

CHRISTIAN ALLIANCE FOR ORPHANS

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

Fifteen Months Ended March 31, 2025

CHRISTIAN ALLIANCE FOR ORPHANS

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Independent Auditors' Report

Board of Directors
Christian Alliance for Orphans

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Christian Alliance for Orphans, which comprise the statement of financial position as of March 31, 2025, and the related statements of activities, functional expenses and cash flows for the fifteen months 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 Christian Alliance for Orphans as of March 31, 2025, and the changes in its net assets and its cash flows for the fifteen months then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Christian Alliance for Orphans and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility 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 Christian Alliance for Orphans' ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 Christian Alliance for Orphans' 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 Christian Alliance for Orphans' 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.

Mersereau, Lazenby & Rockas, LLC

Mersereau, Lazenby & Rockas, LLC
Suwanee, Georgia
September 22, 2025

CHRISTIAN ALLIANCE FOR ORPHANS
STATEMENT OF FINANCIAL POSITION
March 31, 2025

ASSETS

	2025
CURRENT ASSETS	
Cash and cash equivalents	\$ 349,213
Investments	5,059,890
Prepaid expenses and other assets	11,592
Total current assets	5,420,695
 PROPERTY AND EQUIPMENT	
Property and equipment, net of accumulated depreciation of \$86,516 in 2025	34,412
TOTAL ASSETS	5,455,107

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	80,346
Accrued expenses	36,956
Deferred revenue	720,746
TOTAL LIABILITIES	838,048
 NET ASSETS	
Without donor restrictions	
Without donor restrictions - expendable	4,110,201
Without donor restrictions - net investment in property & equipment	34,412
Total net assets without donor restrictions	4,144,613
With donor restrictions	472,446
TOTAL NET ASSETS	4,617,059
TOTAL LIABILITIES AND NET ASSETS	\$ 5,455,107

See auditors' report and accompanying notes to financial statements

CHRISTIAN ALLIANCE FOR ORPHANS
STATEMENT OF ACTIVITIES
Fifteen Months Ended March 31, 2025

	2025		Total
	Without Donor Restrictions	With Donor Restrictions	
SUPPORT AND REVENUE			
Contributions	\$ 2,371,223	\$ 728,603	\$ 3,099,826
Grant income	-	574,584	574,584
Membership dues	341,323	-	341,323
Sponsorship revenue	294,279	-	294,279
Registration revenue	451,168	-	451,168
In-kind contributions	10,472	-	10,472
Other income	495,323	-	495,323
	<u>3,963,788</u>	<u>1,303,187</u>	<u>5,266,975</u>
Sales revenue	71,595	-	71,595
Cost of goods sold	(29,499)	-	(29,499)
Net sales revenue	42,096	-	42,096
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>1,499,114</u>	<u>(1,499,114)</u>	<u>-</u>
Total support and revenue	<u>5,504,998</u>	<u>(195,927)</u>	<u>5,309,071</u>
EXPENSES			
Program services	4,446,223	-	4,446,223
Management and general	874,492	-	874,492
Fundraising	92,995	-	92,995
Member development	21,694	-	21,694
Total expenses	<u>5,435,404</u>	<u>-</u>	<u>5,435,404</u>
CHANGE IN NET ASSETS	69,594	(195,927)	(126,333)
NET ASSETS, Beginning of year	<u>4,075,019</u>	<u>668,373</u>	<u>4,743,392</u>
NET ASSETS, End of year	<u>\$ 4,144,613</u>	<u>\$ 472,446</u>	<u>\$ 4,617,059</u>

See auditors' report and accompanying notes to financial statements

CHRISTIAN ALLIANCE FOR ORPHANS
STATEMENT OF FUNCTIONAL EXPENSES
Fifteen Months Ended March 31, 2025

2025

	Program Services				Supporting Activities			Total
	Advocacy & Education	Global Movements	Summit	Total Programs	Management and General	Fundraising	Member Development	
Salaries and benefits	\$ 2,827,072	\$ 245,355	\$ 247,788	\$ 3,320,215	\$ 422,393	\$ 85,394	\$ 19,891	\$ 3,847,893
Awards and grants	185,866	20,600	-	206,466	-	-	629	207,095
Contributed services and materials	-	-	2,172	2,172	-	-	-	2,172
Cost of goods sold	1,246	-	27,663	28,909	590	-	-	29,499
Depreciation	-	-	-	-	28,691	-	-	28,691
Development	3,899	472	231	4,602	42,547	-	-	47,149
Insurance	-	-	-	-	9,963	-	-	9,963
Marketing and promotion	32,678	-	6,680	39,358	41,293	1,848	-	82,499
Meals and food	19,038	8,388	54,869	82,295	6,024	127	-	88,446
Member benefits	1,084	333	6,386	7,803	8,898	-	-	16,701
Miscellaneous	4,701	-	443	5,144	5,713	275	-	11,132
Occupancy	323	25	52	400	159	-	-	559
Printing and postage	28,687	589	22,854	52,130	16,939	2,146	42	71,257
Professional fees	50,552	66,360	6,650	123,562	225,341	750	-	349,653
Special events	98,794	6,254	98,308	203,356	6,144	-	-	209,500
Supplies and materials	12,368	2,757	31,289	46,414	5,065	-	39	51,518
Technology	103,533	6,522	50,187	160,242	28,884	508	600	190,234
Telephone and communications	25,822	3,881	784	30,487	3,391	432	53	34,363
Travel	94,280	24,346	42,951	161,577	23,047	1,515	440	186,579
Total expenses by function	3,489,943	385,882	599,307	4,475,132	875,082	92,995	21,694	5,464,903
Less expenses included with revenues in the statement of activities								
Cost of goods sold	(1,246)	-	(27,663)	(28,909)	(590)	-	-	(29,499)
Total expenses included in the expense section in the statement of activities	\$ 3,488,697	\$ 385,882	\$ 571,644	\$ 4,446,223	\$ 874,492	\$ 92,995	\$ 21,694	\$ 5,435,404
<i>Percentage of total expenses</i>	<i>64%</i>	<i>7%</i>	<i>11%</i>	<i>82%</i>	<i>16%</i>	<i>2%</i>	<i><1%</i>	<i>100%</i>

See auditors' report and accompanying notes to financial statements

CHRISTIAN ALLIANCE FOR ORPHANS
STATEMENT OF CASH FLOWS
Fifteen Months Ended March 31, 2025

	2025
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (126,333)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	28,691
Net realized and unrealized investment gain	(375,002)
Decrease (increase) in assets:	
Pledges receivable	325,000
Prepaid expenses and other assets	(7,859)
Increase in liabilities:	
Accounts payable and accrued expenses	74,585
Deferred revenue	216,638
CASH PROVIDED BY OPERATING ACTIVITIES	135,720
CASH FLOWS FROM INVESTING ACTIVITIES	
Net investment transfers	(1,133,295)
CASH USED FOR INVESTING ACTIVITIES	(1,133,295)
NET DECREASE IN CASH	(997,575)
CASH AND CASH EQUIVALENTS, Beginning of period	1,346,788
CASH AND CASH EQUIVALENTS, End of period	\$ 349,213

See auditors' report and accompanying notes to financial statements

CHRISTIAN ALLIANCE FOR ORPHANS
NOTES TO FINANCIAL STATEMENTS
Fifteen Months Ended March 31, 2025

NOTE 1: NATURE OF ORGANIZATION

The Christian Alliance for Orphans (“CAFO” or “the Organization”) inspires and equips Christians for effective adoption, foster care, and global orphan care ministry. CAFO was established in 2007 under the laws of the State of Texas as a not-for-profit corporation. CAFO works to see the local church in every nation rise as the primary answer for the orphan in distress, with the vision that every orphan will experience God's unfailing love through His people. CAFO is supported through the contributions of interested individuals, churches, foundations, and businesses.

CAFO represents a model of effective Christian unity, uniting more than 300 respected Christian organizations and a global network of churches to work together in coordinated initiatives that draw upon the strengths of each. These include the following:

The CAFO Summit (“Summit”) is an unforgettable gathering of leaders passionate for adoption, foster care and effective service to the vulnerable worldwide. It serves to both grow and to guide a true movement of Christians who are leading the church to be God’s answer for children who lack family.

More Than Enough works to help start and grow networks of churches and ministries in counties across the US, working together to provide more than enough well-supported homes for every child in foster care—including foster, adoptive, and supported biological families.

The Pure Religion Project (National Church Ministry Initiative) works year-round to help local churches start and grow effective and sustainable foster care, adoption, and orphan care ministries.

The Pure Religion Project (Awareness/Activation Campaign) rises from the heritage of Orphan Sunday and Stand Sunday, where a small, humble church in Zambia (Orphan Sunday, 2002) and another in Brownwood, TX (Stand Sunday, 2002) responded to God’s call to welcome and care for the vulnerable children of their communities. Over the decades since, tens of thousands of local events have been held in local churches all over the world – often under the name Orphan Sunday or Stand Sunday. Today, churches are encouraged to continue this heritage, and CAFO provides free guidance and resources to make planning events and activities easy.

The CAFO Student Initiative inspires and prepares students for a lifetime of effective service to children in the name of Jesus.

The CAFO Global Network harnesses the strengths of CAFO members and expertise across the field to invest in emerging leaders and networks worldwide. The Global Network serves as a hub for curated knowledge, facilitated community and interconnection among national movements.

The Center on Applied Research for Vulnerable Children and Families improves the quality of care for orphans around the globe. The Center’s programs help child-serving organizations to integrate best practice models and current research into their programs aiding children and families in more than 100 countries.

CHRISTIAN ALLIANCE FOR ORPHANS
NOTES TO FINANCIAL STATEMENTS
Fifteen Months Ended March 31, 2025

NOTE 1: NATURE OF ORGANIZATION (continued)

The Development and Discipleship Initiative expands Christian adoption, foster and orphan care worldwide by helping child-serving ministries build more effective fundraising programs. In partnership with Mission Increase, this high-leverage investment provides world-class development training and resources to CAFO's 300+ member organizations. Participating ministries learn to shift from "transactional" fundraising to an approach that truly cares for and nurtures Christian givers as disciples of Jesus.

The Institute for Family-Centered Healing and Health works to help foster and adoptive parents as they care for children who have faced significant adversity. It seeks especially to provide parents with a renewed confidence that they have a vital, irreplaceable role to play in the healing and long-term health of their children and also practical resources for doing so -- always grounded in Scripture, scientific research, and the best thinking of the Christian tradition.

Effectiveness and Accountability: CAFO helps elevate the quality of care of its members, promotes current research and best practice, and facilitates new partnerships among members. Churches and individuals can partner with CAFO member organizations with confidence, knowing they are committed to fiscal integrity, good governance, effective practice and collaborative work.

Advocacy and Education: CAFO unites its members in a powerful combined voice. From social media to radio to print, CAFO champions children the world often forgets. These diverse efforts include regular interviews with both Christian and mainstream media; articles and opinion editorials on orphan issues; speaking and teaching at conferences and other events nationwide; the CAFO blog; CAFO monthly newsletter and other communications; strategic use of Facebook, Twitter and other social media; videos and other visual media products; phone and in-person meetings with thought leaders, pastors, grassroots advocates and other influencers; email and phone response to a wide range of inquiries regarding orphan-related issues; three websites (CAFO's main site, Summit, and the Pure Religion Project); interaction with Federal, state, local and international officials, lawmakers, and other policy leaders; monthly training webinars for church ministries; and much more. The CAFO Summit, Pure Religion Project, Global Networks, and More Than Enough each also have advocacy and education components, as do other efforts.

CAFO focuses primarily on the responsibility of the Church, not government, in meeting the needs of orphans. However, CAFO recognizes that government plays a vital complementary role, and so works to keep the Christian community well-informed and engaged regarding key public policy issues. CAFO does not engage in traditional lobbying, but is called upon regularly by government institutions and leaders to provide insight and guidance on policy matters.

Effective in 2024, the Organization changed its fiscal year-end from December 31 to March 31 to better align its reporting period with operational and programmatic cycles. As a result, the accompanying financial statements present the results of operations and cash flows for the fifteen-month period ended March 31, 2025. Accordingly, the amounts presented are not directly comparable to those in prior years, which reflected a twelve-month reporting period.

CHRISTIAN ALLIANCE FOR ORPHANS
NOTES TO FINANCIAL STATEMENTS
Fifteen Months Ended March 31, 2025

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.

Net assets with donor restrictions are subject to stipulations imposed by donors. Some donor restrictions are temporary in nature and will be met by actions of the Organization or with the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor stipulates that the funds be maintained in perpetuity.

Basis of Accounting

The financial statements of CAFO have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in bank accounts, including checking, savings, and money market accounts. These funds are held in banks covered by the Federal Deposit Insurance Corporation up to \$250,000. Deposits in excess of federally insured limits totaled \$80,071 as of March 31, 2025. Management believes it is not exposed to any significant credit risk on cash, although its balances have exceeded federally insured limits.

Investments

Investments are reported at fair value and realized and unrealized gains and losses are reflected in the statement of activities. Note 8 describes how fair value is determined.

Prepaid Expenses

Prepaid expenses include insurance premiums for coverage into the following year.

Property and Equipment

CAFO capitalizes all expenditures for property and equipment in excess of \$2,500. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. These assets include website and computers. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which is set at three years. CAFO charges maintenance and repairs to expense in the current period. Acquisitions are capitalized and depreciated each year. Gains and losses on dispositions are included in earnings in the period of disposition.

CHRISTIAN ALLIANCE FOR ORPHANS
NOTES TO FINANCIAL STATEMENTS
Fifteen Months Ended March 31, 2025

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Revenue

Deferred revenue includes memberships, registrations, and sponsorships that have been received during the reporting period and are recognized throughout the reporting period and after the Summit event as earned. Once earned they are recorded as revenue on the statement of activities.

Revenue and Revenue Recognition

Contributions are recognized when cash, securities, unconditional promises to give, and other assets are received. They are recorded as increases to net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, 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 statement of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Sponsorship revenue is earned from vendor exhibits and sponsorships at the Summit event, which is recognized when the event takes place. Membership dues are provided from various individuals, churches, not-for-profits, and businesses and are recognized as the benefit obligations are satisfied. The benefit obligations for memberships are generally satisfied over time during an annual term from purchase date of each membership. Registration revenue is primarily for the Summit event and is recorded as income when the event takes place. Other income is also recorded when earned. See Note 6 for more information on revenue recognition.

Marketing and Promotional Events

All costs for marketing and promotional events are expensed in the period they are incurred. Total marketing and promotional expenses was \$82,499 for the fifteen months ended March 31, 2025.

Income Taxes

The Organization is exempt from income taxes under Internal Revenue Code (“the Code”) Section 501(c)(3) and the Georgia Revenue and Taxation Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated income, to determine its filing and tax obligations in jurisdictions for which it has nexus, and to identify and evaluate other matters that may be considered tax positions. CAFO has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

CHRISTIAN ALLIANCE FOR ORPHANS
NOTES TO FINANCIAL STATEMENTS
Fifteen Months Ended March 31, 2025

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates in the Financial Statements

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Depreciation is estimated using the straight-line method in accordance with US GAAP. Compensation has been allocated based on time and effort estimated by each program. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing various program services and supporting activities have been summarized on a functional basis in the statement of activities. Compensation has been allocated among the functional expenses based on estimated time and use. All other costs have been allocated based on usage.

NOTE 3: AVAILABILITY AND LIQUIDITY

The following represents the Organization’s financial assets available for general expenditures within one year of March 31:

	2025
Financial assets at fiscal year-end	
Cash and cash equivalents	\$ 349,213
Investments	5,059,890
Pledges receivable	-
Prepaid expenses and other assets	11,592
Total financial assets at year-end	5,420,695
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions: restricted by donor with time or purpose restrictions	(472,446)
Financial assets available to meet general expenditures over the next twelve months	\$ 4,948,249

The Organization regularly monitors liquidity required to meet operating needs and other commitments. CAFO’s goal is to maintain cash reserves of at least \$500,000, which it exceeded as of March 31, 2025 when taking into account cash held in investments. In addition to financial assets available to meet general expenditures over the next twelve months, CAFO anticipates collecting sufficient revenue to cover general expenditures which are not funded by donor restricted resources. CAFO maintained a positive cash flow from operations for the current period. Refer to the statement of cash flows which identifies the sources and uses of the Organization’s cash.

CHRISTIAN ALLIANCE FOR ORPHANS
NOTES TO FINANCIAL STATEMENTS
Fifteen Months Ended March 31, 2025

NOTE 4: INVESTMENTS

Investments as of March 31 were as follows:

	2025	
	Cost	Fair Value
Cash and cash equivalents	\$ 29,233	\$ 29,233
Mutual funds	2,456,055	3,026,204
Government securities	1,960,032	2,004,453
	\$ 4,445,320	\$ 5,059,890

Investment income consists of the following for the fifteen months ended March 31, 2025:

	2025
Interest and dividends	\$ 187,828
Realized gains	85,457
Unrealized gains	185,011
Total investment gains	\$ 458,296

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of March 31:

	2025
Equipment	\$ 4,053
Website	116,875
	120,928
Less accumulated depreciation	(86,516)
Total property and equipment	\$ 34,412

Depreciation expense totaled \$28,691 for the fifteen months ended March 31, 2025.

NOTE 6: REVENUE FROM CONTRACTS WITH CUSTOMERS

CAFO has adopted Accounting Standards Update (ASU) No. 2014-09 – *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Organization’s financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way CAFO recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

CHRISTIAN ALLIANCE FOR ORPHANS
NOTES TO FINANCIAL STATEMENTS
Fifteen Months Ended March 31, 2025

NOTE 6: REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

The disaggregation of revenue by type is depicted on the face of the statement of activities. Contract liabilities of \$720,746 were recorded for the fifteen months ending March 31, 2025. There were no contract assets recorded for the fifteen months ended March 31, 2025. Contract liabilities are recorded for membership fees received but not yet earned. See the Revenue and Revenue Recognition section under Note 2 for further information.

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions have the following time and purpose restrictions:

	Fifteen Months Ended March 31, 2025			
	Balance 12/31/2023	Restricted Revenue	Restrictions Satisfied	Balance 3/31/2025
Student Initiative and Applied Research and Best Practice Initiative	\$ -	\$ 269,444	\$ (269,444)	\$ -
National Foster Care Initiative	19,004	234,584	(253,588)	-
Staff support	37,291	134,366	(171,657)	-
Global Movements Initiative	57,921	356,188	(386,493)	27,616
Other designations	554,157	234,092	(343,419)	444,830
Discipleship and development	-	74,513	(74,513)	-
Total net assets with donor restrictions	\$ 668,373	\$ 1,303,187	\$ (1,499,114)	\$ 472,446

NOTE 8: FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. US GAAP establishes a hierarchy of inputs to valuation of that price using three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Organization can access at the measurement date. Level 2 inputs are those other than Level 1 inputs which are either directly or indirectly observable. Level 3 inputs are unobservable to the Organization.

CHRISTIAN ALLIANCE FOR ORPHANS
NOTES TO FINANCIAL STATEMENTS
Fifteen Months Ended March 31, 2025

NOTE 8: FAIR VALUE MEASUREMENTS (continued)

The fair value of cash and investments held in the investment account approximate the carrying values on the statement of financial position as the nature of the assets held by CAFO are listed below:

	Fair Value Measurements at March 31, 2025			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 29,233	\$ -	\$ -	\$ 29,233
Exchange-traded and closed-end funds	-	2,641,125	-	2,641,125
Mutual funds	385,079	-	-	385,079
Government securities	2,004,453	-	-	2,004,453
Total assets at fair value	\$ 2,418,765	\$ 2,641,125	\$ -	\$ 5,059,890

NOTE 9: RETIREMENT PLAN

CAFO provides a 403(b) retirement plan administered by MG Trust covering all qualified employees. CAFO's policy is to match 100% of an employee's contribution, up to 3.5% of their eligible compensation. Employer contributions to the plan totaled \$97,750 for the fifteen months ended March 31, 2025.

NOTE 10: RELATED PARTY TRANSACTIONS

For the fifteen months ending March 31, 2025, board members, employees, and family members contributed approximately \$455,000 to CAFO.

NOTE 11: IN-KIND CONTRIBUTIONS

CAFO has adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The in-kind contributions below are recognized as a separate line item on the statement of activities. In-kind contributions consist of the following for the fifteen months ended March 31, 2025:

<u>Contributed Nonfinancial Assets</u>	<u>Revenue Recognized</u>	<u>Utilization in Programs</u>
Language interpretation services	\$ 6,500	Summit
Legal services	2,172	Management & General
Website services	1,800	Advocacy & Education
Total in-kind contributions	\$ 10,472	

The services listed above are valued at the estimated fair value based on historical transactions between CAFO and the donor for similar professional services. The fair value of the donated gift cards is based on the fair value of the cards. There are no associated donor restrictions for the contributed nonfinancial assets listed above.

CHRISTIAN ALLIANCE FOR ORPHANS
NOTES TO FINANCIAL STATEMENTS
Fifteen Months Ended March 31, 2025

NOTE 12: SUBSEQUENT EVENTS

CAFO has evaluated subsequent events through September 22, 2025, which represents the date the financial statements were available to be issued.