TEARFUND USA, INC.

Financial Statements
With Independent Auditor's Report

March 31, 2026 and 2025

TEARFUND USA, INC.

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CAPINCROUSE
A DIVISION OF Carr, Riggs & Ingram

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 statements of financial position as of March 31, 2026 and 2025, and 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 financial statements referred to above present fairly, in all material respects, the financial position of Tearfund USA, Inc. as of March 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. 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.

2435 Research Parkway, Suite 200
Colorado Springs, CO 80920
505.50.CAPIN
capincrouse.com

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
August 3, 2026

TEARFUND USA, INC.

Statements of Financial Position

	March 31, 2026	March 31, 2025
ASSETS:		
Cash and cash equivalents	$ 134,709	$ 92,998
Contributions receivable	104,715	92,870
Prepaid expenses	2,059	-
Equipment and technology, net	-	2,400
Total Assets	$ 241,483	$ 188,268
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	$ 46,461	$ 37,356
Total liabilities	46,461	37,356
Net assets:		
Without donor restrictions	88,641	44,719
With donor restrictions	106,381	106,193
Total net assets	195,022	150,912
Total Liabilities and Net Assets	$ 241,483	$ 188,268

See notes to financial statements

TEARFUND USA, INC.

Statements of Activities

	Year Ended March 31,					
	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE:						
Contributions and grant income	$ 443,792	$ 978,537	$ 1,422,329	$ 346,740	$ 132,802	$ 479,542
Other income	116	-	116	1,970	-	1,970
Net assets released from restrictions:						
Satisfaction of ministry project restrictions	978,349	(978,349)	-	158,516	(158,516)	-
Total Support and Revenue	1,422,257	188	1,422,445	507,226	(25,714)	481,512
EXPENSES:						
Program services	1,081,235	-	1,081,235	285,240	-	285,240
Supporting activities:						
General and administrative	157,097	-	157,097	151,091	-	151,091
Fundraising	140,003	-	140,003	42,694	-	42,694
Total Expenses	1,378,335	-	1,378,335	479,025	-	479,025
Change in Net Assets	43,922	188	44,110	28,201	(25,714)	2,487
Net Assets, Beginning of Year	44,719	106,193	150,912	16,518	131,907	148,425
Net Assets, End of Year	$ 88,641	$ 106,381	$ 195,022	$ 44,719	$ 106,193	$ 150,912

See notes to financial statements

TEARFUND USA, INC.

Statements of Functional Expenses

	Year Ended March 31,															
	2026								2025							
			Supporting Activities:								Supporting Activities					
	Program Services		General and Administrative		Fundraising		Total		Program Services		General and Administrative		Fundraising		Total	
Grants to others	$	971,952	$	-	$	-	$	971,952	$	199,466	$	-	$	-	$	199,466
Salaries and benefits		64,830		81,613		107,425		253,868		43,093		96,574		23,857		163,524
Professional services		7,889		58,890		4,162		70,941		16,957		37,855		9,417		64,229
Supplies and travel		22,563		5,145		6,773		34,481		13,285		15		4		13,304
Office and occupancy		9,676		6,664		8,806		25,146		7,785		11,103		2,785		21,673
Other expenses		-		3,561		12,829		16,390		40		3,503		6,552		10,095
Events		2,631		-		-		2,631		1,544		-		-		1,544
Depreciation and amortization		1,200		1,200		-		2,400		1,803		1,803		-		3,606
Promotional items and advertising		494		24		8		526		1,267		238		79		1,584
	$	1,081,235	$	157,097	$	140,003	$	1,378,335	$	285,240	$	151,091	$	42,694	$	479,025

See notes to financial statements

TEARFUND USA, INC.

Statements of Cash Flows

	March 31, 2026	March 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 44,110	$ 2,487
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	2,400	3,606
Net change in:		
Contributions receivable	(11,845)	22,824
Prepaid expenses	(2,059)	1,926
Accounts payable and accrued expenses	9,105	1,835
Net Cash Provided in Operating Activities	41,711	32,678
Change in Cash and Cash Equivalents	41,711	32,678
Cash and Cash Equivalents, Beginning of Year	92,998	60,320
Cash and Cash Equivalents, End of Year	$ 134,709	$ 92,998

See notes to financial statements

TEARFUND USA, INC.

Notes to Financial Statements

March 31, 2026 and 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, 2026 and 2025, the Organization's cash balances did not exceed federally insured limits.

   CONTRIBUTIONS RECEIVABLE
   Contributions receivable consist of unconditional promises to give totaling $104,715 and $92,870 as of March 31, 2026 and 2025. 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 years ending March 31, 2026 and 2025, management has determined that no allowance for doubtful accounts is considered necessary and no discount has been recorded as all amounts are collectible within one year.

   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. As of March 31, 2026, all equipment and technology is fully depreciated.

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 statements 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 that are particularly susceptible to change in the near term include depreciation of equipment and technology, the collectability of contributions receivable, and allocation of expenses on a functional basis. Actual results could differ from those estimates.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets as of March 31, 2026 and 2025, reduced by amounts not available for general use because of contractual, board imposed designations, or donor-imposed restrictions within one year of the statements of financial position date.

	March 31, 2026	March 31, 2025
Financial assets:		
Cash and cash equivalents	$ 134,709	$ 92,998
Contributions receivable	104,715	92,870
Financial assets available to meet cash needs for general expenditures within one year	$ 239,424	$ 185,868

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, 2026 and 2025, including approximately $106,000 of donor-restricted net assets at each year-end. The restrictions are expected to be met by conducting the normal activities of the Organization in the coming year.

4. EQUIPMENT AND TECHNOLOGY, NET:

Equipment and technology, net consist of:

	March 31, 2026	March 31, 2025
Website	$ 25,000	$ 25,000
Technology	68,210	68,210
	93,210	93,210
Accumulated depreciation and amortization	(93,210)	(90,810)
	$ -	$ 2,400

5. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions for projects consist of:

	March 31,	
	2026	2025
Contributions receivable	$ 104,715	$ 92,870
Conflict and crisis	937	736
Women and gender equality	688	6,986
Creation care	41	5,601
	$ 106,381	$ 106,193

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 years ended March 31, 2026 and 2025 totaled approximately $8,000 and $4,000, respectively.

7. DONOR CONCENTRATION:

During the years ended March 31, 2026 and 2025, the Organization received contributions from four and three donors that totaled approximately $1,146,000 and $232,000, respectively. These gifts accounted for approximately 81% and 48%, respectively, of contributions and grant income for the years ended March 31, 2026 and 2025.

8. RELATED PARTY TRANSACTIONS:

During the years ended March 31, 2026 and 2025, Tearfund UK donated approximately $328,000 and $162,000, respectively, which is approximately 23% and 34% of contributions and grant income. Further contributions receivable from Tearfund UK were approximately $105,000 and $93,000, respectively, as of March 31, 2026, and 2025. Additionally, during the years ended March 31, 2026 and 2025, the Organization granted approximately $972,000 and $199,000, respectively, to Tearfund UK in order to fund projects in foreign countries.

9. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, August 3, 2026, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.