



GREATER EUROPE MISSION AND AFFILIATES dba GEM USA

Consolidated Financial Statements
With Independent Auditor's Report

June 30, 2025 and 2024

GREATER EUROPE MISSION AND AFFILIATES
dba GEM USA

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Greater Europe Mission and Affiliates
dba GEM USA
Wheaton, Illinois

Opinion

We have audited the accompanying consolidated financial statements of Greater Europe Mission and Affiliates dba GEM USA which comprise the consolidated statements of financial position as of June, 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Greater Europe Mission and Affiliates dba GEM USA as of June, 30, 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 Consolidated Financial Statements* section of our report. We are required to be independent of Greater Europe Mission and Affiliates dba GEM USA 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Europe Mission and Affiliates dba GEM USA's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Board of Directors
Greater Europe Mission and Affiliates
dba GEM USA
Wheaton, Illinois

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Greater Europe Mission and Affiliates dba GEM USA'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Europe Mission and Affiliates dba GEM USA'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.



Colorado Springs, Colorado
November 20, 2025

GREATER EUROPE MISSION AND AFFILIATES
dba GEM USA

Consolidated Statements of Financial Position

	June 30,	
	2025	2024
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 4,197,149	\$ 4,678,962
Investments	12,228,890	11,836,268
Advances and other receivables	804,965	110,173
Prepaid expense and other assets	670,237	274,999
Investments held for others	135,078	125,223
	18,036,319	17,025,625
Board-designated investments	1,406,296	915,302
Estate receivables	365,129	190,129
Land, buildings, and equipment–net	1,145,445	1,831,548
Total Assets	\$ 20,953,189	\$ 19,962,604
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 527,097	\$ 668,107
Related party payable	647,392	301,641
Investments held for others	135,078	125,223
Note payable–current portion	20,570	18,483
Deferred compensation liability–current portion	59,361	59,092
	1,389,498	1,172,546
Note payable–net of current portion	350,428	338,970
Deferred compensation liability–net of current portion	332,092	343,952
Total Liabilities	2,072,018	1,855,468
Net assets:		
Without donor restrictions	8,346,104	8,064,208
With donor restrictions	10,535,067	10,042,928
Total Net Assets	18,881,171	18,107,136
Total Liabilities and Net Assets	\$ 20,953,189	\$ 19,962,604

See notes to consolidated financial statements

GREATER EUROPE MISSION AND AFFILIATES
dba GEM USA

Consolidated Statements of Activities

	Year Ended June 30,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING:						
SUPPORT AND REVENUE:						
Contributions	\$ 2,523,942	\$ 26,933,158	\$ 29,457,100	\$ 3,553,160	\$ 25,291,829	\$ 28,844,989
Interest income	99,129	-	99,129	146,262	-	146,262
Other income	359,675	-	359,675	422,592	-	422,592
Camper registration fees	179,211	-	179,211	182,164	-	182,164
Adjustment to market value on inherent donation of net assets	798,879	-	798,879	-	-	-
Total Support and Revenue	3,960,836	26,933,158	30,893,994	4,304,178	25,291,829	29,596,007
NET ASSETS RELEASED:						
Purpose and time restrictions	23,808,062	(23,808,062)	-	22,379,591	(22,379,591)	-
Administrative assessments	2,632,957	(2,632,957)	-	2,561,118	(2,561,118)	-
Total Net Assets Released	26,441,019	(26,441,019)	-	24,940,709	(24,940,709)	-
EXPENSES:						
Program services	26,771,063	-	26,771,063	24,759,700	-	24,759,700
Supporting activities:						
Management and general	2,907,249	-	2,907,249	3,479,920	-	3,479,920
Fundraising	1,511,084	-	1,511,084	2,017,484	-	2,017,484
Total Expenses	31,189,396	-	31,189,396	30,257,104	-	30,257,104
Change in Net Assets From Operations	(787,541)	492,139	(295,402)	(1,012,217)	351,120	(661,097)

(continued)

See notes to consolidated financial statements

GREATER EUROPE MISSION AND AFFILIATES
dba GEM USA

Consolidated Statements of Activities
(continued)

	Year Ended June 30,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
NON-OPERATING:						
Investment income	1,057,846	-	1,057,846	808,604	-	808,604
Change in value of deferred compensation liability	11,591	-	11,591	19,289	-	19,289
Change in Net Assets From Non-Operating Activities	1,069,437	-	1,069,437	827,893	-	827,893
Change in Net Assets	281,896	492,139	774,035	(184,324)	351,120	166,796
Net Assets, Beginning of Year	8,064,208	10,042,928	18,107,136	8,248,532	9,691,808	17,940,340
Net Assets, End of Year	<u>\$ 8,346,104</u>	<u>\$ 10,535,067</u>	<u>\$ 18,881,171</u>	<u>\$ 8,064,208</u>	<u>\$ 10,042,928</u>	<u>\$ 18,107,136</u>

See notes to consolidated financial statements

GREATER EUROPE MISSION AND AFFILIATES
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Consolidated Statements of Functional Expenses

	Year Ended June 30, 2025			
	Supporting Activities			Total
	Program Services	Management and General	Fundraising	
Salaries and benefits	\$ 16,035,943	\$ 1,517,187	\$ 1,006,251	\$ 18,559,381
Grants to others	6,660,534	-	-	6,660,534
Travel and hospitality	2,175,483	74,398	351,910	2,601,791
Professional fees	95,376	1,166,665	14,919	1,276,960
Office and information technology	628,432	89,347	56,038	773,817
Conference expense	469,949	3,923	30,907	504,779
Equipment and facilities	344,239	6,989	2,448	353,676
Other	282,708	5,585	48,611	336,904
Depreciation and depletion	78,399	43,155	-	121,554
Total Expenses	<u>\$ 26,771,063</u>	<u>\$ 2,907,249</u>	<u>\$ 1,511,084</u>	<u>\$ 31,189,396</u>
	Year Ended June 30, 2024			
	Supporting Activities			Total
	Program Services	Management and General	Fundraising	
Salaries and benefits	\$ 15,241,947	\$ 2,114,101	\$ 759,819	\$ 18,115,867
Grants to others	5,471,002	-	-	5,471,002
Travel and hospitality	2,301,820	87,906	356,808	2,746,534
Professional fees	102,465	1,064,879	367,587	1,534,931
Office and information technology	631,630	157,292	216,241	1,005,163
Conference expense	268,024	2,564	291,087	561,675
Equipment and facilities	417,845	6,361	2,452	426,658
Other	262,081	6,661	23,490	292,232
Depreciation and depletion	62,886	40,156	-	103,042
Total Expenses	<u>\$ 24,759,700</u>	<u>\$ 3,479,920</u>	<u>\$ 2,017,484</u>	<u>\$ 30,257,104</u>

See notes to consolidated financial statements

GREATER EUROPE MISSION AND AFFILIATES
dba GEM USA

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 774,035	\$ 166,796
Adjustments to reconcile to net cash provided (used) by operating activities:		
Depreciation and depletion	121,554	103,042
Reinvested dividends	(384,427)	(287,032)
Net realized and unrealized gains on investments	(570,854)	(451,220)
Adjustment to market value on inherent donation of net assets	(798,879)	-
Noncash contribution of land, buildings, and equipment	1,404,290	-
Change in operating assets and liabilities:		
Advances and other receivables	(694,792)	151,615
Prepaid expenses and other assets	(395,238)	405,210
Investments held for others	(9,855)	(11,325)
Estate receivables	(175,000)	(9,620)
Accounts payable and accrued expenses	(141,010)	255,937
Related party payable	345,751	142,001
Amounts held for others	9,855	11,325
Deferred compensation liability	(11,591)	(19,289)
Net Cash Provided (Used) by Operating Activities	<u>(526,161)</u>	<u>457,440</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(1,458,806)	(2,300,365)
Proceeds from sales of investments	1,489,609	609,814
Net Cash Provided (Used) by Investing Activities	<u>30,803</u>	<u>(1,690,551)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on note payable	(18,443)	(18,205)
Foreign currency valuation adjustment on note payable	31,988	(6,935)
Net Cash Provided (Used) by Financing Activities	<u>13,545</u>	<u>(25,140)</u>
Net Change in Cash and Cash Equivalents	(481,813)	(1,258,251)
Cash and Cash Equivalents, Beginning of Year	<u>4,678,962</u>	<u>5,937,213</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 4,197,149</u></u>	<u><u>\$ 4,678,962</u></u>
SUPPLEMENTAL DISCLOSURES:		
Interest paid	<u><u>\$ 6,041</u></u>	<u><u>\$ 6,289</u></u>

See notes to consolidated financial statements

GREATER EUROPE MISSION AND AFFILIATES dba GEM USA

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

1. NATURE OF ORGANIZATION:

Greater Europe Mission and Affiliates dba GEM USA (GEM USA) is an evangelical and nondenominational missionary fellowship representing churches, societies, and individuals in reaching Europe by multiplying disciples and growing Christ's Church. GEM USA operates in affiliation with other Greater Europe Mission entities incorporated in other countries that share the same vision and mission.

GEM USA is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the U.S Internal Revenue Code (IRC) and comparable state laws. However, GEM USA is subject to federal income tax on any unrelated business taxable income. In addition, GEM USA is not classified as a private foundation within the meaning of Section 509(a) of the IRC. Contributions from the public are deductible for income tax purposes and are the primary source of support and revenue. GEM USA places a high value on financial integrity and is an accredited member of the Evangelical Council for Financial Accountability, demonstrating compliance with established standards for financial stewardship, ethical fundraising, and proper board governance.

GEM USA exists to connect the people of God in the USA to the mission of God in Europe. A primary focus is to send and support workers to engage with GEM USA's wider mission of Discipleship Multiplication Training with areas of focus on the following activities:

Discipleship Multiplication Training - At our core, GEM USA believes that disciple multiplication is the key to transformation in Europe. Multiplying disciples means not only introducing people to the good news of Jesus Christ, but being present with them as they grow in their faith. As such, a movement of multiplying disciples infiltrates all relational networks, ethnic groups, social sectors, and every place in Europe with the transforming presence of God.

Church Planting - Wherever there has been a missional desire in the world, churches were planted. GEM USA mobilizes, equips, trains, and sends out church planters to reach the many unchurched people in Europe. We do this both with local churches to create movements of church multiplication, and in collaboration with other partners and church planting initiatives in Europe.

Biblical Education - GEM USA ministry in theological education seeks to join with God's Spirit in equipping Europeans to be renewed in heart and mind through Biblical and Theological study. Theological educators in GEM USA work to equip pastors, evangelists, and shepherds to navigate the complexities of ministering in a post-Christian environment and live out the Way of Jesus Christ.

Refugee Ministry - To follow Jesus means to minister to the physical and spiritual needs of those who are hurting. With thousands of refugees daily seeking refuge from war, famine, rape, and murder, GEM USA is positioned to be the hands and feet of Jesus in Europe.

GREATER EUROPE MISSION AND AFFILIATES

dba GEM USA

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

1. NATURE OF ORGANIZATION, continued:

Justice Ministry - "Rescue the weak and the needy; deliver them from the hand of the wicked." (Psalm 82:4). The goal of GEM USA's Justice Ministry work is to not only illuminate the needs of those that are hurting and trapped in modern slavery, but to walk alongside them in the recovery process. GEM USA workers are establishing ministries and partnerships in order to be the hands and feet of Christ and meet the needs of victims of sex trafficking.

Professional Services - We believe that God has equipped all of us with unique gifts and experiences that have the potential to be used for His glory in reaching Europe. Whether that's videography, financial know-how, construction, pottery, or technology, GEM USA has successfully placed workers in Europe to draw on these for the expansion of the Kingdom.

REPORTING ENTITIES

These consolidated financial statements also include the material assets, liabilities, net assets, revenue, and expenses of certain international fields throughout Europe. All intercompany transactions have been eliminated on the consolidated financial statements. GEM USA is also affiliated with certain national ministries throughout Europe. Although GEM USA missionaries in those areas work with the national ministries, the national ministries are not under GEM USA control. Accordingly, expenditures are treated as grants and the related assets and liabilities are not included in these consolidated financial statements.

FOREIGN OPERATIONS

In connection with its worldwide ministry, GEM USA maintains locations in several countries outside the United States. The operations of these fields are included in these consolidated financial statements, and include the following fields: La Ligue Biblique Francaise (dba GEM France), Camp des Cimes (dba Camp of the Peaks) and Greater Europe Mission e.V. (Germany).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

GEM USA maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the consolidated financial statements, and the reported revenues and expenses during the reporting period. Significant estimates include functional allocation of expenses, valuation of estates receivable, depreciation of buildings and equipment, investments recorded at fair value based upon fair value measurements, valuation of deferred compensation liability, and adjustment to market value on inherent donation of net assets. Actual results could differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

GREATER EUROPE MISSION AND AFFILIATES

dba GEM USA

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes checking, savings, and money market accounts. These accounts may, at times, exceed federally insured limits. As of June 30, 2025 and 2024, GEM USA has cash and cash equivalents on deposit with financial institutions that exceed the federally insured balance by approximately \$316,000 and \$831,000, respectively. Further, as of June 30, 2025 and 2024, GEM USA held cash and cash equivalents in foreign accounts approximating \$558,000 and \$803,000, respectively.

ADVANCES AND OTHER RECEIVABLES

Advances and other receivables consist of ministry advances and other miscellaneous receivables. Based on historical collections and management's current analysis, an allowance for credit losses was not recorded as of June 30, 2025 and 2024, because all amounts were considered to be fully collectible.

			June 30,	
		2025	2024	2023
Advances and other receivables, beginning of year	\$	110,173	\$ 261,788	\$ 277,453
Advances and other receivables, end of year	\$	804,965	\$ 110,173	\$ 261,788

ESTATE RECEIVABLES

Estate receivables consist of unconditional receivables recorded at net realizable values, as provided by the estate trustees.

INVESTMENTS HELD FOR OTHERS

Investments held for others consist of an annuity asset held for the Portuguese Bible Institute. This location's control and related assets were transferred from GEM USA to the Portuguese Bible Institute during the year ended June 30, 2011. However, due to foreign tax implications, GEM USA is holding the annuity asset on behalf of the Portuguese Bible Institute. Included in investments held for others on the consolidated statements of financial position with an offsetting liability for the same amounts are \$135,078 and \$125,223 held for the Portuguese Bible Institute as of June 30, 2025 and 2024, respectively.

GREATER EUROPE MISSION AND AFFILIATES

dba GEM USA

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS AND BOARD-DESIGNATED INVESTMENTS

Investments and board-designated investments, with the exception of private equity shares, life insurance, and real estate held for investment, are recorded at fair value. Donated securities are recorded at fair value on the date of the gift and generally are sold as soon as possible thereafter. Unrealized gains or losses in fair value are recognized in the year in which they occur. Private equity was initially recorded at fair market value on the date of the gift, and is stated at cost less any impairment. Cash surrender value of life insurance is held at contract value.

Investment securities are exposed to various risks, such as changes in interest rates or credit ratings and market fluctuations. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is possible that the value of GEM USA's investments and total net assets could fluctuate materially.

Board-designated investments consist of amounts set aside by the board for investment reserves.

LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment are recorded at cost at the date of acquisition. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (excluding land), ranging from three to thirty years. Purchases of long-lived assets in excess of \$5,000 with a useful life in excess of one year are capitalized. Repairs and maintenance are expensed as incurred.

NET ASSETS

The net assets of GEM USA are reported in the following classes:

Net assets without donor restrictions consist of resources that are available for current operations and those designated by the board for investment reserves.

Net assets with donor restrictions include contributions designated by donors for specific purposes, as well as amounts received with implicit time restrictions. Significant programs supported by donors included in net assets with donor restrictions are primarily support of field ministry staff and related projects.

GREATER EUROPE MISSION AND AFFILIATES

dba GEM USA

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, AND EXPENSES

Contributions are recorded when made, which may be when cash and other assets are received or unconditionally promised. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

GEM USA reports gifts of property and equipment as support without donor restrictions 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 support with donor restrictions. Absent explicit donor stipulations about how those long-lived assets must be maintained, GEM USA reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributed services are reflected in the consolidated financial statements only if they meet appropriate recognition criteria. Accordingly, the value of the contributed services not meeting the requirements for recognition are not reflected in the consolidated financial statements.

Camper registration fees are related to the operation of GEM USA-sponsored conferences and camps. The revenue is recognized over time when earned. Any funds collected prior to the event are recorded as performance obligation liabilities which are included with accounts payable and accrued expenses on the consolidated statements.

Other income consists of rental income and miscellaneous fees, and is recorded when earned. Interest and investment income are recorded when earned and include realized and unrealized gains and losses on investments, net of investment expenses.

The adjustment to market value on inherent donation of net assets is the gain recorded to adjust the property net book value to estimated fair market value as of December 20, 2024, the date the legal work was completed to complete the transfer of two lots of land and three buildings to the Greek Bible Institute. In prior years, these assets had been reported as non-operating land, buildings, and equipment in the consolidated financial statements. See Note 6. Therefore, with the transfer legally completed by the Greek authorities, GEM USA granted total assets of \$1,404,290 to the Greek Bible Institute, and is included in grants to others on the consolidated statements of functional expenses for the year ended June 30, 2025.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

GREATER EUROPE MISSION AND AFFILIATES

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Notes to Consolidated Financial Statements

June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

FUNCTIONAL ALLOCATION OF EXPENSES

The consolidated statements of functional expenses report certain categories of expenses that are attributable to program services or support activities of GEM USA. Accordingly, certain costs relating to more than one function, such as salaries and benefits, travel and hospitality, and professional fees have been allocated among the program and supporting activities. Depreciation is allocated based on square footage. All other expenses, such as salaries and benefits, are allocated based on estimates of time and effort.

ADMINISTRATIVE ASSESSMENTS

Donor restricted contributions are subject to an assessment, generally between 5%-12%, based on the type of gift given. The assessments are reclassified from net asset with donor restrictions to net assets without donor restrictions at the time the contribution is received and are used for management and general and fundraising expenses for both GEM USA and Greater Europe Mission International. See Note 11.

OPERATING AND NON-OPERATING ACTIVITIES

The activity of GEM USA has been reported in the consolidated statements of activities in the following two categories: operating and non-operating. Operating includes the core activities of the organization and interest income. Non-operating includes all other activity that is not considered to be part of GEM USA's core activities, such as investment income and changes in the deferred compensation liability.

ALLOCATION OF JOINT COSTS

GEM USA incurs joint costs relating to printing, media, and the expenses of furloughing missionaries. These expenses have been allocated as follows:

	Year Ended June 30,	
	2025	2024
Program services	\$ 2,657,779	\$ 1,792,947
Supporting activities:		
Management and general	31,212	37,173
Fundraising	592,444	1,905,257
	<u>\$ 3,281,435</u>	<u>\$ 3,735,377</u>

RECLASSIFICATIONS

Certain reclassifications were made to prior year amounts to conform with current year presentation.

GREATER EUROPE MISSION AND AFFILIATES

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Notes to Consolidated Financial Statements

June 30, 2025 and 2024

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects GEM USA's financial assets reduced by amounts not available for general expenditures within one year as of June 30, 2025 and 2024, respectively. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, designated by the board of directors for specific projects not expected to be released within one year, or long-term receivables and not available for general expenditure.

	Year Ended June 30,	
	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 4,197,149	\$ 4,678,962
Investments	12,228,890	11,836,268
Advances and other receivables	804,965	110,173
Investments held for others	135,078	125,223
Board-designated investments	1,406,296	915,302
Estate receivables	365,129	190,129
Financial assets, at year-end	19,137,507	17,856,057
Less those unavailable for general expenditure within one year, due to:		
Investments held for others	(135,078)	(125,223)
Estate receivables	(365,129)	(190,129)
Donor restrictions not intended to be used within one year	(500,000)	-
Board-designated funds	(1,406,296)	(915,302)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 16,731,004</u>	<u>\$ 16,625,403</u>

GEM USA has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management monitors cash flows through board meetings and detailed financial analysis. Because a donor's restriction requires resources to be used in a particular manner or in a future period, GEM USA must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. For the years ended June 30, 2025 and 2024, GEM USA had \$10,535,067 and \$10,042,928 in net assets with donor restrictions of which \$9,669,938 and \$9,852,799 are considered available to meet the needs for general expenditures within one year, all respectively.

GREATER EUROPE MISSION AND AFFILIATES

dba GEM USA

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

4. INVESTMENTS AND BOARD-DESIGNATED INVESTMENTS:

Investments and board-designated investments consist of:

	June 30,	
	2025	2024
Investments	\$ 12,228,890	\$ 11,836,268
Board-designated investments	1,406,296	915,302
Investments held for others	135,078	125,223
	\$ 13,770,264	\$ 12,876,793

5. FAIR VALUE MEASUREMENTS:

Fair value is the exchange price that would be received for an asset (exit price) in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs, other than quoted prices, that are:
 - observable; or
 - can be corroborated by observable market data.

If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. GEM USA held no Level 3 assets as of June 30, 2025 or 2024.

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5. FAIR VALUE MEASUREMENTS, continued:

The asset'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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

Mutual funds: Mutual funds held by GEM USA are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by GEM USA are deemed to be actively traded.

Corporate bonds: Corporate bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although GEM USA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Fair values of assets measured on a recurring basis at June 30, 2025 and 2024 are:

		Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	June 30, 2025			
Investments:				
Mutual funds	\$ 1,975,472	\$ 1,975,472	\$ -	\$ -
Corporate bonds	9,573,240	-	9,573,240	-
	11,548,712	<u>\$ 1,975,472</u>	<u>\$ 9,573,240</u>	<u>\$ -</u>
Private equity shares held at cost less impairment	70,156			
Cash surrender value held at contract value	<u>2,151,396</u>			
	<u>\$ 13,770,264</u>			

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5. FAIR VALUE MEASUREMENTS, continued:

		Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	June 30, 2024			
Investments:				
Mutual funds	\$ 1,852,425	\$ 1,852,425	\$ -	\$ -
Corporate bonds	8,967,567	-	8,967,567	-
	10,819,992	<u>\$ 1,852,425</u>	<u>\$ 8,967,567</u>	<u>\$ -</u>
Private equity shares held at cost less impairment	96,018			
Cash surrender value held at contract value	<u>1,960,783</u>			
	<u>\$ 1,852,425</u>			

CHANGES IN FAIR VALUE LEVELS

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended June 30, 2025 and 2024, there were no significant transfers in or out of Levels 1, 2 or 3.

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6. LAND, BUILDINGS, AND EQUIPMENT–NET:

Land, buildings, and equipment–net consist of:

	June 30, 2025		
	U.S. Assets	Field Assets	Total
Land, buildings, and equipment–net:			
Land	\$ -	\$ 377,703	\$ 377,703
Buildings and improvements	-	2,547,729	2,547,729
Furniture, equipment, and other	79,472	65,617	145,089
Vehicles	-	51,138	51,138
	79,472	3,042,187	3,121,659
Accumulated depreciation	(77,751)	(1,898,463)	(1,976,214)
	<u>\$ 1,721</u>	<u>\$ 1,143,724</u>	<u>\$ 1,145,445</u>

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6. LAND, BUILDINGS, AND EQUIPMENT–NET, continued:

Land, buildings, and equipment–net consist of, continued:

	June 30, 2024		
	U.S. Assets	Field Assets	Total
Operating land, buildings, and equipment–net:			
Land	\$ -	\$ 510,889	\$ 510,889
Buildings and improvements	-	2,415,518	2,415,518
Furniture, equipment, and other	79,472	64,642	144,114
Vehicles	-	89,255	89,255
	<u>79,472</u>	<u>3,080,304</u>	<u>3,159,776</u>
Accumulated depreciation	<u>(75,458)</u>	<u>(1,858,181)</u>	<u>(1,933,639)</u>
	<u>4,014</u>	<u>1,222,123</u>	<u>1,226,137</u>
Non-operating land, buildings, and equipment–net:			
Land	-	370,370	370,370
Buildings and improvements	-	872,002	872,002
	-	<u>1,242,372</u>	<u>1,242,372</u>
Accumulated depreciation	-	<u>(636,961)</u>	<u>(636,961)</u>
	-	<u>605,411</u>	<u>605,411</u>
	<u>\$ 4,014</u>	<u>\$ 1,827,534</u>	<u>\$ 1,831,548</u>

Management has reviewed the assets in other countries and, in its opinion, determined they are under the control and ownership of the ministry or meet the requirements for consolidation as set forth by the Not-for-Profit-Entities Topic of the Financial Accounting Standards Board Accounting Standards Codification. While such items are recognized as assets of the ministry, it should be noted that the political situation in many other countries is subject to rapid change. Therefore, the reader should be aware that while the ministry believes the assets are properly stated at the date of this report, subsequent changes could occur that would adversely affect the realizable value of the assets in other countries. In addition, it should be understood the carrying value of the assets in other countries may not be representative of the amount that could be realized should the assets be sold.

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7. NOTE PAYABLE:

Note payable consists of:

	June 30,	
	2025	2024
Note payable to a German financial institution, monthly principal and interest payments of 1,900€ (\$2,237 and \$2,033 as of June 30, 2025 and 2024, respectively), with an interest rate of 1.7% and maturity date of November 2027, at which time the interest rate will be adjustable until the note matures in May 2041. The note is secured by real property in Kandern, Germany with a net book value of approximately \$921,000.	\$ 370,998	\$ 357,453
Less current portion	(20,570)	(18,483)
	<u>\$ 350,428</u>	<u>\$ 338,970</u>

Future minimum payments related to the note payable are:

<u>Year Ending June 30,</u>	
2026	\$ 20,570
2027	20,923
2028	21,281
2029	21,646
2030	22,017
Thereafter	<u>264,561</u>
	<u>\$ 370,998</u>

GEM USA was in compliance with all financial and reporting covenants at June 30, 2025 and 2024.

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8. NET ASSETS:

Net assets without donor restrictions consist of:

	June 30,	
	2025	2024
Operating	\$ 6,939,808	\$ 7,148,906
Board-designated	1,406,296	915,302
	\$ 8,346,104	\$ 8,064,208

Net assets with donor restrictions consist of:

	June 30,	
	2025	2024
Missionary support	\$ 7,977,716	\$ 8,277,338
International projects	2,192,222	1,575,461
Time restrictions	365,129	190,129
	\$ 10,535,067	\$ 10,042,928

9. DEFERRED COMPENSATION BENEFITS:

Pursuant to ongoing efforts to provide deferred compensation benefits for certain missionaries in prior years, GEM USA agreed to an arrangement whereby benefits were paid to certain missionaries with at least 30 years of service upon retirement. During fiscal year 1994, due to an increase in benefit payments and a decision to officially adopt and freeze benefits under this nonqualified deferred compensation arrangement effective December 31, 1995, GEM USA decided to change its method of accounting and accrue all existing benefits.

Using group annuity and mortality tables and a discount rate of 5.61% and 5.49% for the years ended June 30, 2025 and 2024, respectively, GEM USA has estimated the present value of benefits, based on credit for past service, that will be payable under the plan to be \$391,453 and \$403,044, as of June 30, 2025 and 2024, respectively. Payments recorded as expenses were \$59,158 and \$59,092 for the years ended June 30, 2025 and 2024, respectively. Currently, no assets are set aside to fund the benefits.

10. RETIREMENT PLAN:

GEM USA sponsors an ERISA-exempt 403(b) defined contribution plan for all full-time employees. GEM USA contributes 4% of eligible salary to an employee-directed plan. Total contributions were \$597,495 and \$580,127, for the years ended June 30, 2025 and 2024, respectively.

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11. RELATED PARTY TRANSACTIONS:

GEM USA's operations are conducted under the terms of a joint ministries agreement between GEM USA and Greater Europe Mission in Canada (GEM Canada). While there is representation on each board, GEM USA and GEM Canada have independent boards and are primarily affiliated through the joint ministries agreement. Two GEM USA missionaries are currently voting members of the GEM Canada Board. Accordingly, only the financial position and activity of GEM USA has been included in these consolidated financial statements. As part of the joint ministries agreement, GEM Canada provided contributions of \$202,792 and \$188,533, (in U.S. dollars) to GEM USA during the years ended June 30, 2025 and 2024, respectively. GEM USA provided contributions of \$258,913 and \$248,745 to GEM Canada during the years ended June 30, 2025 and 2024, respectively.

Greater Europe Mission International (GEMi), a separate legal entity, began financial operations on July 1, 2019. GEMi is incorporated in the United States of America for the purpose of coordinating and supporting the efforts of the various national GEM entities around the world, including GEM USA, toward reaching Europe by multiplying disciples and growing Christ's Church. GEM USA operates under the terms of an affiliation agreement between GEM USA and GEMi. During the years ended June 30, 2025 and 2024, six GEM board members also served on the board of GEMi. The GEM USA board members do not have the ability to appoint or ratify the GEMi board members. This board overlap is intended to be temporary, and accordingly, the financial position and activity of GEMi have not been included in these consolidated financial statements. As part of the joint ministries agreement, GEM USA paid \$2,804,975 and \$2,737,138, respectively, to GEMi during the years ended June 30, 2025 and 2024, which included assessment fees due to the international entity of \$662,943 and \$638,120, respectively, a percent of general fund contributions of \$1,453,639 and \$1,561,188, respectively, and contributions of \$688,393 and \$537,830, respectively. This is recorded as grants to others in the consolidated statements of functional expenses. During the years ended June 30, 2025 and 2024, GEMi reimbursed GEM USA for \$997,344 and \$1,071,047, respectively, of salary expense, which is netted against salaries and benefits in the consolidated statements of functional expenses. A related party payable of \$647,393 and \$301,642, respectively, is included in the consolidated statements of financial position as of June 30, 2025 and 2024, which represents the amount due to/from GEM USA and GEMi.

During the years ended June 30, 2025 and 2024, GEM USA board members contributed approximately \$1,376,000 and \$1,179,000, respectively, to GEM USA.

12. SUBSEQUENT EVENTS:

Subsequent events were evaluated through November 20, 2025, which is the date the consolidated financial statements were available to be issued. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.