedient disciples that can virally reproduce within their natural networks as a way to engage the billions of people who are outside the reach of traditional missions. The Organization was recognized as a 501(c)(3) entity in September, 2017.

The Organization evaluated its December 31, 2025 financial statements for subsequent events through August 10, 2026.

The following summarizes the significant accounting policies and practices reflected in the accompanying financial statements:

Basis of Accounting -

The Organization maintains its financial statements on the accrual basis of accounting which recognizes the support and revenue as it is earned and expenses as they are incurred.

Financial Statement Presentation -

The financial statements of the Organization have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). Under GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.

With donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Prepays -

Prepays consist of advances to various individuals for the Disciple Making Movements expenses.

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Income Taxes -

The Organization has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal income taxes, except for taxes on unrelated business income generated from unrelated trade or business activities. The Organization did not have unrelated business income for the year ended December 31, 2025. Accordingly, no provision for income tax has been established.

The Organization files informational returns in the U.S. federal jurisdiction and various states. The Organization is subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2022. The Organization does not expect a material net change in unrecognized tax benefits in the next twelve months.

Use of Estimates -

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

Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk -

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash.

The Organization places its cash and deposits with high quality financial institutions; however, deposits may exceed the federally insured limits from time to time.

Promises to Give -

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the contributions are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. All contributions receivables are considered fully collectible based on past experience and management's judgment; therefore, no allowance for doubtful contribution accounts receivable is needed.

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Investments -

The Organization invests in mutual funds, exchange trade funds and stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position and activities.

Investments in mutual funds, exchange trade funds and stocks are carried at fair value based on quoted market prices for those investments.

Contributions -

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give; or a notification of beneficial interest is received. Conditional promises to give – that is, those with measurable performance or other barriers and a right of return – are not recognized until the conditions on which they depend have been met.

Revenue With and Without Donor Restrictions -

The Organization 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; that is, when a stipulated time restriction ends or 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. Gifts of cash and other assets that are restricted by a donor are responded to as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the gift is recognized.

Functional Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to a program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related expenses, professional fees, travel, miscellaneous, and telephone which are allocated on the basis of estimates of time and effort.

(2) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value Measurements established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this codification are described as follows:

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

(2) FAIR VALUE MEASUREMENTS: (Continued)

Level 2:

Inputs to the valuation methodology include:

- 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 for the asset or liability;
- Inputs derived principally from, or corroborated by, observable market data by correlation or other means.

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.

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.

The following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used on December 31, 2025 and 2024.

Mutual Funds, Stocks, ETFs: Valued at the closing price reported on the active market on which the individual securities are traded.

Certificate of Deposits: Valued at the closing quoted price by the brokerage company at year end.

The preceding method 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 method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value:

<u>Description</u>	<u>Assets at Fair Value as of December 31, 2025</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds - government securities	\$ 610,694	\$ -	\$ -	\$ 610,694
Certificate of deposits	-	1,814,303	-	1,814,303
Stocks	693,632	-	-	693,632
Exchange traded funds	13,846	-	-	13,846
Total assets	<u>\$ 1,318,172</u>	<u>\$ 1,814,303</u>	<u>\$ -</u>	<u>\$ 3,132,475</u>

(2) FAIR VALUE MEASUREMENTS: (Continued)

<u>Description</u>	<u>Assets at Fair Value as of December 31, 2024</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds - government securities	\$ 680,175	\$ -	\$ -	\$ 680,175
Stocks	470,625	-	-	470,625
Exchange traded funds	<u>2,499</u>	<u>-</u>	<u>-</u>	<u>2,499</u>
Total assets	<u>\$ 1,153,299</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,153,299</u>

(3) NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are available for the following programs on December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Purpose restrictions -		
Africa	\$ 264,471	\$ 219,826
South Asia/SE Asia	384,536	183,795
Time restricted	260,700	285,800
Bolthouse	130,346	388,450
North America	321,821	103,757
South Africa	<u>116,350</u>	<u>29,100</u>
	<u>\$ 1,478,224</u>	<u>\$ 1,210,728</u>

(4) AVAILABILITY AND LIQUIDITY:

The following represents the New Generation's financial assets at:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Financial assets -		
Cash and cash equivalents	\$ 2,122,269	\$ 3,739,500
Investments	<u>3,132,475</u>	<u>1,153,299</u>
Total financial assets	5,254,744	4,892,799
Less donor-imposed restrictions	<u>1,478,224</u>	<u>1,210,728</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,776,520</u>	<u>\$ 3,682,071</u>

The Organization's goal is to generally maintain enough financial assets to meet 3 months of operating expenses.

(4) AVAILABILITY AND LIQUIDITY: (Continued)

The Organization manages its liquidity and reserves by adhering to the following principles:

- Operating within a prudent range of financial soundness and stability.
- Incurring unbudgeted costs only when the required funding is available.
- Maintaining adequate liquid assets to fund near-term operating needs.

The Organization's fiscal year runs from January to December. Typically, a significant percentage of revenue is from year-end gifts. Therefore, a large positive year-end balance is used in the subsequent fiscal year. In 2025 approximately 31% of the Organization's revenue was received in the months of November and December. Those funds will be distributed throughout 2026 to cover program costs and general operating expenses budgeted to be incurred in 2026. In addition, the Organization is maintaining cash for several multi-year special projects and future operational growth to support its long-term visions.