HOMEWORD

Financial Statements

(with Independent Auditors' Report Thereon)

June 30, 2025

GRUBER and LOPEZ, INC.
CERTIFIED PUBLIC ACCOUNTANTS

HOMEWORD

Financial Statements

June 30, 2025

TABLE OF CONTENTS

GRUBER and LOPEZ, INC.
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
HomeWord
San Juan Capistrano, California

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying financial statements of **HomeWord** (a nonprofit organization), which comprise the statement of financial position as of **June 30, 2025**, and the related statements of activities, functional expenses, and cash flows for the year 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 **HomeWord** as of **June 30, 2025**, and the changes in its net assets 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. 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 **HomeWord** 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 **HomeWord** 's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 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, including omissions, 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.

438 Old Newport Blvd, Newport Beach, CA 92663
Phone (949) 346-2900 –www.gruberlopezinc.com

Board of Directors
HomeWord
San Juan Capistrano, California
Page Two

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 **HomeWord'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 **HomeWord'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.

Report on Summarized Comparative Information

We have previously audited **HomeWord's** 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 28, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended **June 30, 2024**, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gruber and Lopez, Inc.

Gruber and Lopez, Inc.

Newport Beach, CA
September 24, 2025

HOMEWORD
Statement of Financial Position
June 30, 2025
(with comparative totals as of June 30, 2024)

		2025	2024
Assets			
Cash and cash equivalents	$	284,153	683,223
Investments		519,865	498,374
Accounts receivable		3,269	13,586
Inventory		5,939	13,951
Deposits		4,950	4,000
Prepaid and other assets		65,966	31,721
Property - furniture and equipment, net (Note 2)		101,529	42,106
Total assets	$	985,671	1,286,961
Liabilities and Net Assets			
Accounts payable	$	8,538	9,615
Accrued liabilities		7,308	12,463
Accrued vacation		34,912	20,120
Lease payable-current (Note 4)		53,787	39,508
Unearned revenue		-	3,000
Lease payable - long-term (Note 4)		52,054	6,591
Total liabilities		156,599	91,297
Net assets (Note 3):			
With donor restrictions		531,466	527,682
Without donor restrictions - undesignated		297,606	667,982
Total net assets		829,072	1,195,664
Total liabilities and net assets	$	985,671	1,286,961

See accompanying notes to finanancial statements.

HOMEWORD
Statement of Activities
Year Ended June 30, 2025
(with comparative totals for the year ended June 30, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
Operating activities:				
Revenues and other support:				
Contributions-individuals and others	$ 607,214	-	607,214	664,597
Contributions-ministry and projects	-	251,695	251,695	609,040
Special events, net:				
Annual Benefit (gross $457,850 less direct expenses of $112,021)	345,829	-	345,829	112,749
Product sales	47,880	-	47,880	44,384
Seminars and conference fees (Note 6)	5,033	-	5,033	3,791
Gain (loss) on disposition of assets	61	-	61	2,487
Other ministry support	520	-	520	49,971
Interest income	13,605	-	13,605	16,200
Subtotal	1,020,142	251,695	1,271,837	1,503,219
Net assets released from restrictions (Note 3)	247,911	(247,911)	-	-
Total revenues and other support	1,268,053	3,784	1,271,837	1,503,219
Expenses:				
Program services	1,410,638	-	1,410,638	1,111,736
Supporting services:				
General and administrative	170,721	-	170,721	106,084
Fundraising	65,019	-	65,019	67,989
Subtotal supporting services	235,740	-	235,740	174,073
Total expenses	1,646,378	-	1,646,378	1,285,809
Change in net assets from operations	(378,325)	3,784	(374,541)	217,410
Non-operating activities:				
Investment income (loss)	7,949	-	7,949	-
Total non-operating activities	7,949	-	7,949	-
Change in net assets	(370,376)	3,784	(366,592)	217,410
Net assets at beginning of year	667,982	527,682	1,195,664	978,254
Net assets at end of year	$ 297,606	531,466	829,072	1,195,664

See accompanying notes to financial statements.

HOMEWORD

Statement of Functional Expenses

Year Ended June 30, 2025

(with comparative totals for the year ended June 30, 2024)

		Supporting Services			Total	
	Program	General and Administrative	Fundraising	Subtotal	**2025**	**2024**
Salaries and related expenses:						
Salaries	$ 589,969	98,328	14,047	112,375	702,344	433,277
Payroll taxes	27,307	4,551	650	5,201	32,508	15,801
Employee benefits	73,664	12,277	1,754	14,031	87,695	88,614
Total salaries and related expenses	690,939	115,157	16,451	131,608	822,547	537,692
Other expenses:						
Advertising and website development	-	-	19,293	19,293	19,293	8,917
Annual benefit venue	-	-	112,021	112,021	112,021	109,051
Conferences, trainings and meetings	2,985	-	-	-	2,985	5,679
Consultants and contractors	52,562	-	13,141	13,141	65,703	192,208
Cost of goods sold	40,470	-	-	-	40,470	31,710
Donor development	8,197	-	8,197	8,197	16,394	10,952
Equipment and software rental	17,999	3,000	429	3,428	21,427	11,591
Information technology	27,206	4,534	648	5,182	32,388	30,841
Insurance	10,385	1,731	247	1,978	12,363	12,914
Licenses, dues, and other fees	16,604	2,767	395	3,163	19,767	11,629
Ministry support	262,175	-	-	-	262,175	232,423
Occupancy (Note 4)	39,961	6,660	951	7,612	47,573	47,791
Printing, postage and shipping	1,889	315	45	360	2,249	5,546
Professional services	209,314	34,886	4,984	39,869	249,183	62,051
Program and office supplies	4,890	815	116	931	5,821	6,882
Repairs and maintenance	2,956	493	70	563	3,519	9,405
Resources	19,924	-	-	-	19,924	46,181
Telephone, communications, utilities	197	33	5	38	235	70
Transportation and travel	1,984	331	47	378	2,362	19,790
Total other expenses	719,698	55,564	160,589	216,154	935,852	855,631
Total expenses before depreciation	1,410,638	170,721	177,040	347,761	1,758,399	1,393,323
Depreciation (Note 2)	-	-	-	-	-	1,537
Total expenses	$ 1,410,638	170,721	177,040	347,761	1,758,399	1,394,860
Less expenses included in statement of activities	$ -	-	(112,021)	(112,021)	(112,021)	(109,051)
Total expenses per statement of activities	$ 1,410,638	170,721	65,019	235,740	1,646,378	1,285,809

See accompanying notes to financial statements.

HOMEWORD
Statement of Cash Flows
Year Ended June 30, 2025
(with comparative totals for the year ended June 30, 2024)

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ (366,592)	217,410
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	-	1,537
Amortization of lease asset	52,132	39,854
(Gain) loss on disposal of assets	(61)	(2,487)
Decrease (increase) in accounts receivable	10,317	5,831
Decrease (increase) in inventory	8,012	1,979
Decrease (increase) in deposits	(950)	20
Decrease (increase) in prepaid and other assets	(34,245)	55,710
(Decrease) increase in account payable	(1,077)	(22,398)
(Decrease) increase in accrued liabilities	(5,155)	(13,110)
(Decrease) increase in accrued vacation	14,792	3,213
(Decrease) increase in unearned revenue	(3,000)	(1,200)
Net cash provided by (used for) operating activities	(325,827)	286,359
Cash flows from investing activities:		
Acquisition of property, furniture and equipment	-	-
Purchase of investments	(21,491)	(268,136)
Net cash provided by (used for) investing activities	(21,491)	(268,136)
Cash flows from financing activities:		
Principal payments on lease payable	(51,752)	(35,139)
Proceeds from issuance of SBA loan	-	-
Net cash provided by (used for) financing activities	(51,752)	(35,139)
Increase (decrease) in cash and cash equivalents	(399,070)	(16,916)
Cash and cash equivalents at beginning of year	683,223	700,139
Cash and cash equivalents at end of year	$ 284,153	683,223

Supplemental disclosure of cash flow information:

Cash paid for interest expense	$ -	-

There were no non-cash investing or financing activites for the year ended June 30, 2025 .

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

The significant accounting policies of HomeWord are presented to assist in the understanding of HomeWord's financial statements. The financial statements and notes are representations of HomeWord's management, who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

(a) Organization and Accomplishments

HomeWord (the "Organization") was established in 1985 and its principal activities are advancing the work of God throughout the world by educating, equipping and encouraging parents and churches to build God-honoring families from generation to generation primarily through radio broadcasts, website, publications, seminars and events.

(b) Basis of Accounting and Revenue Recognition

HomeWord uses the accrual basis of accounting. Under this method of accounting, revenue is recognized when each performance obligation is satisfied and expenses are recognized when incurred.

(c) Financial Statement Presentation

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14 Not for Profit Entities [Topic 958]- *Presentation of Financial Statements of Not-For Profit Entities*, HomeWord is required to report information regarding its financial position and activities according to two classes of net assets:

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 the organization. These net assets may be used at the discretion of HomeWord'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 HomeWord or by the passage of time. Other donor restrictions are perpetual in nature, where by 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.

(1) Summary of Significant Accounting Policies, (Continued)

(d) Cash and Cash Equivalents and Concentration of Credit Risk

For purposes of the statement of cash flows, HomeWord considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents. HomeWord maintains cash deposits with its financial institutions that at times exceed amounts covered by the insurance provided by the Federal Deposit Insurance Corporation (FDIC). HomeWord also actively evaluates the credit worthiness of the institutions with which it invests.

(e) Property - Furniture and Equipment

It is HomeWord's policy to capitalize long-lived assets over $1,000 and a useful life of three years or longer. Lesser amounts are expensed. Property, furniture and equipment are capitalized at cost (except for intangible right-to-use lease assets which is described hereafter). Office furniture and equipment are depreciated on the straight-line method, using estimated useful lives of 5 years. Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions. Website maintenance costs are expensed as incurred.

(f) Impairment of Long-Lived Assets

HomeWord evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the estimated future cash-flows (undiscounted and without interest charges) from the use of an asset are less than the carrying value, a write-down would be recorded to reduce the related asset to its estimated fair value.

(g) Accounts Receivable

Accounts receivable are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value. The allowance for doubtful accounts is generally estimated on the basis of historical collection trends and the age of outstanding receivables. All accounts receivable is unsecured, non-interest bearing and become delinquent after one year.

If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances, and the allowance is adjusted accordingly. Past due receivable balances are written-off when internal collection efforts have been unsuccessful in collecting the amount due. As of June 30, 2025, the Organization had no allowance accrued.

(1) Summary of Significant Accounting Policies, (Continued)

(h) Fair Value of Financial Instruments

HomeWord follows guidance issued by the FASB Accounting Standards Codification (ASC) 820 *Fair Value Measurements*, which establishes a framework for measuring fair value, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement. This guidance establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair values into Levels 1, 2, and 3.

Level 1 inputs consist of unadjusted quoted prices in active markets for identical instruments and have the highest priority. Level 2 inputs include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or inputs other than quoted prices that are directly or indirectly observable. Level 3 inputs are unobservable and are given the lowest priority.

HomeWord's financial instruments, including cash and cash equivalents, contribution and accounts receivables, accounts payable and other accrued expenses are carried at cost, which approximates fair value because of the short-term nature of these instruments.

(i) Contribution Revenue and Support

In accordance with *ASC 958,* contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of 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 statements of activities as net assets released from restrictions.

Grant contract funds are usually categorized as conditional contributions and are recognized when the condition is met (i.e. when the funds are spent on allowable costs and/ or the service is performed).

(j) Inventory

Inventory is stated at the lower of cost (first-in, first-out) or net realizable value. Inventory consists of finished goods exclusively, primarily of books, DVDs, CDs and supplies.

(1) Summary of Significant Accounting Policies, (Continued)

(k) Functional Expense Allocations

Costs of providing HomeWord's programs and other activities have been presented in the statement of functional expenses. Accordingly, certain costs have been allocated between the program and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries, benefits, payroll taxes	Time and effort
Consultants	Time and effort
Donor development	Time and effort
Equipment, software & IT	Time and effort
Professional services	Time and effort
Printing and postage	Time and effort
Occupancy & related utilities	Time and effort
Insurance	Time and effort
Supplies	Time and effort
Transportation & travel	Time and effort

(l) Accrued Vacation

HomeWord's policy is to record accumulated vacation when earned. As of June 30, 2025, the accrued vacation liability was $34,912.

(m) Income Taxes

HomeWord is a tax-exempt organization under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d) and files all federal and state information returns required by law. HomeWord's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending in years 2024, 2023, and 2022 are subject to examination by the IRS, generally for three years after they were filed.

(n) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(1) Summary of Significant Accounting Policies, (Continued)

(o) Contributions Receivable

Contributions receivable generally consist of pledges due from individuals, foundations, and corporations. Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of their estimated 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. Discount amortization is included in contribution revenue. At June 30, 2025, there were no contributions receivable.

(p) Lease Payable

HomeWord is a lessee for noncancellable leases of two office spaces which were classified as an operating leases. HomeWord recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements in accordance with ASU 2016-02 - *Leases.* HomeWord recognizes lease liabilities with an initial, individual value of $10,000 or more. At the adoption date of the lease and in accordance with the modified retrospective approach under ASU 2018-11, HomeWord initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease adoption date, plus certain initial direct costs. Subsequently, lease expense is calculated as the sum of the lease payments plus initial direct costs and is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how HomeWord determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. HomeWord uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, HomeWord generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments. HomeWord monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other fixed assets, and lease liabilities are reported with long-term debt on the Statement of Financial Position.

(1) Summary of Significant Accounting Policies, (Continued)

(q) Advertising and Website

Advertising costs are expensed as incurred. During the year ended June 30, 2025, HomeWord incurred $19,293 of advertising and website costs.

(r) Donated Services and Supplies

Significant services and supplies are donated to HomeWord by various individuals, corporations and other organizations, and are reflected in the accompanying financial statements at their fair values at the date of donation. Donations of services are only recognized if the services received: (1) create or enhance nonfinancial assets or require specialized skills; (2) are provided by individuals possessing those skills; and (3) would typically need to be purchased if not provided by donation. Other volunteer services that do not meet these criteria are not recognized in the financial statements as there is no objective basis for deriving their value.

During the year ended June 30, 2025, HomeWord did not recognize any donated services or supplies. In addition, a significant portion of HomeWord 's functions and programs are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills.

(s) Comparative Totals

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with HomeWord’s financial statements for the year ended June 30, 2024 from which the summarized information was derived.

(1) Summary of Significant Accounting Policies, (Continued)

(t) Reclassifications

For comparability purposes, certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 classifications. These reclassifications have no effect on reported change in net assets.

(u) Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to HomeWord's ongoing program services and interest and deposits. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

(v) Unearned Revenue

Seminar income attributable to future events are included are included in cash and cash equivalents and reflected as unearned revenue until the event has occurred, at which time the revenue will be earned.

(w) Product Sales Revenue Recognition

Revenue from the sale of products is recognized when persuasive evidence of the arrangement exists, delivery and performance has occurred, the price is fixed and determinable and collectivity is probable. Generally, these criteria are met at the time delivery has occurred. The Organization provides for estimated customer returns and allowances by reducing sales in the period that the sale occurs. The Organization's obligations for customer returns, refunds and warranties are not material and accordingly related disclosures are not provided.

(x) Program Services Fees

Charges to customers for shipping costs are included in revenues and the related cost is included in program services expenses.

(y) Investments

As of June 30, 2025, the Organization's investments were $519,865 which consisted of U.S. Treasury funds. The investments are carried at fair value and categorized as Level 1 as noted above.

(2) Property, Furniture and Equipment

Property, furniture and equipment consist of the following at June 30, 2025:

Office furniture and equipment	$ 23,049
Right-to-use lease asset	101,529
Computer equipment	56,998
Computer software	169,641
Total	351,217
Less: Accumulated depreciation	(249,688)
	$ 101,529

Depreciation expense for the year ended June 30, 2025 was $0.

(3) Net Assets

During the year ended June 30, 2025, $247,911 of net assets were released from net assets with donor restrictions as follows.

Specific Purpose:	Donor Restricted Net Assets-Beginning of Year	Donor Restricted Revenues	Released From Restriction	Donor Restricted Net Assets-End of Year
Ministry and projects	$527,682	251,695	(247,911)	531,466

As of June 30, 2025, $297,606 of net assets were classified as without restrictions and were undesignated.

(4) Lease Payable

The Organization is leasing two office facilities through agreements that are set to expire in January 2027 and April 2027 with monthly lease payments that range from $950 to $3,800, respectively, both with an interest rate of 5%. The initial lease liabilities were recorded in the amounts of $22,362 and $91,447. As of June 30, 2025, the value of the lease liabilities totaled $105,841. The total rent expense for the year ended June 30, 2025 was $47,573. The initial value of the right-to-use assets were $22,362 and $91,447 and have estimated useful lives of 3 years. As of June 30, 2025, the value of the assets totaled $101,529, net of amortization.

(4) Lease Payable (continued)

The expected future minimum lease payments over the terms of the aforementioned lease is as follows:

Year ending June 30:

	Principal	Interest	Total
2025	$53,787	4,233	58,020
2026	52,054	2,082	54,136
Total	$105,841	6,315	112,156

(5) Contingencies

Equipment rent - HomeWord also leases office equipment under two noncancelable operating leases that are not subject to ASU 2016-02 as they do not meet HomeWord's threshold. The agreements call for monthly payments ranging from $191 to $565, plus applicable taxes, and expiring through August 2027.

Other - HomeWord is also subject to legal proceedings, claims, and assessments which arise in the ordinary course of its business. In the opinion of management, the amount of ultimate liability with respect to these actions, should they occur, will not materially affect HomeWord's financial statements.

(6) Revenues from Contract with Customers

In accordance with ASU 2014-09 *Revenue from Contracts with Customers* (ASC 606), seminar and conference fee revenues (which do not create an asset with an alternative use for the Organization) are classified as exchange transactions and are recognized as performance obligations are satisfied based on the amount of the transaction price that is allocated to those performance obligations (i.e. which are primarily less than a year). The Organization determined that the transaction price with its clients include fixed consideration as it relates to conference and seminar services provided. During the year ended June 30, 2025, $5,033 of conference and seminar fee revenue were recognized at a point in time which was after the service is provided.

(7) Availability and Liquidity

The following represents HomeWord's financial assets at June 30, 2025:

Financial assets at year end:	
Cash and cash equivalents	$284,153
Investments	519,865
Accounts receivable	3,269
Total financial assets	807,287
Less amounts not available to be used within 1 year:	
Net assets with donor restrictions	531,466
Less net assets with purpose restrictions to be met within one year	(531,466)
Subtotal	-
Financial assets available to meet general expenses over the next 12 months:	$807,287

HomeWord's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately $410,000). As part of its liquidity plan, excess cash is invested in only deposits.

(8) Subsequent Events

Management has evaluated subsequent events through September 24, 2025, the date the financial statements were available to be issued.