TOMORROW CLUBS INTERNATIONAL, INC.

INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

TABLE OF CONTENTS

Thomas A. Madsen, CPA
Diana L. Weddigen, CPA
Samantha R. Mulvihill, CPA

Lewis, Kisch & Associates, Ltd.
CERTIFIED PUBLIC ACCOUNTANTS

1125 South Frontage Road, Suite 1
Hastings, MN 55033
T (651) 437-3356
F (651) 437-3808
www.lewiskisch.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Tomorrow Clubs International, Inc.

Opinion

We have audited the accompanying financial statements of Tomorrow Clubs International, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, 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 Tomorrow Clubs International, Inc., as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Respectfully submitted,

Lewis, Kisch & Associates, Ltd.

May 7, 2026

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

ASSETS	2025	2024
Assets		
Cash and Cash Equivalents	$ 410,027	$ 295,506
Prepaid Expenses	4,590	6,999
Contractor Advances	2,226	
Investments	2,224,323	2,190,437
Total Assets	$ 2,641,166	$ 2,492,942
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	$ 11,179	$ 11,024
Payroll Taxes Payable	265	5,447
Total Liabilities	11,444	16,471
Net Assets		
Without Donor Restrictions	2,629,722	2,476,471
With Donor Restrictions		
Total Net Assets	2,629,722	2,476,471
Total Liabilities and Net Assets	$ 2,641,166	$ 2,492,942

See accompanying notes to financial statements.

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues and Support		
Individual Contributions	$ 1,076,501	$ 1,614,041
Foundation Contributions	501,263	13,722
Investment Income	109,034	93,232
Realized and Unrealized Gains	19,029	14,639
Miscellaneous Revenue	4,751	
Total Revenues and Support	1,710,578	1,735,634
Net Assets Released from Restrictions		2,075
Expenses		
Program Services	1,123,333	1,316,642
Management and General	118,318	111,600
Fundraising	315,676	124,699
Total Expenses	1,557,327	1,552,941
Change in Net Assets Without Donor Restrictions	153,251	184,768
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Net Assets Released from Restrictions		(2,075)
Change in Net Assets with Donor Restrictions		(2,075)
Total Change in Net Assets	153,251	182,693
Total Net Assets, Beginning of Year	2,476,471	2,293,778
Total Net Assets, End of Year	$ 2,629,722	$ 2,476,471

See accompanying notes to financial statements.

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2025 AND 2024

2025

	Program Services	Management and General	Fundraising	Total
Accounting		$ 9,325		$ 9,325
Bank Charges and Fees	$ 5,281	1,315		6,596
Conferences and Meetings	34,143	4,647		38,790
Contract Services	69,878		$ 124,968	194,846
Credit Card Processing Fees		19,895		19,895
Donor Relations			738	738
Fundraising Events			2,738	2,738
Grants to Programs	894,186			894,186
Legal and Professional Services		11,598		11,598
Marketing and Printing			13,917	13,917
Office Equipment and Ministry Tools	1,940	2,799		4,739
Office Supplies and Software	1,476	2,359		3,835
Payroll Expenses				
Employee Benefits	8,170	539	233	8,942
Gross Wages	80,950	54,250	157,083	292,283
Payroll Services		939		939
Payroll Taxes	6,384	4,150	13,778	24,312
Workers' Compensation Insurance		908		908
Total Payroll Expenses	95,504	60,786	171,094	327,384
Postage and Delivery		456	643	1,099
State Registrations		965		965
Telephone and Internet	2,451	898		3,349
Training and Staff Development	417	416	257	1,090
Travel	18,057	1,247	1,321	20,625
Website and Hosting		1,612		1,612
Total Expenses	$ 1,123,333	$ 118,318	$ 315,676	$ 1,557,327

2024

	Program Services	Management and General	Fundraising	Total
Accounting		$ 7,750		$ 7,750
Bank Charges and Fees	$ 6,035	1,295		7,330
Conferences and Meetings	24,184	859		25,043
Contract Services	69,641		$ 82,255	151,896
Credit Card Processing Fees		18,120		18,120
Donor Relations		317		317
Fundraising Events				
Grants to Programs	1,089,185			1,089,185
Legal and Professional Services		1,885		1,885
Marketing and Printing			10,045	10,045
Office Equipment and Ministry Tools		1,508		1,508
Office Supplies and Software	1,803	1,496		3,299
Payroll Expenses				
Employee Benefits	8,974	513	431	9,918
Gross Wages	100,033	64,833	28,334	193,200
Payroll Services		543		543
Payroll Taxes	8,050	5,195	2,479	15,724
Workers' Compensation Insurance		688		688
Total Payroll Expenses	117,057	71,772	31,244	220,073
Postage and Delivery		960		960
State Registrations		1,041		1,041
Telephone and Internet	1,952	1,070		3,022
Training and Staff Development	300			300
Travel	6,378	2,053	1,155	9,586
Website and Hosting	107	1,474		1,581
Total Expenses	$ 1,316,642	$ 111,600	$ 124,699	$ 1,552,941

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Change in Net Assets	$ 153,251	$ 182,693
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities:		
Contributed Investments	(9,489)	(9,880)
Realized and Unrealized (Gains) Losses on Investments	(19,029)	(14,639)
(Increase) Decrease in Operating Assets:		
Prepaid Expenses	2,409	(6,525)
Contractor Advances	(2,226)	
Contributions Receivable		2,075
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	155	2,459
Payroll Taxes Payable	(5,182)	276
Grants Payable		(3,500)
Net Cash from (Used in) Operating Activities	119,889	152,959
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchases of Investments	(296,443)	(1,620,559)
Withdrawals of Investments	291,075	16,873
Net Cash from (Used in) Investing Activities	(5,368)	(1,603,686)
Net Increase (Decrease) in Cash	114,521	(1,450,727)
Cash and Cash Equivalents, Beginning of Year	295,506	1,746,233
Cash and Cash Equivalents, End of Year	$ 410,027	$ 295,506

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

1. Organization

Tomorrow Clubs International, Inc. ("Tomorrow Clubs" or the "Organization"), began in 1997 as part of HOPE International's outreach programming in Ukraine. The Organization became a separate entity in 2016, committed to fulfilling the Great Commission by helping children learn to follow Jesus.

The Organization partners with local churches to provide long-term discipleship for children and teenagers in underserved communities through a network of weekly bible clubs. Each club is run by volunteers from a local church as an outreach to the community with the goal of connecting children and their families to the local congregation.

Attendees memorize scripture and learn biblical principles as they work through the Tomorrow Clubs' curriculum. Enduring relationships are formed as leaders teach valuable life skills in hobby classes. Many of the 4,000+ volunteer Tomorrow Club leaders are former club members who are now investing in the next generation.

Supported by charitable contributions and sponsorship of mission trips, the Organization serves more than 49,000 children and teens, many from unchurched families. About 1,700 clubs meet weekly, often in remote villages where there is little if any opportunity to hear the gospel. The Organization works in twelve countries – Albania, Armenia, Belarus, Georgia, Kazakhstan, Moldova, Romania, Russia, Serbia, Ukraine, Zimbabwe, and South Africa.

2. Summary of Significant Accounting Policies

Basis of Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") applicable to not-for-profit organizations. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and the changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

Net Assets with Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where a donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Organization considers all cash and highly liquid financial instruments with original maturities of three months or less that are neither held nor restricted by donors for long-term purposes to be cash and cash equivalents.

2. Summary of Significant Accounting Policies (Continued)

Investments – The Organization records investment purchases at cost, or if donated, at fair market value at the date of donation. Thereafter, investments are reported at their fair values on the statements of financial position. Investment income is reported on the statements of activities and consists of interest and dividend income, less investment management and custodial fees. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. There were no investment management and custodial fees during the years ended December 31, 2025 and 2024.

Property and Equipment – Property and equipment are recorded at cost or, if donated, at fair market value at the date of donation. Purchases of less than $1,000 are expensed in the year purchased. Depreciation is computed using the straight-line method and charged to expense over the estimated useful lives of the assets. Costs of maintenance and repairs that do not improve or extend the useful life of the respective assets are expensed currently. As of December 31, 2025 and 2024, the Organization had no capitalized property or equipment.

Revenues and Revenue Recognition – The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor stipulations for their use.

In-Kind Services – The Organization is supported primarily through contributions from individuals and foundations. Additionally, the Organization receives a substantial amount of services donated by volunteers in carrying out its ministry. Donated services are recognized at fair value if the services meet the recognition criteria prescribed by generally accepted accounting principles, which include: a) requiring specialized skills; b) being provided by someone with those skills; and c) would have to be purchased if they were not donated. No amounts have been reflected in the financial statements for donated services because they do not meet the requirements for recognition in the financial statements.

Advertising – Advertising costs, including marketing and printing, are expensed as incurred.

Functional Allocation of Expenses – The costs of providing the Organization's various program and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes – The Organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and similar state statutes and is not considered a private foundation. Management has evaluated for uncertain tax positions and has determined there are no uncertain tax positions as of December 31, 2025. Tax returns for the past three years remain open for examination by tax jurisdictions.

Estimates – The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk – Financial instruments, which potentially subject the Organization to credit risk, consist primarily of cash and cash equivalents. The Organization's cash and cash equivalents balances have been placed with major financial institutions. At times, such amounts may exceed Federal Deposit Insurance Corporation limits. At December 31, 2025 and 2024, the Organization had no uninsured cash and cash equivalents balances. The Organization closely monitors these balances and has not experienced credit losses.

Reclassifications – Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods reported. These reclassifications had no effect on previously reported net assets.

2. Summary of Significant Accounting Policies (Continued)

Subsequent Events – Management has performed an evaluation of subsequent events through May 7, 2026, the date the financial statements were available to be issued.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31:

	2025	2024
Cash	$ 410,027	$ 295,506
Investments	2,224,323	2,190,437
Total financial assets available for expenditure within one year	$ 2,634,350	$ 2,485,943

The board of directors has a policy to keep a minimum of 10% of the annual budget on hand in operating accounts. The Organization holds the excess in interest-bearing money market and brokerage accounts.

4. Fair Value Measurements and Disclosures

The Organization reports certain assets at fair value in the accompanying financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk.

Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, management develops inputs using the best information available in the circumstances.

The Organization's investments are classified within Level 1 because they are comprised of mutual funds with readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value on a recurring basis as of December 31, 2025:

	Level 1	Level 2	Level 3	Total
Mutual funds – Bonds	$1,992,752			$1,992,752
Mutual funds – Equity	231,571			231,571
Total	$2,224,323			$2,224,323

The following table presents assets measured at fair value on a recurring basis as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Mutual funds – Bonds	$1,973,711			$1,973,711
Mutual funds – Equity	216,726			216,726
Total	$2,190,437			$2,190,437

5. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Many expenses of the Organization are directly allocable to one program or supporting service. Other expenses, which include bank charges and fees, conferences and meetings, contract services, office equipment and ministry tools, office supplies and software, payroll expenses, postage and delivery, telephone and internet, training and staff development, and travel are allocated based on estimates of time and effort determined by management.

6. Related-Party Transactions

During the year ended December 31, 2024, the Organization employed a relative of a board member. The Organization paid this individual $27,000 during the year ended December 31, 2024. During the year ended December 31, 2025, the Organization did not employe any relatives of board members.

7. Concentrations

During the years ended December 31, 2025 and 2024, contributions from one organization constituted 29% and 40% of the Organization's total revenue and support, respectively. Discontinuation of funding from this contributor could significantly affect the Organization's cash flow and operations.

During the years ended December 31, 2025 and 2024, grants to programs provided to one organization comprised 26% and 39% of the Organization's total expenses, respectively.

8. Uncertainties

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to considerable economic uncertainty, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported on the financial statements.

On February 24, 2022, Russia launched a full-scale invasion of Ukraine, interrupting the Organization's programming in Ukraine. The duration and cumulative effect of the war on the Organization's operations are not reasonably estimable.