



TEARFUND USA, INC.

Financial Statements  
With Independent Auditor's Report

March 31, 2025

# TEARFUND USA, INC.

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Tearfund USA, Inc.  
Centennial, Colorado

### ***Opinion***

We have audited the accompanying financial statements of Tearfund USA, Inc., which comprise the statement of financial position as of March 31, 2025, and the related statement of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tearfund USA, Inc. as of March 31, 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.

### ***Correction of a Misstatement***

As discussed in Note 9 to the financial statements, the 2025 beginning net assets have been restated to correct a misstatement. Our conclusion is not modified with respect to this matter.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Tearfund USA, Inc. 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 these 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 Tearfund USA, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors  
Tearfund USA, Inc.  
Centennial, Colorado

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the 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 Tearfund USA, Inc.'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 Tearfund USA, Inc.'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.

*Capin Crouse LLC*

Colorado Springs, Colorado  
October 10, 2025

# TEARFUND USA, INC.

## Statement of Financial Position

March 31, 2025

### ASSETS:

Cash and cash equivalents	\$	92,998
Contributions receivable		92,870
Equipment and technology, net		<u>2,400</u>

Total Assets	\$	<u><u>188,268</u></u>
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### LIABILITIES AND NET ASSETS:

#### Liabilities:

Accounts payable and accrued expenses	\$	<u>37,356</u>
Total liabilities		<u>37,356</u>

#### Net assets:

Without donor restrictions		44,719
With donor restrictions		<u>106,193</u>
Total net assets		<u>150,912</u>

Total Liabilities and Net Assets	\$	<u><u>188,268</u></u>
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See notes to financial statements

# TEARFUND USA, INC.

## Statement of Activities

Year Ended March 31, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE:</b>			
Contributions and grant income	\$ 346,740	\$ 132,802	\$ 479,542
Other income	1,970	-	1,970
Net assets released from restrictions:			
Satisfaction of ministry project restrictions	158,516	(158,516)	-
Total Support and Revenue	<u>507,226</u>	<u>(25,714)</u>	<u>481,512</u>
<b>EXPENSES:</b>			
Program services	285,240	-	285,240
Supporting activities:			
General and administrative	151,091	-	151,091
Fundraising	42,694	-	42,694
Total Expenses	<u>479,025</u>	<u>-</u>	<u>479,025</u>
Change in Net Assets	<u>28,201</u>	<u>(25,714)</u>	<u>2,487</u>
Net Assets, Beginning of Year, as Restated	<u>16,518</u>	<u>131,907</u>	<u>148,425</u>
Net Assets, End of Year	<u>\$ 44,719</u>	<u>\$ 106,193</u>	<u>\$ 150,912</u>

See notes to financial statements

# TEARFUND USA, INC.

## Statement of Functional Expenses

Year Ended March 31, 2025

	Program Services	Supporting Activities:		Total
		General and Administrative	Fundraising	
Grants to others	\$ 199,466	\$ -	\$ -	\$ 199,466
Salaries and benefits	43,093	96,574	23,857	163,524
Professional services	16,957	37,855	9,417	64,229
Office and occupancy	7,785	11,103	2,785	21,673
Supplies and travel	13,285	15	4	13,304
Other expenses	40	3,503	6,552	10,095
Depreciation and amortization	1,803	1,803	-	3,606
Promotional items and advertising	1,267	238	79	1,584
Events	1,544	-	-	1,544
	<u>\$ 285,240</u>	<u>\$ 151,091</u>	<u>\$ 42,694</u>	<u>\$ 479,025</u>

See notes to financial statements

# TEARFUND USA, INC.

## Statement of Cash Flows

Year Ended March 31, 2025

### CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$	2,487
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization		3,606
Net change in:		
Contributions receivable		22,824
Prepaid expenses and other assets		1,926
Accounts payable and accrued expenses		1,835
Net Cash Provided in Operating Activities		<u>32,678</u>
Change in Cash and Cash Equivalents		32,678
Cash and Cash Equivalents, Beginning of Year		<u>60,320</u>
Cash and Cash Equivalents, End of Year	\$	<u><u>92,998</u></u>

See notes to financial statements

# TEARFUND USA, INC.

## Notes to Financial Statements

March 31, 2025

### 1. NATURE OF ORGANIZATION:

Tearfund USA, Inc. (the Organization) was organized in 2018, in Delaware as a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, the Organization is subject to federal income tax on any unrelated business taxable income. In addition, the Organization is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

The Organization is established for the purpose of providing Christian international relief services around the globe and is passionate about ending poverty and seeing communities flourish.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. A summary of the significant accounting policies is described below to enhance the usefulness of the financial statements to the reader.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash on deposit, and a money market account. As of March 31, 2025, the Organization's cash balances did not exceed federally insured limits.

#### CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of unconditional promises to give totaling \$92,870 as of March 31, 2025. The balance is expected to be fully collected within one year. Contributions receivable are recognized as assets and contributions at the time the contribution is unconditionally promised or is no longer considered conditional. Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give, when significant, that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. An allowance for uncollectible contributions is recorded when evidence indicates amounts promised by donors may not be collectible. For the year ending March 31, 2025, management has determined that no allowance for doubtful accounts is considered necessary.

#### EQUIPMENT AND TECHNOLOGY, NET

Expenditures for equipment and websites are capitalized if over \$2,000. Donated items are recorded at the fair value on the date of the gift. Depreciation and amortization is computed on the straight line method over the estimated useful lives of the assets. Useful lives range from 3-5 years.

# TEARFUND USA, INC.

## Notes to Financial Statements

March 31, 2025

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### NET ASSETS

The financial statements report amounts by class of net assets:

*Net assets without donor restriction* are those currently available at the discretion of the board of directors for use in the Organization's operations.

*Net assets with donor restriction* are those that are stipulated by donors for specific purposes or are subject to the passage of time. They are not currently available for use in the Organization's activities until restrictions regarding their use have been fulfilled.

#### SUPPORT, REVENUE, AND EXPENSES

Contributions and grant income are recorded when cash or unconditional promises-to-give have been received, or ownership of donated assets is transferred to the Organization. Conditional promises-to-give are recognized when the barriers on which they depend are overcome. Contributions are recorded as net assets with donor restrictions if they are received with donor stipulations that limit their use through purpose and/or time restrictions. When donor restrictions expire, that is when the purpose restriction is fulfilled or the time restriction expires, the net assets are reclassified from net assets with donor restriction to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. All contributions are considered available for use without donor restrictions, unless specifically restricted by the donor.

Other income consists of interest income and is recorded when earned. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

#### FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities to which they relate on the basis of readily measurable direct costs or management estimate of time and expenses spent for each category. Currently, there are no joint costs that have been allocated among program, general and administrative, and fundraising functions.

#### USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Estimates include depreciation of equipment and technology and allocation of functional expenses. Accordingly, actual results could differ from those estimates.

# TEARFUND USA, INC.

## Notes to Financial Statements

March 31, 2025

### 3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets as of March 31, 2025, reduced by amounts not available for general use because of contractual, board imposed designations, or donor-imposed restrictions within one year of the statement of financial position date.

Financial assets:	
Cash and cash equivalents	\$ 92,998
Grants receivable	92,870
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Financial assets available to meet cash needs for general expenditures within one year	\$ 185,868
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The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Management monitors cash flows closely through periodic reviews and board meetings. The Organization has certain donor-restricted net assets that are available for general expenditures within one year of March 31, 2025 as the restrictions are expected to be met by conducting the normal activities of the Organization in the coming year.

### 4. EQUIPMENT AND TECHNOLOGY, NET:

As of March 31, 2025, equipment and technology, net consist of:

Website	\$ 25,000
Technology	68,210
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	93,210
Accumulated depreciation and amortization	(90,810)
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	\$ 2,400
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# TEARFUND USA, INC.

## Notes to Financial Statements

March 31, 2025

5. NET ASSETS WITH DONOR RESTRICTIONS:

As of March 31, 2025, net assets with donor restrictions for projects consist of:

Contributions receivable	\$ 92,870
Women and gender equality	6,986
Creation care	5,601
Conflict and crisis	736
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	\$ 106,193
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6. RETIREMENT PLAN:

The Organization maintains a 403(b) retirement plan for all eligible employees. An employee is 100% vested at the time of employment. The Organization contributes to the plan a maximum amount equal to 4% of all eligible employee's compensation. In addition, employees may elect to defer and contribute to the plan a portion of their compensation in amounts up to the maximum permitted by law. Employer contributions for the year ended March 31, 2025 totaled approximately \$4,000.

7. DONOR CONCENTRATION:

During the year ended March 31, 2025, the Organization received contributions from three donors that totaled approximately \$232,000. These gifts accounted for approximately 48% of contributions and grant income for the year ended March 31, 2025.

8. RELATED PARTY TRANSACTIONS:

Approximately \$162,000, which is approximately 34% of contributions and grant income, was donated to the Organization by Tearfund UK during the year ended March 31, 2025. Additionally, during the year ended March 31, 2025, the Organization granted approximately \$199,000 to Tearfund UK in order to fund projects in foreign countries.

# TEARFUND USA, INC.

## Notes to Financial Statements

March 31, 2025

### 9. CORRECTION OF A MISSTATEMENT:

During the year ended March 31, 2025, the Organization identified net assets with donor restrictions that had been released in prior periods. However, these releases were not properly recorded in the prior periods. As a result, the March 31, 2024 net assets with donor restrictions and net assets without donor restrictions have been restated to properly reflect these amounts. The impact of this restatement on the March 31, 2025 financial statements is as follows:

	<u>Balance as Previously Reported</u>	<u>Restatement</u>	<u>Balance as Restated</u>
Statement of activities as of March 31, 2025:			
Net assets without donor restrictions, beginning of year	<u>\$ (157,142)</u>	<u>\$ 173,660</u>	<u>\$ 16,518</u>
Net assets with donor restrictions, beginning of year	<u>\$ 305,567</u>	<u>\$ (173,660)</u>	<u>\$ 131,907</u>
 Total net assets, beginning of year	 <u>\$ 148,425</u>	 <u>\$ -</u>	 <u>\$ 148,425</u>

### 10. SUBSEQUENT EVENTS:

Subsequent events were evaluated through October 10, 2025, which is the date the financial statements were available to be issued.