



FAITH IN PRACTICE

FINANCIAL STATEMENTS

AUGUST 31, 2025

(With Independent Auditor's Report Thereon)

FAITH IN PRACTICE

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INDEPENDENT AUDITOR'S REPORT

Board of Directors of
Faith In Practice

We have audited the financial statements of Faith In Practice ("FIP"), a Texas nonprofit corporation, which comprise the statement of financial position as of August 31, 2025, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of FIP as of August 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 FIP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 FIP's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 GAAS 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 GAAS, 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 FIP'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 FIP'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.

Doeren Mayhew Assurance

Houston, Texas
January 14, 2026

FAITH IN PRACTICE

STATEMENT OF FINANCIAL POSITION AUGUST 31, 2025

Assets

Cash and cash equivalents	\$	164,133
Restricted cash - volunteer impact fund		100,000
Receivables		254,714
Inventory (note 2)		13,685,983
Investments (notes 3 and 4)		778,388
Prepaid expenses		176,779
Property and equipment, net of accumulated depreciation (note 5)		213,426
Other assets		<u>8,602</u>
Total assets	\$	<u>15,382,025</u>

Liabilities and Net Assets

Liabilities

Accounts payable	\$	111,053
Accrued expenses (note 6)		242,565
Deferred income (note 2)		<u>356,361</u>

Total liabilities		<u>709,979</u>
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Net assets

Without donor restrictions (note 2)		14,201,322
With donor restrictions (note 7)		<u>470,724</u>

Total net assets		<u>14,672,046</u>
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Total liabilities and net assets	\$	<u>15,382,025</u>
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See accompanying notes to financial statements

FAITH IN PRACTICE

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS YEAR ENDED AUGUST 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and other support			
Contributions of cash	\$ 2,273,201	\$ 391,496	\$ 2,664,697
Contributions to volunteer impact fund	-	100,000	100,000
Contributions of nonfinancial assets (note 9)	17,595,977	-	17,595,977
Fundraising events	1,500,473	-	1,500,473
Mission trip fees	63,216	1,688,018	1,751,234
Interest and dividends	22,072	241	22,313
Net investment return	47,210	-	47,210
Net assets released from restrictions (note 8)	2,005,319	(2,005,319)	-
Total revenue, gains and other support	23,507,468	174,436	23,681,904
Expenses			
Guatemala program	20,414,602	-	20,414,602
Management and general	874,606	-	874,606
Fundraising	986,827	-	986,827
Total expenses	22,276,035	-	22,276,035
Changes in net assets	1,231,433	174,436	1,405,869
Net assets, beginning of year	12,969,889	296,288	13,266,177
Net assets, end of year	\$ 14,201,322	\$ 470,724	\$ 14,672,046

See accompanying notes to financial statements

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STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED AUGUST 31, 2025

	Guatemala Program	Management and General	Fundraising	Total
Auto expenses	\$ 16,084	\$ -	\$ -	\$ 16,084
Bank/credit card charges	17,042	204	115,838	133,084
Board of directors expense	-	6,872	30	6,902
Postage and shipping	98,106	839	134	99,079
Meals and entertainment	7,554	307	-	7,861
Office expense	84,132	32,814	9,300	126,246
Printing	6,052	3,635	-	9,687
Computer systems maintenance	257,814	38,018	38,018	333,850
Telephone and communications	20,638	1,384	-	22,022
Special events	-	-	239,870	239,870
General fundraising expenses	-	-	4,922	4,922
Medical supplies and devices	11,536,608	-	-	11,536,608
Professional medical services	4,978,864	-	-	4,978,864
Donations to network organization	192,064	-	-	192,064
Leadership travel	14,813	15,714	597	31,124
Leadership training conference	20,897	-	-	20,897
Mission team member expenses	1,410,785	-	-	1,410,785
Patient travel/care/medical tests	141,474	-	-	141,474
Storage expenses	114,758	-	-	114,758
Insurance	-	17,477	-	17,477
Professional services	59,419	63,380	18,900	141,699
Scholarships	7,079	2,658	2,658	12,395
Depreciation	47,856	15,952	15,952	79,760
Payroll expenses	1,382,563	675,352	540,608	2,598,523
Total expenses	\$ 20,414,602	\$ 874,606	\$ 986,827	\$ 22,276,035

See accompanying notes to financial statements

FAITH IN PRACTICE
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2025

Cash flows from operating activities	
Changes in net assets	\$ 1,405,869
Adjustments to reconcile changes in net assets to net cash used by operating activities:	
Depreciation	79,760
Donated medical supplies and devices inventory	(1,353,059)
Net unrealized and realized gains on investments	(97,165)
Receivables	(172,177)
Prepaid expenses	(38,087)
Inventory	(22,426)
Accounts payable	15,839
Accrued expenses	(10,636)
Deferred income	39,736
	<hr/>
Net cash used in operating activities	(152,346)
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Cash flows from investing activities	
Purchases of property and equipment	(101,394)
Purchases of investments	(382,826)
Proceeds from sales and maturities of investments	664,544
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Net cash provided by investing activities	180,324
	<hr/>
Net increase in cash and cash equivalents, and restricted cash	27,978
Cash and cash equivalents, and restricted cash, beginning of year	<hr/> 236,155
Cash and cash equivalents, and restricted cash, end of year	<hr/> <u>\$ 264,133</u>

See accompanying notes to financial statements

FAITH IN PRACTICE

NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2025

Note 1 - Nature of Activities

Faith In Practice ("FIP") is a Texas nonprofit corporation which works to improve the medical, spiritual, and economic conditions of the poor in Guatemala. The primary purpose of FIP is to provide surgery, medical and dental care to the poor in Guatemala. The services are primarily provided by doctors, dentists and medical professionals and non-medical volunteers in the United States and Guatemala, who donate their time and pay their own expenses to volunteer in Guatemala with FIP. FIP is supported through in-kind contributions, mission fees from its team members and donations.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

FIP's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP), which requires FIP to report information regarding its financial position and activities according to the following net asset classifications:

Net assets 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 FIP. These net assets may be used at the discretion of FIP's management and the board of directors.

Net assets 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 FIP or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

FIP considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents and available for current use.

Receivables

Receivables that are expected to be collected within one year are recorded at net realizable value. Receivables that are expected to be collected over periods in excess of one year, if any, are recorded at the present value of the estimated future cash flows. As of August 31, 2025, there were no long-term receivables.

Allowance for Credit Losses

An allowance for credit losses is provided when it is believed amounts may not be collected in full. The amount of expense recognized each period and the adequacy of the credit loss allowance at the end of each period is determined using a combination of historical experience and management's assessment of specific identifiable accounts considered at risk or uncollectible. Receivables are written off as a charge to the allowance of credit losses when management determines the receivables will not be collected. It is possible the management's estimates regarding the collectability of the balances will change in the near term resulting in a change in carrying value of these receivables. At August 31, 2025, management determined that no allowance for credit loss was required. FIP has omitted all credit loss related disclosures.

FAITH IN PRACTICE

NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2025

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the change in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Purchases and sales of securities are recorded on a trade-date basis. Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Inventory

Inventory is valued at lower of net realizable value or fair value at date of donation based on the average cost method. Inventory consists primarily of medicines and medical supplies to be used on patients. At August 31, 2025, the inventory included donated medical supplies/devices to be used on patients of \$13,685,983.

Property and Equipment

Property and equipment are stated at acquisition cost or, if donated, at estimated fair value at the date of donation. Depreciation and amortization are computed principally by the straight-line method over the following estimated useful lives:

Office furniture and equipment	3-5 years
Medical and lab equipment	3-5 years
Vehicles	2-5 years
Software development	3-5 years
Leasehold improvements	10 years

Revenue Recognition

Donated Supplies represents donations of medicines, medical supplies and devices that are valued at the estimated fair market value at the date of donation and recorded as a contribution and expense.

Contributions received are recorded as revenue when an unconditional commitment is received from the donor. Contributions are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a 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 consolidated statement of activities and changes in net assets as net assets released from restrictions.

Contributed Property and Equipment are reflected at their estimated fair value at the date of donation. Contributed property and equipment is recognized as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as donor-restricted support and absent explicit donor stipulations about how long those long-lived assets must be maintained, are released from donor restrictions when the donated or acquired long-lived assets are placed in service.

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NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2025

Contributed Services that meet the revenue recognition requirements of GAAP are recorded at estimated fair value when received. To be recognized as revenue, the donated services must either (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A number of volunteers have made significant contributions of time to FIP's mission. The value of this contributed time meets the criteria for recognition of contributed services and, accordingly, is reflected in the accompanying financial statements.

Mission Team Trip Fees represent amounts assessed against mission team members to facilitate mission trips. The performance obligation of facilitating mission trips is met when the applicable mission trip has commenced. Mission team member fees received in advance are deferred to the applicable period in which the trips occur. The following table provides information about significant changes in deferred mission team member fees for the year ended August 31, 2025:

Deferred trip fees, beginning of year	\$ 121,985
Revenue recognized that was included in deferred trip fees at beginning of year	(121,985)
Increase due to cash received during the period for future trips	<u>237,750</u>
Deferred trip fees, end of year	<u>\$ 237,750</u>

Fundraising Events Revenue is recognized when the event is held. The performance obligation of facilitating fundraising events is met when the applicable event has occurred. Fundraising event funds received in advance are deferred to the applicable period in which the event is held. The following table provides information about significant changes in deferred event funds for the year ended August 31, 2025:

Deferred event funds, beginning of year	\$ 194,640
Revenue recognized that was included in deferred event funds at beginning of year	(194,640)
Increase due to cash received during the period for future events	<u>118,611</u>
Deferred event funds, end of year	<u>\$ 118,611</u>

Conditional Promises to Give are those that contain a measurable performance obligation or other barrier, as well as a right of return, and are not recognized until the conditions on which they depend have been met. If funds are received in advance of the condition being met, they are recorded as deferred revenue until the conditions have been met.

Income Taxes

FIP is a not-for-profit corporation and has been recognized as tax exempt pursuant to Section 501(c)(3) of the Internal Revenue Code.

FIP's management is not aware of any uncertain positions taken or expected to be taken that would have a significant impact on its financial position. FIP's tax returns for the prior four years remain subject to examination by taxing authorities.

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NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2025

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses which are directly associated with a particular program are charged to that program. Certain expenses that cannot be directly identified with a specific program are allocated to the various programs based upon hours worked, physical location, salaries, or number of program staff. Accordingly, certain shared costs have been allocated among the programs and supporting services.

Fair Value of Financial Instruments

FIP's financial instruments consist of receivables, investments, and liabilities. Management believes the carrying amount of these financial instruments approximates their fair values.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those assumptions.

Leases

FIP does not have significant long-term leases. Short-term leases (initial terms less than 12 months) are expensed on a straight-line basis over the term of the lease. Rent expenses for the year ended August 31, 2025 totaled \$103,794.

Note 3 - Investments

Investments consist of the following at August 31, 2025:

Exchange traded funds	\$ 512,822
Mutual funds	199,091
Money market funds	<u>66,475</u>
Total investments	<u>\$ 778,388</u>

Investments are exposed to various risks such as interest rate, market and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and those changes could materially affect the amounts reported in the statement of financial position and statement of activities and changes in net assets.

Note 4 - Fair Value of Financial Instruments

FIP's financial instruments are valued at fair value. In accordance with Accounting Standards Codification (ASC 820), Fair Value Measurements and Disclosures, fair value is 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 reporting date. The standard establishes a fair value hierarchy that prioritizes the assumptions, referred to as inputs, 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) and the lowest priority to unobservable inputs (Level 3).

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NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2025

Certain of FIP's financial assets are measured at fair value on a recurring basis. The three levels of the fair value hierarchy defined by standards are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities as of the reporting date.

Level 2 - Pricing inputs other than quoted prices included in Level 1, which are either directly or indirectly observable. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 - Unobservable inputs for the asset or liability, whereby assumptions that market participants would use is based on the best information available.

Financial instruments measured at fair value on a recurring basis at August 31, 2025 are as follows:

	Level 1	Level 2	Level 3	Total
Exchange traded funds	\$ 512,822	\$ -	\$ -	\$ 512,822
Mutual funds	199,091	-	-	199,091
Total	711,913	-	-	711,913
Money market funds	66,475	-	-	66,475
Total	\$ 778,388	\$ -	\$ -	\$ 778,388

Exchange traded funds and mutual funds are valued at the net asset value of the fund as determined by the closing price in the active market in which the fund is traded. The inputs or methodology used to measure investments are not necessarily indicative of the risk of investing in a particular security.

Note 5 - Property and Equipment

Property and equipment at August 31, 2025 consisted of the following:

Leasehold improvements	\$ 88,691
Office furniture and equipment	73,991
Medical and lab equipment	248,817
Vehicles	36,993
Computer equipment and software	390,977
Total property and equipment subject to depreciation and amortization	839,469
Less: accumulated depreciation and amortization	(626,043)
Total property and equipment, net	\$ 213,426

During the year ended August 31, 2025, depreciation and amortization expense was \$79,760.

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NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2025

Note 6 - Accrued Liabilities

As of August 31, 2025, accrued liabilities consisted of the following:

Credit card liabilities	\$	156,382
Accrued PTO		61,424
Other		<u>24,759</u>
Total accrued expenses	\$	<u><u>242,565</u></u>

Note 7 - Net Assets With Donor Restrictions

At August 31, 2025, net assets with donor restrictions are available for the following purposes:

Mission funds	\$	222,750
Volunteer impact fund		100,000
Sponsorships - various		33,776
Community health workers initiative		49,817
Surgery equipment		21,000
Medicines and specialized medical supplies		18,279
Program mission expense		14,102
Logistics		<u>11,000</u>
Total	\$	<u><u>470,724</u></u>

Note 8 - Net Assets Released From Restrictions

Net assets were released from restrictions during 2025 by incurring expenses satisfying the restricted purposes specified by the donor as follows:

Mission trips fees	\$	1,587,253
Program mission expense		233,747
Surgery equipment		145,576
Community health workers initiative		18,626
Logistics		10,250
Medicines and specialized medical supplies		5,617
Sponsorships		<u>4,250</u>
Total net assets released from restrictions	\$	<u><u>2,005,319</u></u>

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NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2025

Note 9 - Contributions of Nonfinancial Assets

Contributions of nonfinancial assets for the fiscal year ended August 31, 2025 included in the financial statements were as follows:

Contributed Nonfinancial Asset	Revenue Recognized	Utilization In Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Office space and storage facility	\$ 92,996	Management and General	No associated donor restrictions	FIP estimated revenue based upon estimated rent expense as represented by the donor.
Medical supplies, implants, and instruments	12,547,990	Guatemala Program	No associated donor restrictions	These items are valued at the estimated fair value as determined by an independent third-party healthcare organization and as represented by corporate donors.
Medical services	<u>4,954,991</u>	Guatemala Program	No associated donor restrictions	FIP records the value of services contributed by medical professionals based upon the fair value as determined by independent third-party healthcare organizations. FIP does not record the value of volunteer time spent by non-medical personnel.
	<u>\$ 17,595,977</u>			

Note 10 - Related Party Transactions

For the year ended August 31, 2025, twenty-three directors of FIP donated a total of \$521,728 to its operations.

FIP contributed to Asociación La Fe En Práctica (“La Asociación”) (see note 13) approximately \$154,700 for the year ended August 31, 2025. The condensed financial position and change in net assets of La Asociación as of and for the year ended August 31, 2025 are summarized below:

Condensed statement of net assets information	
Assets	\$ 48,600
Liabilities	<u>(8,700)</u>
Net assets	39,900
Condensed statement of activities information	
Contributions and donations	173,600
Expenses	<u>(181,100)</u>
Change in net assets	<u>\$ (7,500)</u>

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NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2025

Note 11 - Employee Benefit Plan

FIP has established a 401(k) Plan covering all employees that are at least 21 years old and have completed at least 3 months of service. FIP contributes up to a maximum of 3% of an employee's annual salary. For the year ended August 31, 2025, FIP made a total annual contribution of \$39,927.

Note 12 - Other Risks, Uncertainties and Concentrations

FIP is subject to concentration of credit risk relating primarily to cash and marketable securities. FIP maintains short-term investments which are reported as a bank money market account not subject to Federal Deposit Insurance Corporation insurance coverage, which represents a concentration of credit risk. Marketable securities consist primarily of domestic bond and equity funds which could subject FIP to losses in the event of a general downturn in the economy.

During the year ended August 31, 2025 FIP had deposits in financial institutions in excess of the amount insured by the Federal Deposit Insurance Corporation of \$-0-.

FIP has a major supplier for donations of orthopedic implants and instruments. The loss of this supplier or a significant reduction in product availability from the supplier may have an adverse effect on FIP's ability to perform Orthopedic mission services in the future. FIP has a strong history with the supplier and a firm commitment going forward.

Note 13 - Commitments and Contingencies

La Asociación

La Asociación is a non-profit organization in Guatemala. The purpose of La Asociación is to support the FIP mission and to provide funds for and manage Casa de Fe. La Asociación is not combined or consolidated with the operations of FIP. FIP and La Asociación have entered into several agreements (see below).

Casa de Fe

FIP, La Asociación and Asociación Obras Sociales del Santo Hermano Pedro, Frailes Franciscanos O.F.M ("Las Obras") operate under an agreement defining the responsibilities of each party as they relate to managing the Casa de Fe. The Casa de Fe is a guest house in Antigua, Guatemala built to house Las Obras surgery patients and their companions. The term of the agreement is for five (5) years, renewable for equal periods. Any of the parties may terminate the agreement in case of material breach of the other parties 30 days after notification. FIP and La Asociación agree to pay all costs incurred in Casa de Fe related operations, including employment, public services, repair of the building and necessary equipment.

Agency Agreement between Faith In Practice and La Asociación La Fe En Práctica

FIP and La Asociación operate under an agency agreement in which FIP appoints La Asociación as its agent to perform duties in Guatemala as FIP may instruct. As stated in the agreement, FIP sends cash advances to La Asociación for use in conducting the mission of FIP. Cash advances consist of one month's future expense, at most, therefore mitigating risk.

FIP leases certain employees from La Asociación. Included in this agency agreement is an indemnification clause related to accruals required by Guatemalan law for these employees.

Management has calculated this accrual as of August 31, 2025 to be immaterial to FIP's financial statements and believes there is a very remote possibility of the circumstances triggering this law to occur.

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NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2025

Note 14 - Functional Expenses

FIP's management and general and fundraising expense to revenue ratio for the year ended August 31, 2025 is as follows:

Management and general expenses	3.69%
Fundraising expenses	4.17%

Note 15 - Liquidity and Availability of Resources

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Financial assets available within one year	
Cash	\$ 164,133
Receivables	254,714
Investments	<u>778,388</u>
Total financial assets	1,197,235
Amounts unavailable for general expenditure within one year	
Donor restrictions	<u>(470,724)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 726,511</u>

FIP regularly monitors liquidity required to meet its operational needs and other contractual commitments. FIP has cash, investments and pledge receivable as forms of liquidity.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, FIP considers all expenditures related to its ongoing program activities and support services to be general expenditures. FIP strives to operate with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

Note 16 - Date of Management's Review

Management of FIP, the 501(c)(3) organization, has evaluated subsequent events through January 14, 2026, the date which the financial statements were available to be issued. Management has determined that no subsequent events require disclosure in these financial statements.