



Financial Statements
For the Years Ended May 31, 2026 and 2025

The Gideons International
Financial Statements
For the Years Ended May 31, 2026 and 2025

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Independent Auditor's Report

International Finance Committee
The Gideons International

Opinion

We have audited the financial statements of The Gideons International (the Organization), which comprise the statements of financial position as of May 31, 2026 and 2025, the related statements of activities, functional expenses, and cash flows for the years 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 the Organization as of May 31, 2026 and 2025, 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 (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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC

Brentwood, Tennessee

July 9, 2026

The Gideons International
Statements of Financial Position
May 31, 2026 and 2025

	2026	2025
Assets		
Cash and cash equivalents	\$ 25,959,860	\$ 37,612,097
Short-term operating investments	98,400,411	114,239,314
Inventories and other assets	65,494,752	43,384,737
Property and equipment, net	9,010,334	8,629,894
Assets held for long-term purposes	40,439,335	38,430,549
Total assets	\$ 239,304,692	\$ 242,296,591
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 8,682,332	\$ 7,975,654
Employee benefit obligations	1,159,609	1,248,487
Annuities and trusts payable	14,057,269	14,268,637
Total liabilities	23,899,210	23,492,778
Net assets		
Without donor restrictions	109,229,457	107,472,119
With donor restrictions	106,176,025	111,331,694
Total net assets	215,405,482	218,803,813
Total liabilities and net assets	\$ 239,304,692	\$ 242,296,591

The Gideons International
Statement of Activities
For the Year Ended May 31, 2026

	Without donor restrictions	With donor restrictions	Total
Operating Support and Revenues			
Contributions of cash and other financial assets			
General support	\$ 25,822,636	\$ 477,656	\$ 26,300,292
Endowment	-	912,174	912,174
Scriptures	75,273,199	-	75,273,199
Held at state and local camp level	9,038,333	-	9,038,333
International, net of \$16,921,618 and \$2,651,560 for use at the National Association and International Country levels, respectively	7,995,351	-	7,995,351
Contributions of nonfinancial assets	476,500	-	476,500
	<u>118,606,019</u>	<u>1,389,830</u>	<u>119,995,849</u>
Revenues			
Dues income, net of \$832,444 for use at the International Country level	6,303,594	-	6,303,594
Investment income	8,239,924	282,658	8,522,582
Merchandise sales, net of \$589,693 for purchases made at the state and local camp level	3,181,827	-	3,181,827
Other income	376,007	-	376,007
	<u>18,101,352</u>	<u>282,658</u>	<u>18,384,010</u>
Satisfaction of purpose restrictions	7,176,894	(7,176,894)	-
Total operating support and revenues	<u>143,884,265</u>	<u>(5,504,406)</u>	<u>138,379,859</u>
Operating Expenses			
Program services			
Scripture purchases and distributions	101,467,483	-	101,467,483
Membership support and development	18,266,040	-	18,266,040
State and local	9,543,639	-	9,543,639
	<u>129,277,162</u>	<u>-</u>	<u>129,277,162</u>
Supporting services			
Management and general	9,340,013	-	9,340,013
Fundraising	5,234,556	-	5,234,556
Total operating expenses	<u>143,851,731</u>	<u>-</u>	<u>143,851,731</u>
Change in net assets from operations	32,534	(5,504,406)	(5,471,872)
Nonoperating Activities			
Actuarial adjustment on annuity obligations and payments to donors	1,749,985	348,737	2,098,722
Nonqualified pension plan expense	(25,181)	-	(25,181)
Total nonoperating activities	<u>1,724,804</u>	<u>348,737</u>	<u>2,073,541</u>
Change in net assets	1,757,338	(5,155,669)	(3,398,331)
Net assets, beginning of year	<u>107,472,119</u>	<u>111,331,694</u>	<u>218,803,813</u>
Net assets, end of year	\$109,229,457	\$106,176,025	\$215,405,482

The Gideons International
Statement of Activities
For the Year Ended May 31, 2025

	Without donor restrictions	With donor restrictions	Total
Operating Support and Revenues			
Contributions of cash and other financial assets			
General support	\$ 58,944,182	\$ 583,277	\$ 59,527,459
Endowment	-	634,099	634,099
Scriptures	75,949,489	-	75,949,489
Held at state and local camp level	8,614,697	-	8,614,697
International, net of \$15,926,458 and \$1,973,660 for use at the National Association and International Country levels, respectively	<u>7,166,865</u>	<u>-</u>	<u>7,166,865</u>
	150,675,233	1,217,376	151,892,609
Revenues			
Dues income, net of \$783,885 for use at the International Country level	5,824,636	-	5,824,636
Investment income	7,036,287	138,464	7,174,751
Merchandise sales, net of \$567,631 for purchases made at the state and local camp level	2,613,745	-	2,613,745
Other income	<u>351,722</u>	<u>-</u>	<u>351,722</u>
	15,826,390	138,464	15,964,854
Satisfaction of purpose restrictions	<u>10,245,111</u>	<u>(10,245,111)</u>	<u>-</u>
Total operating support and revenues	176,746,734	(8,889,271)	167,857,463
Operating Expenses			
Program services			
Scripture purchases and distributions	100,196,086	-	100,196,086
Membership support and development	17,538,288	-	17,538,288
State and local	<u>9,526,268</u>	<u>-</u>	<u>9,526,268</u>
	127,260,642	-	127,260,642
Supporting services			
Management and general	6,387,015	-	6,387,015
Fundraising	<u>4,908,639</u>	<u>-</u>	<u>4,908,639</u>
Total operating expenses	138,556,296	-	138,556,296
Change in net assets from operations	38,190,438	(8,889,271)	29,301,167
Nonoperating Activities			
Actuarial adjustment on annuity obligations and payments to donors	702,095	109,764	811,859
Nonqualified pension plan expense	<u>(40,569)</u>	<u>-</u>	<u>(40,569)</u>
Total nonoperating activities	661,526	109,764	771,290
Change in net assets	38,851,964	(8,779,507)	30,072,457
Net assets, beginning of year	<u>68,620,155</u>	<u>120,111,201</u>	<u>188,731,356</u>
Net assets, end of year	\$107,472,119	\$111,331,694	\$218,803,813

The Gideons International

Statement of Functional Expenses

For the Year Ended May 31, 2026

	Program services			Supporting services			Total expenses	
	Scripture purchases and distributions	Membership support and development	State and local camp	Total program services	Management and general	Fundraising		
Salaries and related benefits	\$ 5,401,414	\$ 7,742,027	\$ -	\$ 13,143,441	\$ 1,800,471	\$ 3,060,801	\$ 4,861,272	\$ 18,004,713
Scripture procurement and logistics	88,026,074	-	-	88,026,074	-	-	-	88,026,074
Contract and field services	3,522,457	1,840,543	-	5,363,000	1,104,326	736,217	1,840,543	7,203,543
Cost of goods sold	-	3,490,845	-	3,490,845	-	-	-	3,490,845
Depreciation	-	-	-	-	1,330,033	-	1,330,033	1,330,033
Technology and office expense	288,392	1,061,155	477,182	1,826,729	795,867	530,578	1,326,445	3,153,174
Printing, postage, and video production	187,365	1,625,072	2,385,910	4,198,347	366,392	732,785	1,099,177	5,297,524
Professional and legal services	490,723	43,972	-	534,695	3,169,172	-	3,169,172	3,703,867
Repairs and maintenance	-	60,243	-	60,243	210,850	30,121	240,971	301,214
Training and education	121,178	32,693	477,182	631,053	29,423	3,269	32,692	663,745
Travel, conferences, and conventions	3,260,834	2,086,386	6,203,365	11,550,585	185,639	92,820	278,459	11,829,044
Utilities and insurance	169,046	283,104	-	452,150	347,840	47,965	395,805	847,955
	\$ 101,467,483	\$ 18,266,040	\$ 9,543,639	\$ 129,277,162	\$ 9,340,013	\$ 5,234,556	\$ 14,574,569	\$ 143,851,731

The Gideons International
Statement of Functional Expenses
For the Year Ended May 31, 2025

	Program services			Supporting services			Total expenses
	Scripture purchases and distributions	Membership support and development	State and local camp	Total program services	Management and general	Fundraising	
Salaries and related benefits	\$ 4,978,932	\$ 7,136,469	\$ -	\$ 12,115,401	\$ 1,659,643	\$ 2,821,395	\$ 16,596,439
Scripture procurement and logistics	88,011,881	-	-	88,011,881	-	-	88,011,881
Contract and field services	3,188,544	1,847,335	-	5,035,879	1,108,401	738,934	6,883,214
Cost of goods sold	-	3,347,661	-	3,347,661	-	-	3,347,661
Depreciation	-	-	-	-	1,410,535	-	1,410,535
Technology and office expense	274,743	979,936	476,313	1,730,992	734,952	489,968	2,955,912
Printing, postage, and video production	220,206	1,699,581	2,381,567	4,301,354	347,524	695,048	5,343,926
Professional and legal services	132,567	31,014	-	163,581	436,255	-	599,836
Repairs and maintenance	-	41,718	-	41,718	146,012	20,859	208,589
Training and education	109,892	22,900	476,313	609,105	20,610	2,290	632,005
Travel, conferences, and conventions	3,123,027	2,183,566	6,192,075	11,498,668	191,645	95,823	11,786,136
Utilities and insurance	156,294	248,108	-	404,402	331,438	44,322	780,162
	\$ 100,196,086	\$ 17,538,288	\$ 9,526,268	\$ 127,260,642	\$ 6,387,015	\$ 4,908,639	\$ 138,556,296

See notes to financial statements

The Gideons International
Statements of Cash Flows
For the Years Ended May 31, 2026 and 2025

	2026	2025
Cash and cash equivalents, beginning of year	\$ 37,612,097	\$ 47,703,221
Cash flows from operating activities		
Change in net assets	(3,398,331)	30,072,457
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,330,033	1,410,535
(Gain) loss on disposal of property and equipment	9,262	-
Noncash contributions	(476,500)	(396,819)
Proceeds from sales of noncash contributions	-	304,635
Earnings on cash surrender value of life insurance	(69,740)	77,896
Contributions restricted for long-term investment	(912,174)	(634,099)
Realized (gain) loss on investments	(5,373,835)	(1,973,709)
Actuarial change in charitable gift annuities and trusts	(210,021)	(552,906)
Maturities of charitable gift annuities and trusts	(227,603)	(227,603)
Payments on charitable gift annuities and trusts	1,497,120	1,538,045
Change in:		
Inventories and other assets	(21,606,147)	(22,101,302)
Accounts payable and accrued expenses	706,678	2,533,336
Employee benefit obligations	(88,878)	(218,077)
Net cash provided (used) by operating activities	(28,820,136)	9,832,389
Cash flows from investing activities		
Purchases of property and equipment	(1,719,735)	(1,419,868)
Purchases of investments	(119,151,113)	(209,125,909)
Proceeds from sales and maturities of investments	138,478,050	190,769,105
Collection of mortgage notes receivable	42,372	437,572
Net cash provided (used) by investing activities	17,649,574	(19,339,100)
Cash flows from financing activities		
Proceeds from new annuities and trusts	116,000	517,912
Payments on annuities and trusts	(1,457,301)	(1,499,638)
Gift portion of new split interest agreements	(52,548)	(236,786)
Contributions restricted for long-term investment	912,174	634,099
Net cash provided (used) by financing activities	(481,675)	(584,413)
Net change in cash and cash equivalents	(11,652,237)	(10,091,124)
Cash and cash equivalents, end of year	\$ 25,959,860	\$ 37,612,097
Supplemental disclosures of cash flow information		
Cash and cash equivalents is held at:		
Headquarters	\$ 15,500,810	\$ 27,984,665
State and local camp level	10,459,050	9,627,432
	\$ 25,959,860	\$ 37,612,097

The Gideons International
Notes to Financial Statements
For the Years Ended May 31, 2026 and 2025

Note 1. Organization and Nature of Activities

The Gideons International (the Organization) is a not-for-profit corporation described in Section 501(c)(3) of the Internal Revenue Code (the Code) and recognized by the Internal Revenue Service (IRS) as a church as described in the Code and is classified as an entity that is not a private foundation. As such, it is exempt from federal and state income tax, and contributions by the public are deductible for income tax purposes.

The mission of the Organization is to win others for the Lord Jesus Christ through the association of Christian business and professional men for service, the personal testimony and personal work by individual Gideons, and the placing of the Bible or portions thereof in hotels, hospitals, schools, and institutions, and also through the distribution of same for personal use. The Organization is supported primarily through donor contributions, membership dues, and investment income.

The Organization accomplishes its mission by the following program activities:

Camps

The camp is the basic operating unit through which individual members can most effectively serve. A camp may be organized where there are at least six Gideons. When a man joins, he becomes a member of The Gideons International, not a state or national association nor a camp. The camp is the fundamental and most important organizational unit within the Gideon ministry. There are approximately 2,900 camps in the United States.

State Associations

In the United States, The Gideons International is made up of 12 zones. A trustee is responsible for each one of these zones, which consists of a number of states. Some states, as geo-political entities, are combined to form a single state association, and other states may be divided to form more than a single state association.

International Country Ministry

All countries, territories, or possessions not identified as a national association are overseen by the International Country Committee (ICC); thus, these are known as international countries. The ICC is one of the five standing committees of the Organization that are appointed by the international president, subject to approval by the international cabinet; hence, the ICC is delegated with authority from the international cabinet and is responsible to the cabinet.

National Associations

National Associations are defined on the basis of having met certain criteria on membership (minimum number of camps and members), the establishment of a national office with a paid staff, and an elected cabinet. A national association will operate its own ministry within the governance and management guidelines established by the international cabinet.

Note 2. Summary of Significant Accounting Policies

The Organization maintains its accounts and prepares its financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP).

The Gideons International
Notes to Financial Statements
For the Years Ended May 31, 2026 and 2025

Note 2. Summary of Significant Accounting Policies

These financial statements include amounts received by and under the control of the Organization, including those provided by National Associations and International Countries. Worldwide contributions reported to the Organization but retained by National Associations and International Countries for scriptures and administration have been reported as international support in the accompanying statements of activities but deducted from revenues of the Organization.

Use of Estimates

The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

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

Investments

Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair value with gains and losses reported in the statements of activities. Donated investments are recorded at estimated fair value at the date of donation and thereafter carried in conformity with the stated policy.

Investments do not represent significant concentrations of market risk inasmuch as the investment portfolio is adequately diversified among many issuers.

Inventories and Other Assets

Inventories and other assets consist of cash surrender value of life insurance policies, inventories, mortgage notes receivable, a non-majority interest in a limited liability company (LLC), as well as prepaid expenses and other miscellaneous receivables.

Inventories are stated at the lower-of-cost or net realizable value based on the first-in, first-out basis and consist of merchandise held for sale to members.

From time to time, the Organization receives contributions of mortgage notes receivable from donors. The Organization evaluates mortgage notes receivable to determine if a valuation allowance is necessary, which reflects management's historical knowledge about each note. Past due status is determined based on the contractual terms and note balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. All mortgage notes are collateralized by a first mortgage lien on certain real property.

The Gideons International
Notes to Financial Statements
For the Years Ended May 31, 2026 and 2025

Note 2. Summary of Significant Accounting Policies

The Organization prepays to manufacture scriptures. These costs are accounted for as prepaid program costs until the time the scriptures are placed in service.

Other miscellaneous receivables are reported net of any anticipated losses due to uncollectible accounts. No allowance for uncollectible accounts has been recorded as all balances are considered fully collectible as of May 31, 2026 and 2025.

Property and Equipment

Items capitalized as property and equipment are stated at cost or, if donated, at estimated fair market value on the date of donation. The Organization generally capitalizes and reports property and equipment acquisitions in excess of \$5,000. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the useful lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years.

Annuities Payable

The Organization enters into agreements whereby a donor transfers funds to the Organization and in return the donor is guaranteed a stipulated periodic payment throughout his or her lifetime. Unrestricted contribution revenues are recognized in the period in which the contract is executed to the extent that the fair market value of the assets received exceeds the present value of the future expected payments to the donor. Certain of the annuity agreements are insured through the purchase of commercial annuity contracts in which the insurance company agrees to pay the donor the amount guaranteed by the Organization.

The investment in these insured annuity contracts is reflected in the accompanying financial statements at the present value of expected future payments to the insured annuitants.

Annuity obligations are recorded at the present value of the future expected payments to donors based upon applicable federal discount rates and life expectancies of annuitants. Actuarial changes and annuity payments are reported as actuarial adjustment on annuity obligations and payments to donors in the accompanying statements of activities.

Trust Assets, Obligation, and Net Assets

The Organization enters into trust agreements with donors whereby the donor irrevocably transfers assets at the estimated fair market value to a trust naming the Organization as residual beneficiary. Temporarily restricted contribution revenues are recognized in the period in which the trust is established to the extent that the estimated fair market value of the assets received exceeds the present value of the future expected payments to the donor or beneficiary. The Organization will pay to the donor or the beneficiary during the donor's (beneficiary's) life a unitrust amount equal to a stipulated percentage of the net fair market value of the trust assets, valued as of the first day of each calendar year. Any income of the trust for a calendar year in excess of the unitrust amount is added to the trust principal. Upon the death of the donor (beneficiary), the remaining principal is released to net assets without donor restrictions.

The Gideons International
Notes to Financial Statements
For the Years Ended May 31, 2026 and 2025

Note 2. Summary of Significant Accounting Policies

Classes of Net Assets

The financial statements report amounts separately by class 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 the Organization’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 the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Support and Revenues and Expenses

Merchandise sales are recognized when goods are sold to members. For the years ended May 31, 2026 and 2025, merchandise sales revenues are recorded gross of cost of merchandise sales expense of \$3,490,845 and \$3,347,661, respectively, which is included with program services expenses in the accompanying statements of activities.

The Organization reports contributions of cash and other assets as net assets without donor restrictions or net assets with donor restrictions, depending on the existence 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. If a restriction is fulfilled in the same period in which the contribution was received, the Organization reports the support as net assets without donor restrictions. 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.

The Organization reports donations of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Noncash contributions consist of securities recognized at estimated fair value on the date of the gift.

Shipping and handling costs are included in the cost of merchandise sold and scripture purchases.

The Gideons International
Notes to Financial Statements
For the Years Ended May 31, 2026 and 2025

Note 2. Summary of Significant Accounting Policies

Support and Revenues and Expenses

Expenses are reported when costs are incurred, in accordance with the accrual basis of accounting.

The Organization operates State Associations and Camps in the United States as well as International Countries that are not recognized as National Associations under its corporate structure in accordance with the Guidebook. Amounts received from State Associations and Camps and International Countries and paid to the Organization are reported when received or paid, respectively.

Uncertain Tax Positions

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statements of activities. As of May 31, 2026, the Organization has analyzed its tax positions and believes that all are more likely than not to be sustained upon examination.

Functional Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

	Method of allocation
Salaries and related benefits	Time and effort
Contract and field services	Full-time equivalent
Technology and office expense	Time and effort
Printing, postage, and video production	Time and effort
Professional and legal services	Time and effort
Repairs and maintenance	Square footage
Training and education	Time and effort
Travel, conferences, and conventions	Time and effort
Utilities and insurance	Square footage

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing program, supporting services, and investment related activity. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or non-recurring in nature.

The Gideons International
Notes to Financial Statements
For the Years Ended May 31, 2026 and 2025

Note 3. Liquidity and Availability

The following represents the Organization's financial assets as of May 31:

	2026	2025
Financial assets		
Cash and cash equivalents	\$ 25,959,860	\$ 37,612,097
Investments	<u>138,839,746</u>	<u>152,669,863</u>
Total financial assets at year-end	164,799,606	190,281,960
Less amounts not available to be used within one year		
Contractual or donor-imposed restrictions		
Restrictions by donors with time and purpose restrictions	<u>(106,176,025)</u>	<u>(111,331,694)</u>
Financial assets available to meet cash needs for general expenditures within one year before board designations	58,623,581	78,950,266
Less board designations		
Administrative	(21,006,444)	(16,988,904)
Annuity reserve	(1,608,962)	(1,675,354)
General endowment	(4,248,402)	(4,203,669)
Special scripture endowment	<u>(721,857)</u>	<u>(769,341)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ 31,037,916	\$ 55,312,998

As part of the Organization's liquidity plan, in addition to year-round donations from members, churches, and donors, the Organization makes appeals to donors at strategic times of the year and in conjunction with international, national, and state conventions. Cash flow is managed through daily monitoring and monthly cash flow meetings reviewing rolling quarterly projections of cash inflows and outflows. Trends and actual results versus budget are reviewed on a monthly basis. Surplus cash other than the working capital, are invested in the money market account, certificates of deposit, and Treasury Bills to generate additional interest income.

Note 4. Short-term Operating Investments

Short-term operating investments at fair value consist of the following at May 31:

	2026	2025
Mutual funds	\$ 15,171,574	\$ 10,392,070
US government obligations	80,688,084	100,927,431
Corporate bonds	2,137,447	2,278,370
Municipal bonds	<u>403,306</u>	<u>641,443</u>
	\$ 98,400,411	\$ 114,239,314

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Note 4. Short-term Operating Investments

Short-term operating investments are held for the following as of May 31:

	2026	2025
Undesignated	\$ 77,393,967	\$ 97,250,410
Board designated administrative	20,282,769	16,286,433
Board designated nonqualified pension plan	<u>723,675</u>	<u>702,471</u>
	\$ 98,400,411	\$ 114,239,314

Investment income on short-term operating investments consists of the following as of May 31:

	2026	2025
Interest and dividends	\$ 5,957,914	\$ 6,142,017
Net realized gain	547,600	579,051
Net unrealized gain (loss)	1,890,362	428,725
Investment expenses	<u>(155,362)</u>	<u>(112,729)</u>
	\$ 8,240,514	\$ 7,037,064

Note 15 provides additional information about short-term operating investments.

Note 5. Inventories and Other Assets

Inventories and other assets consist of the following as of May 31:

	2026	2025
Cash surrender value of life insurance	\$ 593,277	\$ 523,537
Inventories, net	59,671,443	40,459,092
Mortgage notes receivable, net	395,568	437,940
Real estate held for sale and other non-cash assets	477,000	500
Prepaid expenses	3,938,102	853,057
Other	<u>419,362</u>	<u>1,110,611</u>
	\$ 65,494,752	\$ 43,384,737

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Note 6. Property and Equipment

Property and equipment consists of the following as of May 31:

	2026	2025
Land	\$ 884,443	\$ 884,443
Building	7,523,173	7,462,883
Furniture and equipment	15,027,257	14,398,850
Less: accumulated depreciation	<u>(15,462,819)</u>	<u>(14,220,596)</u>
	7,972,054	8,525,580
Construction in progress	<u>1,038,280</u>	<u>104,314</u>
Property and equipment, net	\$ 9,010,334	\$ 8,629,894

Note 7. Assets Held for Long-term Purposes

Assets held for long-term purposes consist of the following as of May 31:

	2026	2025
Cash and cash equivalents	\$ 1,147,954	\$ 736,255
Mutual funds	28,694,022	26,467,199
Equities	2,471,308	2,938,676
US government obligations	2,721,539	2,670,658
Corporate bonds	2,309,578	2,372,139
Annuity contracts	<u>3,094,934</u>	<u>3,245,622</u>
	\$ 40,439,335	\$ 38,430,549

Investment income on endowment assets included in assets held for long-term purposes for the year ended May 31, 2026, consists of:

	Without donor restrictions	With donor restrictions	Total
Interest and dividends	\$ 25,824	\$ 27,858	\$ 53,682
Net realized gain	8,460	46,800	55,260
Net unrealized gain	6,409	214,360	220,769
Investment expenses	<u>(41,283)</u>	<u>(6,360)</u>	<u>(47,643)</u>
	\$ (590)	\$ 282,658	\$ 282,068

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Note 7. Assets Held for Long-term Purposes

Investment income on assets held for long-term purposes for the year ended May 31, 2025, consists of:

	Without donor restrictions	With donor restrictions	Total
Interest and dividends	\$ 30,090	\$ 27,299	\$ 57,389
Net realized gain	10,889	18,781	29,670
Net unrealized gain	(4,875)	100,156	95,281
Investment expenses	<u>(36,881)</u>	<u>(7,772)</u>	<u>(44,653)</u>
	\$ (777)	\$ 138,464	\$ 137,687

The assets are held as follows as of May 31:

	2026	2025
Annuity investments	\$ 19,582,214	\$ 20,098,218
Trust assets	5,291,885	4,671,865
Endowment investments	13,300,582	11,881,810
Sarah F. Szekely Fund Term Endowment	586,213	536,513
Other restricted assets	<u>1,678,441</u>	<u>1,242,143</u>
	\$ 40,439,335	\$ 38,430,549

Note 15 provides additional information about assets held for long-term purposes.

Note 8. Annuities Payable

Annuities payable consist of the following as of May 31:

	2026	2025
Computed present value		
Gift annuity fund	\$ 8,044,810	\$ 8,376,772
Reinsured gift annuity contracts	<u>3,094,934</u>	<u>3,245,622</u>
	\$ 11,139,744	\$ 11,622,394

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Note 9. Trust Assets, Liabilities, and Net Assets

Trust assets, liabilities, and net assets are held under split interest agreements in the form of charitable remainder trusts. Balances are as follows for the years ended May 31:

	2026	2025
Trust assets (at fair value)		
Investments	\$ 5,291,885	\$ 4,671,865
Trust liabilities and net assets		
Present value of expected payments to beneficiaries	\$ 2,917,525	\$ 2,646,243
Trust net assets	<u>2,374,360</u>	<u>2,025,622</u>
	\$ 5,291,885	\$ 4,671,865

An actuarial adjustment is recognized in the statements of activities for changes in the value of annuities and trusts and is included in actuarial adjustment on annuity obligations and payments to donors.

For the year ended May 31, 2026, these changes include:

	Without donor restrictions	With donor restrictions	Total
Investment income, interest and dividends	\$ 533,026	\$ 301,935	\$ 834,961
Realized and unrealized gains (losses)	2,015,325	582,192	2,597,517
Actuarial adjustments	481,303	(271,282)	210,021
Advisory fees and other expenses	(72,780)	(13,696)	(86,476)
Payments to income beneficiaries	<u>(1,206,889)</u>	<u>(250,412)</u>	<u>(1,457,301)</u>
	\$ 1,749,985	\$ 348,737	\$ 2,098,722

For the year ended May 31, 2025, these changes include:

	Without donor restrictions	With donor restrictions	Total
Investment income, interest and dividends	\$ 572,259	\$ 225,653	\$ 797,912
Realized and unrealized gains (losses)	905,331	142,410	1,047,741
Actuarial adjustments	558,308	(5,402)	552,906
Advisory fees and other expenses	(73,068)	(13,994)	(87,062)
Payments to income beneficiaries	<u>(1,260,735)</u>	<u>(238,903)</u>	<u>(1,499,638)</u>
	\$ 702,095	\$ 109,764	\$ 811,859

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For the Years Ended May 31, 2026 and 2025

Note 10. Net Assets

Net assets consist of the following as of May 31:

	2026	2025
Net assets without donor restrictions		
Undesignated		
Headquarters and International	\$ 57,392,037	\$ 62,627,946
State and local level	<u>10,459,050</u>	<u>9,627,432</u>
	67,851,087	72,255,378
Unfunded employee benefit obligations	(503,431)	(576,961)
Life income (annuities)	<u>5,285,802</u>	<u>3,526,540</u>
	72,633,458	75,204,957
Board designated		
Administrative	21,006,444	16,988,904
Annuity reserve	1,608,962	1,675,354
General endowment	4,248,402	4,203,669
Special scripture endowment	<u>721,857</u>	<u>769,341</u>
	27,585,665	23,637,268
Net investment in property and equipment	<u>9,010,334</u>	<u>8,629,894</u>
	\$ 109,229,457	\$ 107,472,119
Net assets with donor restrictions		
Charitable remainder trusts	\$ 2,374,360	\$ 2,025,622
Sarah F. Szekely Fund Term Endowment	586,213	536,513
Scripture placement*	94,365,775	101,461,493
Other temporarily restricted assets	1,678,441	1,242,143
General endowment	773,987	763,169
Special scripture endowment	<u>6,397,249</u>	<u>5,302,754</u>
	\$ 106,176,025	\$ 111,331,694

*Amount represents the remaining balance of funds contributed by donors for the specific placement of Scriptures.

Note 11. Employee Benefit Obligations

Defined Contribution Plan

The Organization maintains a defined contribution retirement plan covering substantially all of its employees. The Organization makes annual contributions to the plan as determined by management. The plan assets are held in a trust fund by a corporate trustee and are not included in these financial statements.

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Notes to Financial Statements
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Note 11. Employee Benefit Obligations

Defined Contribution Plan

Effective January 1, 2016, the Organization adopted The Gideons International 401(k) Retirement Plan (the Plan), which is an amendment to the prior defined contribution retirement plan, and covers substantially all eligible employees, as defined by the Plan. The amended Plan allows voluntary employee contributions, subject to IRS limits. The amended Plan includes employer matching contributions equal to the participant contributions but not to exceed 4.0% of compensation, as defined by the Plan. The Plan also includes a discretionary employer contribution, as determined by management each year. Participants are fully vested after five years of employment.

The Organization's contributions to the Plan amounted to approximately \$1,174,000 and \$1,073,000 for the years ended May 31, 2026 and 2025, respectively.

Nonqualified Pension Plan

The Organization maintains a nonqualified pension plan (designated fund) established prior to the adoption of the defined contribution plan, as amended. The nonqualified plan will remain in existence, although there is no intention to make additional contributions, until all funds have been distributed to participants. During 2001, the Organization entered into agreements with each of the nonqualified pension plan participants whereby the annual income earned by the participant is not subject to financial equity market risk. The Organization agreed to annually add to each participant's account an amount equal to the greater of 5.0% or 1.0% plus the United States 10-year Treasury Note Yield (applicable percentage) as published on May 31 of the preceding year. The Organization has assumed the risk of financial loss if it is unable to earn an amount in excess of the applicable percentage.

At May 31, 2026 and 2025, the applicable percentage was 5.0%. Accordingly, the Organization has reflected the liability to the nonqualified pension plan participants of \$656,178 and \$671,526 with employee benefit obligations in the accompanying statements of financial position as of May 31, 2026 and 2025, respectively.

Postretirement Benefits

The Organization provides postretirement life insurance benefits to employees hired prior to January 1, 1991. Upon retirement, the Organization provides life insurance coverage to these employees in an amount equal to one half of their salary at the time of retirement. The Organization also provides coverage of \$10,000 for the employee's spouse until the death of the employee. The Organization accounts for the postretirement benefits in accordance with the provisions of the *Compensation Retirement Benefits* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The following sets forth the plan's funded status and amounts recognized in the statements of financial position as of May 31:

	2026	2025
Net periodic benefit cost	\$ 54,506	\$ 60,581
Employer contributions	\$ 63,513	\$ 66,728
Benefit payments	\$ 63,513	\$ 66,728

The benefit obligation of the plan was \$503,431 and \$576,961 as of May 31, 2026 and 2025, respectively. Management of the Organization believes the unfunded benefit obligation will be funded by life insurance proceeds on the lives of those employees who are entitled to the postretirement benefits.

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Note 11. Employee Benefit Obligations

Postretirement Benefits

Components of net periodic benefit cost are as follows as of May 31:

	2026	2025
Interest cost	\$ 28,489	\$ 31,058
Amortization of unrecognized net loss	<u>26,017</u>	<u>29,523</u>
	\$ 54,506	\$ 60,581

Assumptions used in determining the preceding information are as follows as of May 31:

	2026	2025
Discount rate	5.25%	5.25%
Annual pay increases for active employees	3.00%	3.00%
Retirement age	65 or current age if later	
Mortality	2020 Group Annuity Mortality Table	

The following benefit payments, which reflect expected future service as appropriate, are expected to be paid:

Years ending May 31,	
2027	\$ 61,467
2028	58,357
2029	55,173
2030	51,940
2031	48,686
Thereafter	<u>195,698</u>
Total	\$ 471,321

Note 12. Self-Insured Health Insurance Plan

The Organization implemented a self-insured group health insurance plan effective January 1, 2025, replacing its prior full insured arrangement. Under the self-insured plan, the Organization assumes the risk for the health claims of its covered employees and their eligible dependents, up to specified limits.

The Organization is responsible for paying health care claims up to an individual stop-loss limit of \$60,000 per participant per plan year. A third-party stop-loss insurance policy covers individual claims in excess of this limit as well as aggregate claims exceeding \$1,000,000 for the plan year.

The estimated liability for health claims incurred but not reported (IBNR) and unpaid claims is \$236,000 and \$160,204 as of May 31, 2026 and 2025, respectively, and is included in accrued expenses in the accompanying statements of financial position.

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Notes to Financial Statements
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Note 12. Self-Insured Health Insurance Plan

The Organization has engaged a third-party administrator to process claims and assist in estimating reserves. In addition, the organization maintains a separate self-insured health insurance reserve account to support potential claim obligations, which is classified within board-designated net assets. This reserve account had a balance of \$1,586,968 and \$898,092 as of May 31, 2026 and 2025, respectively.

Note 13. Commitments

As of May 31, 2026 and 2025, the Organization has entered into commitments for the purchase of 34,083,908 and 35,343,714 scriptures, amounting to \$45,825,075 and \$49,530,220, respectively. All commitments are expected to be satisfied within the next year.

Note 14. Related Party Transactions

The Organization received \$27,568,529 and \$25,850,868 of scripture and administrative fund remittances from worldwide National Associations and International Countries, of which \$16,921,618 and \$16,287,288 was used in country by certain National Associations, \$2,651,560 and \$2,396,715 was used internationally by certain International Countries, and \$7,995,351 and \$7,166,865 in worldwide contributions has been remitted to the Organization and is included in Contributions International in the accompanying statements of activities for the years ended May 31, 2026 and 2025, respectively.

Note 15. Fair Value Measurements

The *Fair Value Measurements and Disclosure* topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of 3 broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The Gideons International
Notes to Financial Statements
For the Years Ended May 31, 2026 and 2025

Note 15. Fair Value Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at May 31, 2026:

	Level 1	Level 2	Level 3	Total
Short-term operating investments				
Board designated				
Mutual funds				
Income	\$ 3,452,970	\$ -	\$ -	\$ 3,452,970
Growth	49,026	-	-	49,026
Value	692,141	-	-	692,141
Balanced	9,283,589	-	-	9,283,589
International	<u>1,693,848</u>	<u>-</u>	<u>-</u>	<u>1,693,848</u>
	15,171,574	-	-	15,171,574
US governmental obligations	80,688,084	-	-	80,688,084
Corporate bonds	-	2,137,447	-	2,137,447
Municipal bonds	<u>-</u>	<u>403,306</u>	<u>-</u>	<u>403,306</u>
	\$ 95,859,658	\$ 2,540,753	-	\$ 98,400,411
Other assets				
Cash surrender value of life insurance	\$ -	\$ -	\$ 593,277	\$ 593,277

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Note 15. Fair Value Measurements

	Level 1	Level 2	Level 3	Total
Assets held for long-term purposes				
Cash and cash equivalents	\$ 1,147,954	\$ -	\$ -	\$ 1,147,954
Mutual funds				
Income	6,998,715	-	-	6,998,715
Growth	7,520,999	-	-	7,520,999
Value	5,605,529	-	-	5,605,529
Balanced	4,509,734	-	-	4,509,734
International	<u>4,059,045</u>	<u>-</u>	<u>-</u>	<u>4,059,045</u>
	28,694,022	-	-	28,694,022
Equities	2,471,308	-	-	2,471,308
US government obligations	2,721,539	-	-	2,721,539
Corporate bonds	-	2,309,578	-	2,309,578
Annuity contracts	<u>-</u>	<u>-</u>	<u>3,094,934</u>	<u>3,094,934</u>
	\$ 35,034,823	\$ 2,309,578	\$ 3,094,934	\$ 40,439,335

The Gideons International
Notes to Financial Statements
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Note 15. Fair Value Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at May 31, 2025:

	Level 1	Level 2	Level 3	Total
Short-term operating investments				
Board designated				
Mutual funds				
Income	\$ 1,744,942	\$ -	\$ -	\$ 1,744,942
Growth	382,145	-	-	382,145
Value	492,692	-	-	492,692
Balanced	6,884,904	-	-	6,884,904
International	<u>887,387</u>	<u>-</u>	<u>-</u>	<u>887,387</u>
	10,392,070	-	-	10,392,070
US governmental obligations	100,927,431	-	-	100,927,431
Corporate bonds	-	2,278,370	-	2,278,370
Municipal bonds	<u>-</u>	<u>641,443</u>	<u>-</u>	<u>641,443</u>
	\$ 111,319,501	\$ 2,919,813	-	\$ 114,239,314
Other assets				
Cash surrender value of life insurance	\$ -	\$ -	\$ 523,537	\$ 523,537

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Note 15. Fair Value Measurements

	Level 1	Level 2	Level 3	Total
Assets held for long-term purposes				
Cash and cash equivalents	\$ 736,255	\$ -	\$ -	\$ 736,255
Mutual funds				
Income	7,563,940	-	-	7,563,940
Growth	6,584,492	-	-	6,584,492
Value	4,932,110	-	-	4,932,110
Balanced	3,902,627	-	-	3,902,627
International	<u>3,484,030</u>	<u>-</u>	<u>-</u>	<u>3,484,030</u>
	26,467,199	-	-	26,467,199
Equities	2,938,676	-	-	2,938,676
US government obligations	2,670,658	-	-	2,670,658
Corporate bonds	-	2,372,139	-	2,372,139
Annuity contracts	<u>-</u>	<u>-</u>	<u>3,245,622</u>	<u>3,245,622</u>
	\$ 32,812,788	\$ 2,372,139	\$ 3,245,622	\$ 38,430,549

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy:

Level 1 Fair Value Measurements

Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets. The fair values of equities, US government obligations, and mutual funds are based on current pricing in the applicable market.

Level 2 Fair Value Measurements

Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full-term of the asset or liability. The fair values of corporate and municipal bonds are based on yields currently available on comparable securities of issuers with similar credit ratings.

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Note 15. Fair Value Measurements

Level 3 Fair Value Measurements

Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The fair value of the reinsured annuity contracts is determined by calculating the present value of the future distributions expected to be paid, using published life expectancy tables and certain discount rates. The fair value of real estate held for investment is based on sales of comparable property, adjusted for differences in physical characteristics (location, size, condition, amenities, etc.), and local economic conditions. Cash surrender value of life insurance is valued by the insurer. The following table provides further detail of the Level 3 fair value measurements as of May 31, 2026 and 2025:

Balance May 31, 2024	\$ 3,647,916
Change in present value of annuity contracts	<u>(402,294)</u>
Balance May 31, 2025	3,245,622
Change in present value of annuity contracts	<u>(150,688)</u>
Balance May 31, 2026	\$ 3,094,934

Changes in valuation techniques – None

There were no significant changes in other level 3 assets during the years ended May 31, 2026 and 2025.

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 period. For the years ended May 31, 2026 and 2025, there were no transfers into or out of Levels 1, 2, or 3.

Note 16. Endowment Funds

The Organization's endowments consist of the following:

(a) General Endowment Fund – A portion of life membership dues and all permanently restricted contributions received constitute the General Endowment Fund. Such funds are invested in marketable securities. Income from the investments is used for administrative expenses and is recorded directly in the Administrative fund.

(b) Special Scripture Endowment Fund – Contributions received for the Special Scripture Endowment Fund are invested in marketable securities. Income from the investments is used for the purchase of Scriptures and is recorded as investment income in the Scripture Fund, except in instances where the donor has required a portion of the income be added to principal.

(c) The Sarah Fulmer Szekely Term Endowment Fund – Contributions received for The Sarah Fulmer Szekely Term Endowment Fund are invested in fixed income and equities. Income from the investments is to be added to principal until 2043, at which time all principal may be used for the Organization's operations. The fund will distribute a total of 7.0% on an annual basis. The distributions are made at the beginning of each calendar year and the distribution amount is calculated as the average of the prior three calendar year-end market values times the distribution percentage.

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Note 16. Endowment Funds

The endowment consists of board designated and donor restricted endowment funds. As required by US GAAP, net assets associated with endowment funds, including those designated by the cabinet to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund.
- (2) The purposes of the Organization and the donor-restricted endowment fund.
- (3) General economic conditions.
- (4) The possible effect of inflation and deflation.
- (5) The expected total return from income and the appreciation of investments.
- (6) Other resources of the Organization.
- (7) The investment policies of the Organization.

Endowment net asset composition by type of fund as of May 31, 2026:

	Without donor restrictions	With donor restrictions	Total
Board designated endowment funds	\$ 4,970,259	\$ -	\$ 4,970,259
Donor restricted endowment funds	<u>-</u>	<u>7,757,449</u>	<u>7,757,449</u>
	\$ 4,970,259	\$ 7,757,449	\$ 12,727,708

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Note 16. Endowment Funds

Changes in endowment net assets for the year ended May 31, 2026:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, May 31, 2025	\$ 4,973,010	\$ 6,602,436	\$ 11,575,446
Investment return			
Interest and dividends	25,824	27,858	53,682
Net realized gain	8,460	46,800	55,260
Net unrealized gain	6,409	214,360	220,769
Investment expenses	<u>(41,283)</u>	<u>(6,360)</u>	<u>(47,643)</u>
Total investment income	(590)	282,658	282,068
Additional board designations	172,938	-	172,938
Contributions	-	912,174	912,174
Amounts appropriated for expenditures	<u>(175,099)</u>	<u>(39,819)</u>	<u>(214,918)</u>
Endowment net assets, May 31, 2026	\$ 4,970,259	\$ 7,757,449	\$ 12,727,708

Endowment net asset composition by type of fund as of May 31, 2025:

	Without donor restrictions	With donor restrictions	Total
Board designated endowment funds	\$ 4,973,010	\$ -	\$ 4,973,010
Donor restricted endowment funds	<u>-</u>	<u>6,602,436</u>	<u>6,602,436</u>
	\$ 4,973,010	\$ 6,602,436	\$ 11,575,446

Changes in endowment net assets for the year ended May 31, 2025:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, May 31, 2024	\$ 4,802,356	\$ 5,868,280	\$ 10,670,636
Investment return:			
Interest and dividends	30,090	27,299	57,389
Net realized gain	10,889	18,781	29,670
Net unrealized gain	(4,875)	100,156	95,281
Investment expenses	<u>(36,881)</u>	<u>(7,772)</u>	<u>(44,653)</u>
Total investment loss	(777)	138,464	137,687
Additional board designations	146,224	-	146,224
Contributions	35,834	634,099	669,933
Amounts appropriated for expenditures	<u>(10,627)</u>	<u>(38,407)</u>	<u>(49,034)</u>
Endowment net assets, May 31, 2025	\$ 4,973,010	\$ 6,602,436	\$ 11,575,446

The Gideons International
Notes to Financial Statements
For the Years Ended May 31, 2026 and 2025

Note 16. Endowment Funds

At May 31, 2026 and 2025, net assets with donor restrictions consist of the portion of perpetual endowment funds that is required to be retained permanently either by explicit donor-stipulation or by UPMIFA.

The Organization has established investment policies for endowments which set certain expectations for target asset allocations, expected rates of return, and risk tolerances sufficient to achieve long-term investment objectives. Investment performance is reviewed at least annually with comparisons made to market indices.

Note 17. Concentrations

The Organization maintains cash and cash equivalents in financial institutions which may, at times, exceed federally insured limits. Approximately \$10,800,000 and \$24,700,000 of cash was held in excess of the federally insured limit at May 31, 2026 and 2025, respectively. The Organization has not experienced any losses on such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

For the year ended, May 31, 2025, one donor represented 25.5% of all donor contributions.

As of May 31, 2026 and 2025, one vendor was owed 39% and 47% of accounts payable, respectively.

The Organization holds various investments that consist of cash and securities at times can exceed the Securities Investor Protection Corporation insured limits. The Organization has not experienced any losses on such accounts, and management believes it is not exposed to any significant credit risk on cash and securities.

Note 18. Contingencies

Occasionally, the Organization becomes involved in various legal proceedings arising in the normal course of operations. In the opinion of management, and from consultations with legal counsel, for claims exerted, the Organization will defend itself vigorously and no estimate of loss is included in the financial statements as of May 31, 2026 and 2025.

Note 19. Subsequent Events

Management has evaluated subsequent events through July 9, 2026, the date on which the financial statements were available to be issued.

On June 12, 2026, a court entered a final judgment in litigation involving the Organization and Monex, Inc. The court awarded the Organization approximately \$1,100,000, inclusive of prejudgment interest. The court also awarded Monex approximately \$736,000 on a counterclaim asserted against the Organization. Certain other claims asserted by both parties were denied by the court. The judgement results in an estimated net amount receivable before consideration of any post-judgement proceedings. The ultimate resolution of this matter and the timing of any cash collection may differ from current estimates.